

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

This information disclosure to the shareholders (hereinafter referred to as "**Information Disclosure**") is made to provide explanation to the Company's shareholders regarding the signing of the Loan Agreement between PT Alam Tirta Abadi ("**ATA**"), a limited liability company whose shares are 99.99% (ninety nine point ninety nine percent) [directly] owned by the Company, and Vindoor Investments Mauritius Ltd. ("**Vindoor**"), a limited liability company whose shares are 90.00% (ninety percent) indirectly owned by the Company.

This transaction fulfills the definition of an affiliated-party transaction as set forth by the Regulation of the Financial Services Authority of the Republic of Indonesia (FSA) 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)

Head office:

Menara Karya, 23rd floor
Jl. H.R. Rasuna Said, Blok X-5, Kav. 1-2,
Jakarta 12950, Indonesia
Email: corsec@adaro.com
Website: www.adaro.com

This Information Disclosure is issued in Jakarta on December 29, 2022

DEFINITION

Affiliation	:	defined as set forth by article 1 of the Capital Market Law or POJK 42/2020
AS\$:	US Dollar currency
Direktur	:	member of the Company's Board of Directors holding such position on the date of this Information Disclosure
Komisaris	:	member of the Company's Board of Commissioners holding such position on the date of this Information Disclosure
LIBOR	:	<i>London Interbank Offered Rate</i>
Penilai Independen	:	the Office of Appraisal Services (Kantor Jasa Penilai Publik or KJPP) of Desmar, Ferdinand, Hentriawan 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
Perseroan	:	PT Adaro Energy Indonesia Tbk, a limited liability company duly established and organized under the law of the Republic of Indonesia and domiciled in Jakarta, Indonesia
Perusahaan Terkendali	:	defined as set forth by POJK 42/2020
Transaksi Afiliasi	:	defined as set forth 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 27, 2022, ATA and Vindoor signed a Loan Agreement whereby ATA would provide a loan to Vindoor amounting US\$500,000,000 (five hundred million dollar) ("**Loan Agreement**").

Pursuant to article 4 point 1 of POJK 42/2020, this transaction is an Affiliated-Party Transaction, for which an appraiser must be employed to determine the fair value and/or the fairness of the object of the Affiliated-Party Transaction and an announcement must be made to the public. To comply with the stipulation of POJK 42/2020, the Company's Board of Directors is hereby publishing this Information Disclosure to convey such information to the Company's shareholders.

The independent appraiser's report incorporated herein was compiled by the Office of Appraisal Services of Desmar, Ferdinand, Hentriawan dan Rekan No 00140/2.0142-00/BS/02/0177/1/XII/2022 of December 23, 2022 on the Fairness Opinion on the Planned Transaction ("**Appraiser's Report**"). The Appraiser is in the opinion that this transaction is Fair.

This Affiliated-Party Transaction made by ATM and GTM has complied with the procedure as set forth in article 3 of POJK 42/2020 and has been 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 a prior approval from the Company's general meeting of shareholders as set forth by POJK 42/2020.

II. BRIEF DESCRIPTION ON THE TRANSACTION AND THE EFFECT OF THE TRANSACTION TO THE COMPANY'S FINANCIAL CONDITION

A. DESCRIPTION OF THE TRANSACTION

i. Rationale and Background of the Transaction

The loan provided by ATA is one of the Company's strategies in the pillars of Adaro Capital, which is to open up opportunities to develop business at home and abroad. Adaro Capital's business pillar plays a role in maximizing the financial potential and extensive network of the Company to capture good investment opportunities and ultimately generate healthy returns for shareholders.

Vindoor as part of the Company has a fairly strong position in supporting the Company's plans to grow and see various business development opportunities. The Company also currently has a fairly good financial position and liquidity level. Therefore, the Company has the flexibility to invest, including in the real sector and the financial sector.

The Company has also conducted a study of the Company's own risk profile or the Company's level of tolerance for fluctuations in the investment to be made. The Company always ensures that there is a risk profile review, good investment diversification, and always monitors and balances the investment portfolio.

ii. Benefits of the Transaction

With the execution of the Loan Agreement, the time period and process of the Loan Agreement can be used or executed very efficiently by Vindoor. The Loan Agreement will also bring positive value for both parties and support the Company's goal with regard to business development and maximizing returns.

iii. Brief Description on the Transaction

On December 27, 2022, ATA and Vindoor signed a Loan Agreement whereby ATA provides a loan to Vindoor.

The description of the Loan Agreement is as follows:

- Loan amount : up to US\$500,000,000 (five hundred million US Dollar)
- Interest : LIBOR plus 2.35% (LIBOR plus two point thirty five percent) per annum.
The parties will agree on a new interest rate to replace LIBOR in interest calculation, before June 30, 2023 or when the 3-month LIBOR interest rate tenor is no longer available.
- Maturity date : 31 December 2032
- Use of loan : among others, for investment and other corporate purpose

Other provisions according to the Loan Agreement:

- This loan can be disbursed at an exchange rate agreed by both parties.
- Interest Period is calculated every 3 (three) months and matures at the end of March, June, September and December from the date of the Loan Agreement.

iv. Parties Involved in the Transaction

1. The Company as the controlling party of ATA and Vindoor

Brief history

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

Management and supervision

Based on the notarial deed number 15 of February 15, 2022 made before Mahendra Adinegara, S.H., M.Kn., a notary in South 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.01.03- 0101648 of February 15, 2022, 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 company owned and controlled by the Company. ATA was established based on the notarial deed of Ir. Rusli, S.H., a Notary in Bekasi 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 was announced in the State Gazette of the Republic of Indonesia number 52 of July 1, 2005, Supplement to State Gazette number 6922 and ATA's 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 20, 2021 to adjust for Article 3 of ATA's Articles of Association regarding the Purpose and Objectives and Business Activities with the applicable Indonesian Standard Classification of Business Fields (Klasifikasi Baku Lapangan Usaha Indonesia or "KLB"). This amendment to the Articles of Association was approved by the Minister of Law and Human Rights of the Republic of Indonesia by Decree number AHU-0051320.AH.01.02 TAHUN 2021 of September 21, 2021.

Management and supervision

Based on the notarial deed number 17 of February 11, 2020 made before Humbert Lie, S.H., S.E., M.Kn., 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 is a company owned and controlled by the Company. Vindoor was established in Mauritius on October 9, 2000. Based on Mauritius Companies Act 2001, Vindoor is registered as a limited liability company under the Category 1 Global Business License status valid until July 18, 2014 upon which its status then changed to Category 2. Based on Section 72(6) Financial Services Act, on June 30, 2021 Vindoor's status changed to Global Business License (Licence number: GB21100516; Code: FS-4.1).

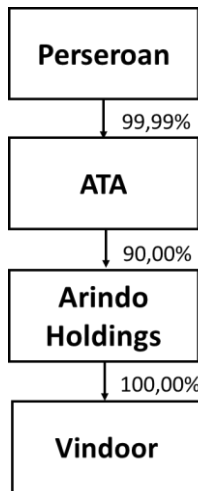
Management and supervision

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 INVOLVED IN THE TRANSACTION WITH THE COMPANY

This Transaction is categorized as an Affiliated-Party Transaction as defined by POJK 42/2020. The following chart presents the structure of the Company's share ownership in ATA and Vindoor:



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 June 30, 2022	Transaction	Pro forma June 30, 2022
Current assets	3,600,352	-	3,597,193
Non-current assets	5,188,359	-	5,191,518
Total Assets	8,788,711	-	8,788,711
Short-term liabilities	1,579,219	-	1,579,219
Long-term liabilities	1,702,879	-	1,702,879
Total liabilities	3,282,098	-	3,282,098
Equity	5,506,613	-	5,506,613

The Company's pro forma profit and loss (thousand of US\$)

Profit and Loss	Reviewed December 31, 2021	Transaction	Pro forma December 31, 2021
Revenue	3,541,348	-	3,541,348
Cost of revenue	(1,516,275)	-	(1,516,275)
Gross profit	2,025,073	-	2,025,073
Operating income	1,891,172	-	1,891,172
Profit for the year	1,345,402	-	1,345,402

D. EXPLANATION, CONSIDERATION AND REASON OF THE TRANSACTION COMPARED TO EXECUTING A SIMILAR TRANSACTION WITH A NON AFFILIATED PARTY

The Loan Agreement was made to diversify the Company's sources of revenue. The Company continues to look for opportunities to expand its business both in domestic and international markets as well as to optimize the Company's finances through cross-border investments.

Therefore, the Company does not invest through third parties because by investing through Vindoor, the Company not only optimizes the rate of return on its liquidity, but also supports the Company's business unit to continue develop into a profit center for the Company. This will certainly provide greater benefits for the Company compared to investing through third parties or other financial instruments.

Documents regarding the Loan Agreement have been prepared to incorporate the same terms and conditions as those incorporated in transactions made with an unaffiliated party, therefore the terms and conditions of the Transaction have been made on an arm's length basis

III. SUMMARY OF 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 transaction intended, the Company appointed an Independent Appraiser, i.e. the Office of Appraisal Services of Desmar, Ferdinand, Hentriawan dan Rekan, to provide the Fairness Opinion on the Transaction, based on the Quotation number 0001/2.0142-00/PP-B/DSS-01/0177/XI/2022 of November 21, 2022, which had been approved by the Company.

The following is the summary of the fairness opinion as presented in the Report on the Fairness Opinion on Transaction number 00140/2.0142-00/BS/02/0177/1/XII/2022 of December 23, 2022:

i. Identity of the parties

The Company is the assignor. The parties involved in the Transactions are ATA and Vindoor, both are owned and controlled by the Company.

Identity of the parties involved in the Transaction is as follows:

- **The Company as the controlling party of ATA and Vindoor**

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

The Company commenced its commercial operations in July 2005. The Company's head office is in Jakarta and is located on the 23rd floor of Menara Karya building, Jl. H.R. Rasuna Said Blok X-5, Kav. 1-2, Jakarta 12950 Indonesia.

In accordance with Article 3 of the Company's Articles of Association, the Purpose and Objectives of the Company are conducting business in the field of head office and management consulting activities (for the Company's subsidiaries' business activities which include mining, quarrying, mining support services, trading, transportation, warehousing and transportation support services, cargo handling (stevedoring), sea port service activities, agriculture, construction, repair and installation of machines, power supply, water treatment, forestry and industry).

- **ATA as the Lender**

ATA is a company owned and controlled by the Company. ATA was established based on the notarial deed of Ir. Rusli, S.H., a Notary in Bekasi 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 was announced in the State Gazette of the Republic of Indonesia number 52 of July 1, 2005, Supplement to State Gazette number 6922 and ATA's 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 20, 2021 to adjust for Article 3 of ATA's Articles of Association regarding the Purpose and Objectives and Business Activities with the applicable Indonesian Standard Classification of Business Fields (Klasifikasi Baku Lapangan Usaha Indonesia or "KLBI"). This amendment to the Articles of Association was approved by the Minister of Law and Human Rights of the Republic of Indonesia by Decree number AHU-0051320.AH.01.02 TAHUN 2021 of September 21, 2021.

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

In accordance with Article 3 of ATA's Articles of Association, the scope of ATA's activities is primarily in the business of trading gas, liquid and solid fuels, and related products.

- **Vindoor as the Borrower**

Vindoor is a company owned and controlled by the Company. Vindoor was established in Mauritius on October 9, 2000. Based on Mauritius Companies Act 2001, Vindoor is registered as a limited liability company under the Category 1 Global Business License status valid until July 18, 2014 upon which its status then changed to Category 2. Based on Section 72(6) Financial Services Act, on June 30, 2021 Vindoor's status changed to Global Business License (Licence number: GB21100516; Code: FS-4.1).

Vindoor's registered office is at Suite 4C, 4th floor, Hennessy Court, Pope Hennessy Street, Port-Louis, Mauritius. The scope of Vindoor's activities is primarily in the business of investment.

ii. Object of fairness analysis

The object of the fairness analysis herein is to provide a fairness opinion with regard to the plan for executing the Loan Agreement between ATA and Vindoor, whereby ATA as the Lender agrees to grant a loan in the amount of up to US\$500,000,000 (five hundred million US Dollar) to Vindoor as the Borrower with the interest rate of LIBOR plus 2.35% per annum (hereinafter referred to as "**Planned Transaction**").

iii. Purpose of the provision of fairness opinion

A report on fairness opinion is required to fulfill POJK 42/2020.

iv. Assumptions and limiting conditions

A number of assumptions used in compiling this fairness opinion are:

- This Fairness Opinion is a non-disclaimer opinion.
- All data, statements and information we received from the management and the data or information available to the public, particularly the economic and industry data, are deemed valid and sourced from credible sources.
- We have reviewed the documents used in the process of compiling the fairness opinion.
- This fairness opinion was prepared to serve the interest of the capital market and requirement of FSA regulations and not for tax purposes or purposes other than the interest of the capital market.
- In performing the analysis, we made assumptions and relied on the accuracy, reliability, and completeness of all financial information and other information provided to us by the Company or available in the public domain, which are basically true, complete and not misleading, and we are not responsible for conducting independent investigations on the said information. KJPP DFH&R also rely on the assurance of the Company's management that they are not aware of the existence of any facts that may cause the information provided to us become incomplete or misleading.
- We assume that on the date this fairness opinion is issued until the date of the planned corporate action, there will be no changes that may materially affect the assumptions used in the compilation of this fairness opinion. We are not responsible for reaffirming or completing or updating our opinion should there be any changes in the assumptions and conditions and other events occurring after the date of this letter.
- All disputes in the form of criminal or civil cases (within or outside the court) which are associated with the appraisal object are not under our responsibility.
- All changes made by the government or private parties which are related with the condition of the appraisal object, in this case the market condition etc., are not under our responsibility.

v. Approaches and appraisal method

In compiling this Report of Fairness Opinion on the Planned Transaction, we have conducted an analysis using a number of approaches and procedure for appraising the Planned Transaction, which include the following:

- a. Analysis on the Company's Planned Transaction
- b. Qualitative and quantitative analyses on the Company's Planned Transaction
- c. Analysis on the fairness of the Company's Planned Transaction

vi. Fairness opinion on the Transaction

Based on the evaluation and analysis on all related aspects to determine the qualitative and quantitative positive impacts of the Planned Transaction, we are of the opinion that the Planned Transaction is **fair**.

IV. BOARD OF DIRECTORS' STATEMENT

The Company's Board of Directors hereby declares that this Transaction has sufficiently fulfilled the applicable procedure and confirms that this Transaction has been executed in accordance with the

generally applicable business practices, i.e. the procedure to compare the terms and conditions of a transaction equivalent to the 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 Transaction as presented in this Information Disclosure, and 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 herewith 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 can contact:

PT Adaro Energy Indonesia Tbk
Menara Karya, 23rd floor
Jl. H.R. Rasuna Said
Block X-5, Kav. 1-2
Jakarta 12950
Indonesia
Email: corsec@adaro.com