



Number: AEI/77/V-2023/corsec
Encl.: -

Jakarta, May 16, 2023

To
**Chief Executive of the Supervision of Capital Market, Financial Derivatives, and Carbon Exchange
Financial Services Authority (OJK)**
Gedung Sumitro Djojohadikusumo
Jl. Lapangan Banteng Timur No. 2-4
Jakarta 10710
For the attention of: Supervisory Director of Issuers and Public Companies 2

**President Director
PT Bursa Efek Indonesia**
Gedung Bursa Efek Indonesia, Tower I
Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190
For the attention of: Director of Corporate Valuation

Re: Information Disclosure of PT Adaro Energy Indonesia Tbk ("the Company")

Dear Sirs,

We hereby submit an Information Disclosure as required in Regulation of the Financial Services Authority of the Republic of Indonesia No. 17/POJK.04/2020 on the Material Transaction and Change of Business Activities ("**POJK 17/2020**"), and Regulation Number I-E on the Information Disclosure Obligations, Appendix to the Decree of the Board of Directors of PT Bursa Efek Indonesia Number Kep-00066/BEI/09-2022, as follows:

Name of Issuer or Public Company:	PT Adaro Energy Indonesia Tbk (ADRO)
Business sector:	Head office activities and management consultation (for the businesses of the Company's subsidiaries operating in mining, excavation, mining support services, large-scale trading, logistics, warehousing, and logistics support activities, cargo handling (stevedoring), seaport service activities, plant agriculture, construction, engine repair and installation, power provision, water treatment, forestry, and industry)
Address:	Menara Karya, 23 rd floor, Jl. H.R. Rasuna Said Blok X-5, Kav. 1-2, Jakarta Selatan, 12950
Telephone / Facsimile:	+62 21 2553 3000 / +62 21 5794 4709
E-mail address:	corsec@adaro.com

1.	Date of event	May 12, 2023
2.	Type of information	The Signing of Facility Agreements and the Plan to Provide Guarantee
3.	Description of information	<p><u>Signing of Facility Agreements</u></p> <p>PT Kalimantan Aluminium Industry (“KAI”) and PT Kaltara Power Indonesia (“KPI”), each being a limited liability company which is a controlled company indirectly owned by the Company, have individually signed a Facility Agreement with a syndication of several financial institutions for loan facility (i) for KAI, amounting to US\$981,400,000 (nine hundred eighty-one million four hundred thousand United States Dollars) and IDR1,547,900,000,000 (one trillion five hundred forty-seven billion nine hundred million Rupiah) (“KAI’s Loan Facility”), and (ii) for KPI, amounting to US\$603,600,000 (six hundred three million six hundred thousand United States Dollars) and IDR952,100,000,000 (nine hundred fifty-two billion one hundred million Rupiah) (“KPI’s Loan Facility”, which collectively with KAI’s Loan Facilities referred to as the “Signing of Facility Agreements”).</p> <p>KAI’s Loan Facility will be used, among others, for financing the development of an aluminum smelter project with the capacity of 500,000 tons per annum (tpa) owned by KAI, which is located in the industrial park being developed by PT Kalimantan Industrial Park Indonesia, in North Kalimantan, Indonesia (“KAI’s Project”) and will mature no later than 8 (eight) years as of the date of signing of KAI’s Loan Facility.</p> <p>KPI’s Loan Facility will be used, among others, for financing the development of a power plant project with the capacity of 1,060 MW owned by KPI which is located in the industrial park being developed by PT Kalimantan Industrial Park Indonesia, in North Kalimantan, Indonesia (“KPI’s Project”) and will mature no later than 10 (ten) years as of the signing of KPI’s Loan Facility.</p> <p>(KAI’s Project and KPI’s Project are collectively referred to as the “Project”).</p> <p><u>Plan to Provide Guarantee</u></p> <p>In relation to KAI’s Loan Facility:</p> <ul style="list-style-type: none"> (i) PT Adaro Indo Aluminium (“AIA”), a controlled company of the Company, will pledge its shares in KAI (“Pledge of AIA’s Shares”); (ii) KAI will pledge its bank account, provide fiducia security on its material assets, fiducia security on its receivables, and mortgage on the land located in the area of KAI’s Project’s (“Guarantee by KAI”); and

		<p>(iii) The Company will provide corporate guarantee based on AIA's ownership of KAI ("Corporate Guarantee to KAI").</p> <p>(The Pledge of AIA's Shares, Guarantee by KAI, and Corporate Guarantee to KAI are collectively referred to as the "Plan to Provide KAI Guarantee").</p> <p>In relation to KPI's Loan Facility:</p> <p>(i) PT Adaro Power ("AP"), a controlled company of the Company, will pledge its shares in KPI ("Pledge of AP's Shares");</p> <p>(ii) KAI will pledge its shares in KPI ("Pledge of KAI's Shares");</p> <p>(iii) KPI will pledge its bank account, provide fiducia security on its material assets, fiducia security on its receivables, and mortgage on the land located in the area of KPI's Project ("Guarantee by KPI"); and</p> <p>(iv) The Company will provide corporate guarantee based on AP's ownership in KPI ("Corporate Guarantee to KPI").</p> <p>(The Pledge of AP's Shares, Pledge of KAI's Shares, Guarantee by KPI, and Corporate Guarantee to KPI are collectively referred to as the "Plan to Provide KPI Guarantee").</p> <p>(The Plan to Provide KAI Guarantee and the Plan to Provide KPI Guarantee are collectively referred to as the "Plan to Provide Guarantee").</p> <p>The total transaction value of the Plan to Provide Guarantee does not exceed the total value of the transaction of the Signing of Facility Agreements.</p>
4.	<p>Impacts of the event or information on the issuer's or public company's operational activities, legal status, financial condition, or business continuity</p>	<p>The transaction of the Signing of Facility Agreements and the Plan to Provide Guarantee will support the Company's investment activities, operations and business continuity, by covering the funding needs in the business development of the Company's controlled companies in aluminum processing and power generation businesses.</p> <p>The development of this Project is part of the Company's commitment to participate in the Indonesian Government's mineral downstream policy.</p> <p>Through the Project, the Company can contribute in the job creation and state tax revenue, as well as reducing Indonesia's dependence on the imports of aluminum products in order to reduce trade deficit and increase the state's foreign exchange income.</p> <p>Based on the Company assessment, there is no material adverse impact on the Company's operational activities, legality, financial condition, or business continuity.</p>

5.	Other remarks	<p>The transactions of the Signing of Facility Agreements and the Plan to Provide Guarantee are deemed as Material Transaction as defined in POJK 17/2020 because the total value of the Loan Facility (including the value of Guarantee) is higher than 20% of the Company's equity as at December 31, 2022.</p> <p>According to the provision of Article 11 letter b and c of POJK 17/2020, the Company is not required to engage an appraiser as specified in Article 6 paragraph (1) letter a, if conducting a Material Transaction in the form of (i) loans received directly from a bank and/or (ii) providing security to a bank in relation to loan directly received by the controlled companies of the Company.</p>
6.	Statement of the Board of Directors	<p>The transaction of the Signing of Facility Agreements is not an affiliated transaction as described in Regulation of the Financial Services Authority of the Republic of Indonesia Number 42/POJK.04/2020 on Affiliated Transactions and Conflict-of-Interest Transactions ("POJK 42/2020").</p> <p>The Plan to Provide Guarantee forms an integral part of the transaction of the Signing of Facility Agreements and shall not be construed as a separate and standalone transaction.</p> <p>Referring to the description above:</p> <ul style="list-style-type: none"> (i) The plan of the Pledge of AIA's Shares, Corporate Guarantee to KAI, the Pledge of AP's Shares, and Corporate Guarantee to KPI are exempted affiliated transactions as described in Article 6 paragraph (1) letter e of POJK 42/2020, as they are transactions of providing security to a bank in relation to the loans directly received by the controlled companies of the Company; and (ii) The plan of the Pledge of KAI's Shares is an exempted affiliated transaction as described in Article 6 paragraph (1) letter c of POJK 42/2022, as the transaction value does not exceed IDR5,000,000,000 (five billion Rupiah).
7.	Statement of the Board of Commissioners and the Board of Directors	<p>The transactions of the Signing of Facility Agreements and the Plan to Provide Guarantee do not contain a conflict of interest as described in POJK 42/2020 and all material information has been disclosed and not misleading.</p>

Thank you for your attention.

Sincerely yours,

PT ADARO ENERGY INDONESIA TBK

A handwritten signature in black ink, appearing to read 'Mahardika Putranto', written in a cursive style.

Mahardika Putranto
Corporate Secretary