

## PT ADARO ENERGY INDONESIA TBK (IDX: ADRO) FY23 EARNINGS NEWS RELEASE

**Jakarta, February 29, 2024** – PT Adaro Energy Indonesia Tbk (“AEI”, IDX: “ADRO”) today released its consolidated financial performance for the fiscal year ending December 31, 2023 to IDX/FSA.

President Director and Chief Executive Officer, Mr. Garibaldi Thohir commented:

**“We are pleased to have surpassed our FY23 targets, with strong production volumes and operational efficiency driving the Adaro Group forward. Our investments into non-thermal coal businesses are also making progress. This year we commenced construction on our aluminum smelter at the industrial park in North Kalimantan, and broke ground on our hydro power plant, also in North Kalimantan. Furthermore, our diversification into metallurgical coal has yielded excellent results, with metallurgical coal accounting for 17% of AEI’s FY23 revenue. Collectively these developments leave us optimistic on the Group’s future outlook and our objective to diversify our revenue streams.”**

### Highlights

- AEI booked core earnings of \$1,873 million in FY23 and operational EBITDA of \$2,554million. We generated solid operational EBITDA margin of 39%.
- We recorded a 7% increase in sales volume to 65.71 Mt, surpassing our sales volume target of 62 – 64 Mt. However, as coal prices normalized, our revenue declined by 20% to \$6,518 million due to a 26% lower average selling price (ASP).
- In line with our investment plans, capex increased 53% to \$648.3 million. Capex spending was mainly for investment in heavy equipment, barges and supporting infrastructure at our supply chain, whilst commencing our investment in aluminum smelter and its ancillary facilities.
- AEI’s balance sheet remains healthy with a net cash position of \$1,936 million as at end of 2023, with cash position at \$3,311 million.
- We have made tangible progress at the industrial park in North Kalimantan, where PT Kalimantan Aluminium Industry (KAI), has completed the soil investigations, land levelling process, and piling work for the baking furnace facilities in the aluminum smelter area.

### PT ADARO ENERGY INDONESIA TBK FY24 GUIDANCE

- Sales volume: 65 Mt to 67 Mt, comprising of 61 Mt to 62 Mt of thermal coal, and 4.9 Mt to 5.4 Mt of metallurgical coal from ADMR.
- Strip ratio: 4.3x, flat y-o-y from FY23.
- Capital expenditure: \$600 million to \$700 million, including our equity investments in projects related to the industrial park in North Kalimantan.

## Financial Performance

(\$ Millions, except otherwise stated)	FY23	FY22	% Change
Revenue	6,518	8,102	-20%
Cost of revenue	(3,980)	(3,449)	15%
Gross profit	2,537	4,653	-45%
Operating income	2,155	4,308	-50%
Core earnings <sup>(1)</sup>	1,873	3,013	-38%
Operational EBITDA <sup>(2)</sup>	2,554	5,030	-49%
Total assets	10,473	10,782	-3%
Total liabilities	3,064	4,255	-28%
Total equity	7,409	6,527	14%
Interest bearing debt	1,423	1,573	-10%
Cash and cash equivalents	3,311	4,067	-19%
Net debt (cash) <sup>(3)</sup>	(1,936)	(2,599)	-26%
Capital expenditure <sup>(4)</sup>	648	424	53%
Free cash flow <sup>(5)</sup>	1,694	2,769	-39%
Basic earnings per share (EPS) in \$	0.053	0.080	-34%

## Financial Ratios

	FY23	FY22	% Change
Gross profit margin (%)	39%	57%	-19%
Operating margin (%)	33%	53%	-20%
Operational EBITDA margin (%)	39%	62%	-23%
Net debt (Cash) to equity (x)	(0.26)	(0.40)	-35%
Net debt (Cash) to last 12 months operational EBITDA (x)	(0.76)	(0.52)	47%
Cash from operations to capex (x)	1.99	9.66	-79%

<sup>1</sup> Profit for the period, excluding non-operational items net of tax (amortization of mining properties, prior year tax assessment, allowance for uncollectible receivables, reversal of allowance for Government charges and provision for decommissioning costs)

<sup>2</sup> EBITDA excluding prior year tax assessment, allowance for uncollectible receivables, and provision decommissioning costs.

<sup>3</sup> After deduction of cash and cash equivalent and current portion of other investments.

<sup>4</sup> Capex spending defined as: purchase of fixed assets – proceed from disposal of fixed assets + payment for addition of mining properties + addition of lease liabilities.

<sup>5</sup> Operational EBITDA – taxes – changes in trade receivables, inventories, and trade payables – capital expenditure excluding lease liabilities.

## Operating Segment

Segment (\$ Millions)	Revenue			Net Profit		
	FY23	FY22	% Change	FY23	FY22	% Change
Coal mining & trading	6,318	7,936	-20%	1,425	2,332	-39%
Mining services	1,078	927	16%	118	91	30%
Others	657	543	21%	314	422	-26%
Elimination	(1,535)	(1,304)	18%	(2)	(14)	-86%
<b>Total</b>	<b>6,518</b>	<b>8,102</b>	<b>-20%</b>	<b>1,855</b>	<b>2,831</b>	<b>-34%</b>

## **FINANCIAL PERFORMANCE ANALYSIS FOR THE FULL YEAR 2023**

### **Revenue, Average Selling Price and Production**

We booked solid revenue of \$6,518 million in FY23, a 20% decrease compared to FY22, even though AEI achieved record production and sales which were 5% and 7% higher at 65.88 Mt and 65.71 Mt respectively, surpassing sales volume target of 62-64 Mt. This increment in operational results was offset by a 26% decline in the average selling price (ASP) as coal prices continued to normalize.

### **Cost of Revenue**

Cost of revenues increased by 15% y-o-y to \$3,980 million, mainly due to increased royalty expenses for PT Adaro Indonesia (AI) compared to a year ago period. Mining costs and processing costs also increased, driven by higher volume. We recorded a 22% increase in overburden removal to 286.35 Mbcm, and a strip ratio of 4.35x, 16% higher than in FY22 and our guidance, but still within our life-of-mine strip ratio.

While our total fuel consumption increased by 14%, our fuel cost for FY23 remained unchanged from FY22 as oil prices declined. Coal cash cost per tonne (excluding royalty) in FY23 increased by 6% from FY22.

### **Operating Expenses**

Operating expenses in FY23 declined by 8% y-o-y to \$344 million due to 17% decline in sales commission to \$104 million and we recorded a reversal of accrued allowance for Government charges account amounting to \$53.8 million, net of accrual for the non-tax state revenue for central government (4%) and local government (6%). On the other hand, employee costs increased 29% to \$104 million in line with the growth of the Adaro Group.

### **Royalties to the Government and Income Tax Expense**

Royalties to the Government increased 19% to \$1,466 million from \$1,230 million, while income tax expense decreased 73% to \$439 million from \$1,645 million. After AI was granted the IUPK-KOP in September of 2022, starting from January 1, 2023, it began to implement the provision on taxation and non-tax revenue (PNBP) in accordance with the prevailing regulations.

The IUPK-KOP has increased AI's royalty rate to the range of 14% to 28%, from the previous 13.5%. However, the corporate income tax rate decreased from 45% to 22%. The IUPK-KOP has also brought about other changes to AI's business, such as non-tax state revenue (PNBP) for central government and local government's portion in accordance with the provisions of laws and regulations. AI accounted for 74% of the Adaro Group's production in FY23.

### **Operational EBITDA and Core Earnings**

ADRO's operational EBITDA declined by 49% y-o-y to \$2,554 million and core earnings declined by 38% to \$1,873 million for FY23, on the back of lower ASP and higher costs. Our operational EBITDA margin in FY23 remained healthy at 39%.

Net profit for the period of \$1,855 million already accounted for the non-tax state revenue (PNBP) for central government (4% portion) and local government (6% portion).

### **Total Assets**

Total assets at the end of FY23 declined by 3% to \$10,472 million compared with \$10,782 million at the end of FY22. Our cash balance at the end of FY23 also decreased by 19% to \$3,311 million. Cash and cash equivalents represented 32% of our total assets.

Current assets at the end of FY23 declined by 19% to \$4,302 million compared to \$5,319 million at end of FY22. Non-current assets at the end of FY23 were 13% higher from the year ago period at \$6,171 million due to increases in fixed asset.

### **Fixed Assets**

Fixed assets as at the end of FY23 of \$1,754 million were 21% higher than at the end of FY22 as we increased capex spending during the period mainly for purchases of heavy equipment, barges, and investment in aluminum smelter and its ancillary facilities. Fixed assets accounted for 17% of total assets.

### **Mining Properties**

At the end of FY23, our mining properties were 4% lower y-o-y at \$995 million, due to regular amortization. Mining properties accounted for 9% of total assets.

### **Total Liabilities**

Total liabilities at the end of FY23 were \$3,064 million, 28% lower compared to the same period last year. Current liabilities decreased by 13% y-o-y to \$2,135 million mainly due to the 92% decline in corporate income tax payable, which was offset by the reclassification of AI's senior notes as current liabilities because of its near-term maturity in October 2024, and the 57% increase in accrued expenses as a result of the changes in government regulations - mainly due to the non-tax state revenue (PNBP) for central government (4% portion) and local government (6% portion). Non-current liabilities decreased by 49% y-o-y to \$929 million due to voluntary repayment of AI's bank loan amounting to \$196 million.

### **Debt Management and Liquidity**

AEI's cash balance at the end of FY23 declined by 19% to \$3,311 million from \$4,067 million y-o-y. AEI also had access to \$48 million in other investments and a total of \$1,896 million in undrawn committed loan facilities from various outstanding loans at FY23, increasing total liquidity to \$5,255 million at the end of FY23. Interest bearing debts declined by 10% y-o-y to \$1,423 million.

### **Equity**

At the end of FY23, shareholder's equity stood at \$7,408 million, representing an increase of 14% y-o-y driven by higher retained earnings.

### **Cash Flows from Operating Activities**

In FY23, ADRO's cash flows from operating activities declined by 70% to \$1,153 million from \$3,864 million y-o-y driven by lower receipts from customers and the increase in payments of royalties and income tax as well as payments to suppliers. We paid \$1,529 million in corporate and final income tax, an increase of 80% y-o-y. Moreover, effective from 2023, AI's corporate income tax rate has decreased to 22% from 45%.

### **Cash Flows from Investing Activities**

The company reported \$582 million in net cash outflows used in investing activities, 24% lower than in FY22, mainly driven by the 47% increase in purchase of fixed assets to \$560 million.

### **Capital Expenditure**

Capital expenditure in FY23 increased by 53% to \$648 million from \$424 million in the year ago period, surpassing our 2023 guidance. The capital expenditure spending in the period was mainly for purchases and replacement of heavy equipment and barges, initial investment in the aluminum smelter and its ancillary facilities, and investment in infrastructure.

### **Cash Flows from Financing Activities**

Net cash outflow from financing activities in FY23 increased by 67% to \$1,334 million, mainly due to higher dividend payment and repayment of bank loans. The company distributed \$1,000 million as cash dividend to shareholders for FY22.

# PT ADARO ENERGY INDONESIA TBK (IDX: ADRO) FY23 ACTIVITIES REPORT

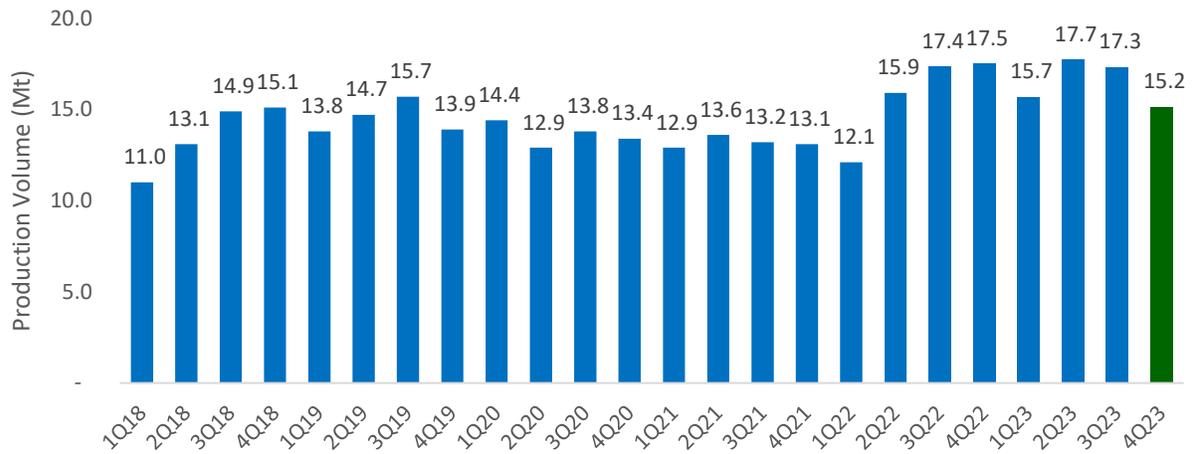
## FY23 OPERATIONAL HIGHLIGHTS

- Production volume of PT Adaro Energy Indonesia Tbk and its subsidiaries (the Adaro Group) reached 65.88 Mt in FY23, corresponding to a 5% increase from FY22.
- Sales volume for the year of 65.71 Mt was 7% higher than FY22 and surpassed the company's target of 62 – 64 Mt.
- Sales of metallurgical coal through subsidiary PT Adaro Minerals Indonesia Tbk (ADMR) increased by 39% to 4.46 Mt in FY23, exceeding our FY23 sales volume target of 3.8 – 4.3 Mt.
- Overburden removal reached 286.35 Mbcm in FY23, 22% higher than in FY22. Our strip ratio reached 4.35x, 16% higher than in FY22 and higher than our target of 4.2x for FY23.
- Tangible progress has been made at the industrial park in North Kalimantan, where our aluminum smelter, PT Kalimantan Aluminium Industry, has completed soil investigations, land levelling, and piling work for the baking furnace facilities in the aluminum smelter area.

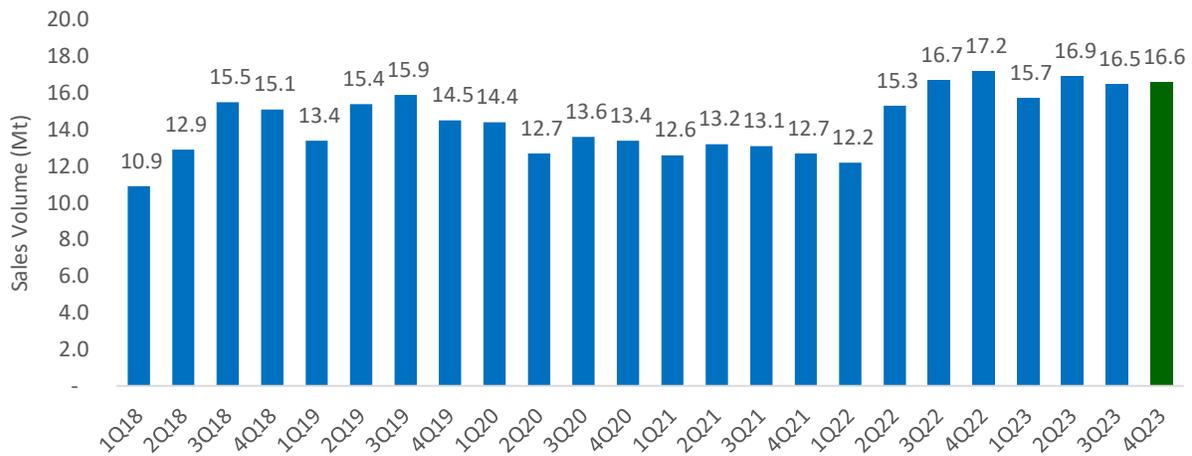
## SUMMARY OF FY23 OPERATIONS

	Units	4Q23	3Q23	4Q23 vs. 3Q23	4Q22	4Q23 vs. 4Q22	FY23	FY22	FY23 vs. FY22
<b>Production Volume</b>	<b>Mt</b>	<b>15.15</b>	<b>17.31</b>	<b>-12%</b>	<b>17.52</b>	<b>-13%</b>	<b>65.88</b>	<b>62.88</b>	<b>5%</b>
AI	Mt	11.13	12.49	-11%	13.28	-16%	48.60	49.12	-1%
Balangan Coal Companies	Mt	1.73	2.25	-23%	2.26	-23%	8.02	7.11	13%
ADMR	Mt	1.13	1.44	-21%	0.81	40%	5.11	3.37	52%
MIP	Mt	1.17	1.14	3%	1.18	-1%	4.15	3.28	27%
<b>Sales Volume</b>	<b>Mt</b>	<b>16.59</b>	<b>16.50</b>	<b>1%</b>	<b>17.17</b>	<b>-3%</b>	<b>65.71</b>	<b>61.34</b>	<b>7%</b>
Thermal - Medium CV	Mt	10.72	11.35	-6%	11.92	-10%	44.54	44.91	-1%
Thermal - < 4500 GAR	Mt	4.41	3.95	12%	4.23	4%	16.71	13.24	26%
Met Coal	Mt	1.45	1.19	21%	1.02	43%	4.46	3.20	39%
<b>Overburden Removal</b>	<b>Mbcm</b>	<b>68.92</b>	<b>87.60</b>	<b>-21%</b>	<b>62.15</b>	<b>11%</b>	<b>286.35</b>	<b>235.68</b>	<b>22%</b>
AI	Mbcm	50.80	66.58	-24%	48.90	4%	219.39	191.83	14%
Balangan Coal Companies	Mbcm	9.97	10.75	-7%	7.16	39%	35.25	26.69	32%
ADMR	Mbcm	4.89	6.27	-22%	2.26	116%	18.70	8.32	125%
MIP	Mbcm	3.27	4.00	-18%	3.83	-15%	13.02	8.84	47%
<b>Strip Ratio</b>	<b>x</b>	<b>4.55</b>	<b>5.06</b>	<b>-10%</b>	<b>3.55</b>	<b>28%</b>	<b>4.35</b>	<b>3.75</b>	<b>16%</b>

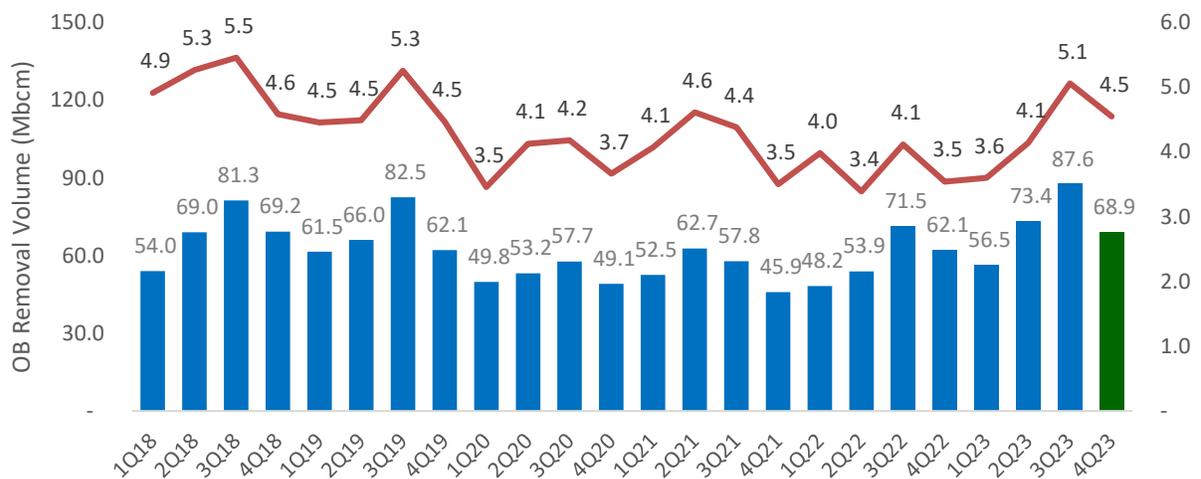
### Historical Quarterly Production Volume (Mt)



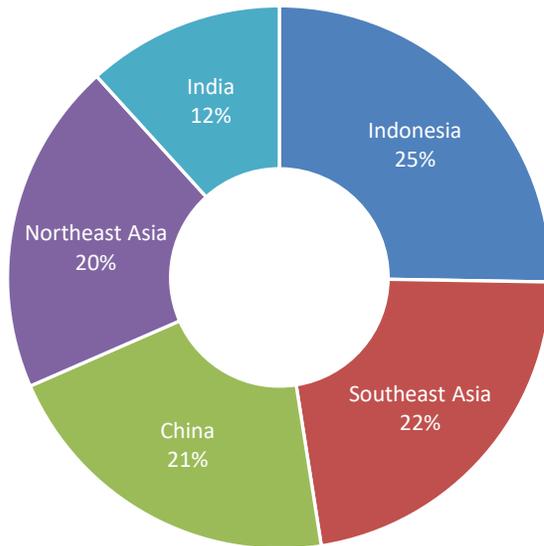
### Historical Quarterly Sales Volume (Mt)



### Historical Quarterly Overburden Removal Volume and Strip Ratio



## THE ADARO GROUP'S SALES BY DESTINATION IN FY23



## ADARO ENERGY PILLAR

### 1. MINING

#### PT Adaro Indonesia (AI)

- AI's production volume in 2023 reached 48.60 Mt, 1% lower than in 2022. Sales volume in the period reached 57.24 Mt, 3% higher than in 2022.
- Total overburden removal from AI reached 219.39 Mbcm, up 14% from 2022, resulting in a strip ratio of 4.51x in 2023.

	Units	4Q23	3Q23	4Q23 vs. 3Q23	4Q22	4Q23 vs. 4Q22	FY23	FY22	FY23 vs. FY22
Overburden Removal	Mbcm	50.80	66.58	-24%	48.90	4%	219.39	191.83	14%
Production Volume	Mt	11.13	12.49	-11%	13.28	-16%	48.60	49.12	-1%
Sales Volume	Mt	14.17	14.21	0%	15.13	-6%	57.24	55.50	3%

#### Balangan Coal Companies (BCC)

- Balangan Coal Companies produced 8.02 Mt of coal in 2023, 13% higher than in 2022. Total overburden removal of 35.25 Mbcm was 32% higher from 2022 and resulted in a strip ratio of 4.40x in 2023.

	Units	4Q23	3Q23	4Q23 vs. 3Q23	4Q22	4Q23 vs. 4Q22	FY23	FY22	FY23 vs. FY22
Overburden Removal	Mbcm	9.97	10.75	-7%	7.16	39%	35.25	26.69	32%
Production Volume	Mt	1.73	2.25	-23%	2.26	-23%	8.02	7.11	13%

### PT Mustika Indah Permai (MIP)

- MIP recorded a 27% increase in production volume compared to 2022, reaching 4.15 Mt. Sales volume in 2023 reached 4.01 Mt, an increase of 52% from 2022.
- Overburden removal volume in 2023 of 13.02 Mbcm was 47% higher than in 2022. MIP's overburden removal increased on the back of increased physical availability of heavy equipment and higher heavy equipment utilization supported by good weather conditions throughout the year. Strip ratio in 2023 increased 16% to 3.13x.
- The Philippines was MIP's largest export destination during the year, followed by India and China. MIP sold 26% of its volume to the domestic market in 2023.

	Units	4Q23	3Q23	4Q23 vs. 3Q23	4Q22	4Q23 vs. 4Q22	FY23	FY22	FY23 vs. FY22
Overburden Removal	Mbcm	3.27	4.09	-20%	3.83	-15%	13.02	8.84	47%
Production Volume	Mt	1.18	1.13	5%	1.18	0%	4.15	3.28	27%
Sales Volume	Mt	0.97	1.10	-12%	1.02	-5%	4.01	2.64	52%

### Kestrel Coal Mine (Kestrel)

- In FY23, Kestrel recorded saleable coal production volume of 5.57 Mt, 2% lower than in FY22. Kestrel's sales volume in FY23 were 5.56 Mt, 3% lower from FY22. During the year, Kestrel's coal stocks being processed at the plant had high clay dilution content resulting in lower yields and reduced throughput capacity. .
- Kestrel's sales destinations consist of customers in major Asian markets. Japan was Kestrel's largest sales destination in 2023 followed by India and Korea. Adaro Capital Limited (48%), a subsidiary of AEI, and EMR Capital Ltd (52%) own 80% of interest in Kestrel.

	Units	4Q23	3Q23	4Q23 vs. 3Q23	4Q22	4Q23 vs. 4Q22	FY23	FY22	FY23 vs. FY22
Saleable Production	Mt	1.41	1.63	-13%	1.23	15%	5.57	5.67	-2%
Sales Volume	Mt	1.55	1.78	-12%	1.36	14%	5.56	5.76	-3%

## 2. SERVICES

### PT Saptaindra Sejati (SIS)

- In 2023, SIS's overburden removal volume increased 18% y-o-y to 223.08 Mbcm. SIS's production volume in 2023 reached 60.91 Mt, a 2% increase from in 2022.

	Units	4Q23	3Q23	4Q23 vs. 3Q23	4Q22	4Q23 vs. 4Q22	FY23	FY22	FY23 vs. FY22
Overburden Removal	Mbcm	56.24	66.80	-16%	51.88	8%	223.08	189.60	18%
Production	Mt	14.04	15.75	-11%	16.62	-15%	60.91	59.51	2%

### 3. LOGISTICS

#### PT Maritim Barito Perkasa (MBP)

- MBP's barging volume in 2023 increased by 10% to 63.53 Mt compared to 2022. The Adaro Group's volume constituted almost the entire portion of MBP's total barging volume in 2023.
- MBP has started to carry out barge-to-barge transfer at North Kelanis for Adaro Minerals' metallurgical coal as it continued to support the Adaro Group's operations to achieve operational excellence and cost competitiveness.

	Units	4Q23	3Q23	4Q23 vs. 3Q23	4Q22	4Q23 vs. 4Q22	FY23	FY22	FY23 vs. FY22
Coal barging	Mt	15.83	16.20	-2%	15.94	-1%	63.53	57.58	10%

### 4. POWER

- Our power plants continued to perform well in 4Q23. The availability factor for PT Makmur Sejahtera Wisesa (MSW) reached 99.7%, averaging 90% for 2023. For PT Tanjung Power Indonesia (TPI), its availability factor was 98.58% in 4Q23, averaging 92.22% for 2023. Meanwhile, the availability factor for PT Bhimasena Power Indonesia (BPI) was 96.2% during the quarter, bringing its availability factor to 85.2% for 2023.
- PT Adaro Power and PT Adaro Clean Energy Indonesia continue to develop the group's green initiatives. MSW's Solar PV in Kelanis produced 190.73 MWh in 4Q23, reaching 793.76 MWh for 2023. Other carbon emission reduction initiatives include the continuation of biomass co-firing at MSW in 4Q23, which equals a 2,386.5 Ton CO<sub>2</sub>e reduction of CO<sub>2</sub> equivalent, reaching 4,517,2 Ton CO<sub>2</sub>e in 2023.
- In addition, throughout 2023, carbon emissions at both TPI and BPI were below the cap set by the government.
- PT Kaltara Power Indonesia (KPI) is building a power plant to support PT Kalimantan Aluminium Industry's aluminium smelter. In 4Q23, KPI completed the earthwork and started the piling and foundation work for the power block area. In parallel, the construction for the balance of plant area has also started with the piling work, equipment foundation, water pond and network relay room.
- KPI will continue the work of foundation and steel structure installation during 1Q24, for both the power block area and the balance of plant. All power plant units are expected to be completed by 2025. .

### 5. WATER

In 2023, Adaro Water continued to maintain solid operational and financial performance, and made progress in the development of its projects.

1. As part of the Non-Revenue Water (NRW) project to improve water efficiency in the northern part of Bandung, Adaro Water has established seven zones with 55 inlet District Meter Areas (DMAs) to identify and repair any leaks or inefficiencies.
2. The construction progress of the Water Treatment Plant (WTP) in Bekasi, West Java by PT Grenex Tirta Mandiri, with a capacity of 200 lps, reached 85.12% as at the end of 4Q23, with the target to have the joint commissioning with the Regional Water Supply Company (PDAM) in 1Q24.
3. PT Adaro Tirta Brayan is currently constructing a Water Treatment Plant (WTP) in Medan, North Sumatra, with a capacity of 500 lps. The CoD (Commercial Operation Date) target is 4Q24.

Adaro Water also has several projects to support the Adaro Group's activities, such as PT Adaro Tirta Sarana which currently provides clean water supply to PT Kalimantan Industrial Park Indonesia (KIPI). PT Adaro Tirta Sarana started its Phase I operations in June 2023, while Phase II, a 2x100 lps WTP is still on progress.

## ADARO MINERALS PILLAR

### PT Adaro Minerals Indonesia Tbk (IDX: ADMR)

- ADMR's metallurgical coal production volume in 2023 reached 5.11 (Mt), a 52% increase over 2022, with sales reaching 4.46 Mt, 39% higher than in 2022. Our sales performance was slightly above our 2023 target of 3.8 Mt to 4.3 Mt. In 2H23, we restarted operations from PT Lahai Coal (LC) and sold 0.20 Mt from LC in the period.
- Overburden removal volume reached 18.70 Mbcm in 2023, 125% higher than in 2022, leading to a strip ratio of 3.66x, a 48% increase from 2022. The good performance from our contractor and supportive weather conditions drove the higher overburden removal volume in the period.
- In 2023, ADMR sold the majority of its metallurgical coal to the export market with Japan as its largest sales destination.

	Units	4Q23	3Q23	4Q23 vs. 3Q23	4Q22	4Q23 vs. 4Q22	FY23	FY22	FY23 vs. FY22
<b>Overburden Removal</b>	<b>Mbcm</b>	<b>4.89</b>	<b>6.27</b>	<b>-22%</b>	<b>2.26</b>	<b>116%</b>	<b>18.70</b>	<b>8.32</b>	<b>125%</b>
Maruwai	Mbcm	3.02	4.65	-35%	2.26	33%	15.22	8.32	83%
Lahai	Mbcm	1.87	1.62	16%	-	100%	3.49	-	100%
<b>Production Volume</b>	<b>Mt</b>	<b>1.13</b>	<b>1.44</b>	<b>-21%</b>	<b>0.81</b>	<b>40%</b>	<b>5.11</b>	<b>3.37</b>	<b>52%</b>
Maruwai	Mt	0.93	1.36	-32%	0.81	15%	4.83	3.37	43%
Lahai	Mt	0.20	0.08	157%	-	100%	0.28	-	100%
<b>Sales Volume</b>	<b>Mt</b>	<b>1.45</b>	<b>1.19</b>	<b>21%</b>	<b>1.02</b>	<b>43%</b>	<b>4.46</b>	<b>3.20</b>	<b>39%</b>
Maruwai	Mt	1.25	1.19	5%	1.02	24%	4.26	3.20	33%
Lahai	Mt	0.20	-	100%	-	100%	0.20	-	100%

## PT Kalimantan Aluminium Industry (KAI)

- In 4Q23, KAI completed soil investigation, land levelling, and piling work for the baking furnace facilities in the aluminum smelter area.
- In Q1 2024, KAI will focus on piling and foundation activities in the smelter area. KAI will also continue the piling work for inbound materials receiving facilities at the jetty area, as well as other supporting infrastructures.”

## ADARO GREEN PILLAR

- The Adaro Green pillar was set up to accommodate our aspiration to build a bigger and greener Adaro by seizing opportunities in Indonesia’s green economy. Through PT Adaro Clean Energy Indonesia (ACEI) and its subsidiaries, the Adaro Group is undergoing feasibility studies to develop multiple renewable sources of energy.
- PT Adaro Sarana Energi Terbarukan (ASET), a subsidiary of ACEI, plans to reduce the diesel consumption used at the Adaro Group’s operation and will continue developing renewable projects within the Adaro Group to demonstrate the Group’s commitment to green transformation.

## HEALTH, SAFETY AND ENVIRONMENT (HSE)

In FY23, we experienced ten lost-time injuries (LTI) throughout the Adaro Group’s operations, an improvement from 13 in FY22. We recorded a lost-time injury frequency rate (LTIFR) of 0.08, 33% lower than FY22, and severity rate (SR) of 48.74 in FY23, lower than FY22 SR of 57.22. Total man-hours worked in FY23 was 133,521,406 representing a 17% increase from 114,007,179 in FY22. Regrettably, we experienced one fatality and have conducted thorough analysis of the accident and further emphasized the implementation of Adaro Zero Accident Mindset (AZAM) throughout the Adaro Group.

## CORPORATE ACTIVITIES AND AWARD

### October 2023

- PT Adaro Indonesia (AI) received Aditama (Gold) and Utama (silver) ratings for the five aspects of the Good Mining Practices Awards 2023 held by the Directorate General of Minerals and Coal (Minerba). We are proud that AI also achieved the best rating (the trophy winner) among the participants of the award for the aspect of Management on Mining Services’ Standardization and Business and won **the Best of the Best** title as a mining company which has earned the highest total score of the five GMP aspects. For the same award, PT Saptaindra Sejati (SIS) as a mining services company may only participate in the aspect of Management on Mining Services’ Standardization and Business, and received Aditama rating for its work at AI’s site, Utama rating for its work at Maruwai Coal’s site, and Utama rating for its work at a third-party’s site.

### November 2023

- PT Adaro Energy Indonesia Tbk received two awards at the 2023 Best Philanthropy Awards held by Warta Ekonomi. AEI won under two categories: (1) Community Development Activities through Health and Human Resource Quality Improvement, and (2) Commitment in Improving Education Quality of Youth and General Public.
- PT Adaro Indonesia (AI), PT Saptaindra Sejati (SIS) and PT Maruwai Coal (MC) won various awards at the 27th National Quality and Productivity Convention held in Yogyakarta. This event gave companies of various sectors the opportunity to display innovations in the field of Quality and Productivity Improvement, and was attended by 562 teams from 182 companies in Indonesia. AI won two Diamond Awards, five Platinum Awards, three Gold Awards and the Best Presentation. SIS won two Platinum Awards and one Gold Award, while MC won two Gold Awards.

### December 2023

- PT Adaro Indonesia (AI) has completed another river watershed rehabilitation program, this time for an area covering 321 hectares in Mount Pamaton, Kiram Village South Kalimantan. The program was carried out in collaboration with the provincial government, members of the public, and students of the Lambung Mangkurat University.
- PT Adaro Energy Indonesia Tbk (AEI) was listed on Forbes's World Best Employers 2023. AEI was one of the only three Indonesian companies listed on Forbes' Global List, ranking 348 out of 700.
- Three AEI's subsidiaries, i.e. PT Adaro Logistics (AL), PT Maruwai Coal (MC) and PT Adaro Indonesia (AI), won five awards of the Indonesia Sustainable Development Goals Award (ISDA). AL won the Gold rating for the Vocational Education program; MC won two Gold ratings – for the Pintar Tuntang Harati program and the Patchouli Plant Cultivation program; and one silver rating for the Baloi Coffee Plantation program. In addition, AI also won the first place in the Local Hero category in the Indonesia CSR Award (ICA) for its flagship program of the Menanti Laburan Tourism Park in Padang Panjang Village, Tabalong Regency.  
Both ISDA and ICA award events were held by Corporate Forum for CSR Development and supported by the office of the Vice President of the Republic of Indonesia, The Ministry of National Development Planning/ National Development Planning Agency, The Ministry of Environment and Forestry, and the National Standardization Agency.
- PT Adaro Indonesia won its 6<sup>th</sup> Gold PROPER Award (five consecutive years) from the Ministry of Environment and Forestry, in the Corporate Environmental Management Performance Rating Assessment Award. The Gold Award is the highest rating granted to companies proven to have gone beyond compliance in environmental management, and continuously conduct community development initiatives.

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For further information please contact:

**Investors**

Thomas Coombes | [Thomas.Coombes@adaro.com](mailto:Thomas.Coombes@adaro.com)

**Media**

Febriati Nadira | [Febriati.Nadira@adaro.com](mailto:Febriati.Nadira@adaro.com)