

**AMENDMENT AND/OR ADDITION TO
INFORMATION DISCLOSURE TO THE SHAREHOLDERS
ON MATERIAL TRANSACTION
PT ADARO ENERGY INDONESIA TBK (“THE COMPANY”)**

This amendment and/or addition to the information disclosure on the affiliated-party transaction (hereinafter referred to as “**Information Disclosure**”) has been prepared to explain to all of the Company’s shareholders regarding a planned transaction to sell up to all of the shares of PT Adaro Andalan Indonesia (“**AAI**”) owned the Company amounting to 7,008,202,240 shares.

This transaction fulfills the definition of material transaction as set forth in Indonesian Financial Services Authority (FSA) Regulation number 17/POJK.04/2020 on Material Transactions and Changes of Business Activities (“**POJK 17/2020**”).

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 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
Telephone: +62 21 2553 3000

This information is issued in Jakarta on October 16th, 2024 and replaces the information disclosure published on September 11th, 2024 in its entirety.

DEFINITION

Affiliation:	defined as set forth by article 1 of Law number 8 of 1995 on Capital Market as amended by Law number 4 of 2023 on the Development and Strengthening of the Financial Sector or FSA Regulation number 42/2020.
AI:	PT Adaro Indonesia.
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.
Financial Statements:	the Company's Financial Statements as at June 30 th , 2024, which have been subjected to a limited review performed by Public Accounting Firm Rintis, Jumadi, Rianto & Rekan.
Appraiser's Reports:	<ol style="list-style-type: none">i. Appraisal Report number 00150/2.0162-00/BS/02/0153/1/X/2024 of October 14th, 2024 on Appraisal on the Object of the Planned Transaction; andii. Appraisal Report number 00151/2.0162-00/BS/02/0153/1/X/2024 of October 14th, 2024 on Report on Fairness Opinion on the Transaction.
LSA:	PT Laskar Semesta Alam.
MIP:	PT Mustika Indah Permai.
Amount of the Planned Transaction:	a total of minimum US\$2,445,950 thousand, or equivalent to 31.8% of the Company's total equity and maximum US\$2,629,396 thousand, or equivalent to 34.1% of the Company's total equity, under the assumption that each of the Company's shareholders subscribes to the Shares Offered under the Public Offering by Existing Shareholders mechanism based on Subscription Ratio (as defined below).
PCS:	PT Paramitha Cipta Sarana.
Independent Appraiser:	the Office of Appraisal Services of Kusnanto dan Rekan, an independent appraiser registered with the Indonesian 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.
POJK 17/2020:	FSA Regulation number 17/POJK.04/2020 on Material Transactions and Changes of Business Activities.
POJK 35/2020:	FSA Regulation number 35/POJK.04/2020 on Appraisal and presentation of business appraisal report in the capital market.
POJK 42/2020:	FSA Regulation number 42/POJK.04/2020 on Affiliated-Party Transactions and Conflict-of-Interest Transactions.
POJK 76/2017:	FSA Regulation number 76/POJK.04/2017 on Public Offering by Existing Shareholders.

Pro Forma Financial Statements of June 30th, 2024:	the Company's Pro Forma Consolidated Financial Statements of June 30 th , 2024 yang diterbitkan kembali dan telah ditelaah secara terbatas oleh Kantor Akuntan Publik Rintis, Jumadi, Rianto & Rekan.
Public Offering by Existing Shareholders (POES):	Public Offering by Existing Shareholders in accordance with POJK 76/2017.
Subscription Ratio:	the ratio applied for AAI share subscription based on the share ownership of the Company's shareholders on the Recording Date.
Shares Offered:	up to all of AAI shares owned by the Company, totaling 7,008,202,240 shares.
SCM:	PT Semesta Centramas.
Recording Date:	the recording date for the eligible Company's shareholders to participate and subscribe to the Shares Offered under POES mechanism.
Material Transaction:	as defined by POJK 17/2020.
Affiliated-party Transaction:	as defined by POJK 42/2020.
Law of General Provisions and Procedures on Taxes:	Law number 6 of 1983 on the General Provisions and Procedures on Taxes, as amended from time to time.

I. INTRODUCTION

The Company intends to conduct a transaction to sell up to all of the shares under its ownership in AAI (previously PT Alam Tri Abadi) totaling 7,008,202,240 shares (the “**Planned Transaction**”) under the POES mechanism based on POJK 76/2017. On the date of this Information Disclosure, AAI is a limited-liability company whose shares are 99.9999% (ninety-nine point nine nine nine nine percent) directly owned by the Company. The POES will be executed simultaneously or following AAI’s initial public offering (IPO), whereby upon such AAI’s IPO, the Company’s share ownership in AAI is predicted to be diluted to 90% of AAI’s total issued and paid-up capital.

The Planned Transaction fulfils the definition of material transaction of POJK 17/2020 because AAI’s total assets, net income, and revenue is individually greater than 50% (fifty percent) of the Company’s total assets, net income, and revenue as stated in the Financial Statements, with the following details:

No.	Value Components of the Material Transaction	AAI (in US\$ ‘000)	The Company (in US\$ ‘000)	Percentage
(i)	AAI’s total assets divided by the Company’s total assets is equal to or greater than 20% (twenty percent)	US\$5,433,038	US\$10,264,463	52.9%
(ii)	AAI’s net income divided by the Company’s net income is equal to or greater than 20% (twenty percent)	US\$922,767*)	US\$880,189	104.8%
(iii)	AAI’s revenue divided by the Company’s revenue is equal to or greater than 20% (twenty percent)	US\$2,656,511	US\$2,972,835	89.4%

*) including the non recurring gain of US\$322.936 thousand eliminated on the Company’s net income.

The offering price under POES mechanism shall be equivalent to the Volume-weighted Average Price established after the market close on AAI shares’ IPO date on the exchange, provided that the final offering price shall be:

- i. minimum equivalent to the fair market price of AAI shares based on the appraisal of the Independent Appraiser; and
- ii. maximum 107.5% of the appraised value determined by the Independent Appraiser, within the fairness threshold as set forth in POJK 35/2020.

Therefore, the total value of the Planned Transaction shall be minimum US\$2,445,950 thousand, which is equivalent to 31.8% of the Company’s total equity and maximum US\$2,629,396 thousand, which is equivalent to 34.1% of the Company’s total equity, under the assumption that each of the Company’s shareholders subscribes to the Shares Offered under POES mechanism based on Subscription Ratio.

Pursuant to article 6 of POJK 17/2020, the Company shall first obtain the approval of its shareholders because AAI’s total assets, net income, and revenue is individually greater than 50% (fifty percent) of the Company’s total assets, net income, and revenue. The Company is also required to engage an appraiser for determining the fair value of the object of the material transaction and/or the fairness of such material transaction and publish this Information Disclosure on its website as well as IDX website to convey information to its shareholders on the Planned Transaction to be proposed in the Extraordinary General Meeting of Shareholders (“**EGMS**”) for approval.

The Company intends to conduct EGMS both offline and online (hybrid) to obtain the approval for the Planned Transaction in Jakarta on October 18th, 2024. The EGMS announcement is published together with the publication of the information disclosure of the Planned Transaction as stipulated in article 6 point 1 letter b of POJK 17/2020.

For executing the Planned Transaction, no approval from the government or other governmental

bodies or institutions is required to be obtained by the Company other than the Statement of Effectiveness from FSA with regard to: (i) the Statement on the Registration for Initial Public Offering submitted by AAI; and (ii) the Statement on the Registration for POES submitted by the Company.

The Company and its relevant subsidiaries are currently processing the proposal and/or notification to the Company's and the subsidiaries' creditors (as applicable) on the plan to conduct POES and will ensure that the approval for such proposal is obtained before the execution of the Planned Transaction.

The Company has appointed the Public Appraiser Firm ("KJPP") Kusnanto dan Rekan, which is registered as a capital market supporting profession of FSA to conduct appraisal on the object of the Planned Transaction based on the appraisal report number 00150/2.0162-00/BS/02/0153/1/X/2024 of October 14th, 2024 on the Appraisal of the Object of the Planned Transaction and provide opinion on the fairness of the Company's Planned Transaction based on the appraisal report number 00151/2.0162-00/BS/02/0153/1/X/2024 of October 14th, 2024 on the Report on the Fairness of the Transaction (the "**Appraiser's Report**").

The Planned Transaction is a transaction exempted from the stipulation of affiliated-party transactions based on article 23 of POJK 42/2020, which sets forth that in the event that an affiliated transaction is executed through public offering, a public company is only required to fulfill the capital market statutory provisions on public offering. This Planned Transaction is not a conflict-of-interest transaction as stipulated by POJK 42/2020 since the transaction is executed fairly for the Company's interest and there is no different economic interest between the Company and each member of the Board of Directors, Board of Commissioners, and the Company's shareholders.

The Planned Transaction does not have the potential to disturb the Company's business continuity, since based on the Pro Forma Financial Statements of June 30th, 2024, after the divestment, the Company will still have net income and revenue around 35% of the revenue before AAI divestment.

Therefore, the Company is not subject to the provision of article 14 of POJK 17/2020 to obtain approval from the Company's independent shareholders.

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 Conducting the Transaction

The Company is an integrated mining and energy company in Indonesia. The Company has business segments in the thermal and metallurgical coal mining, energy, utilities, supporting infrastructure, and metal processing as its main growth drivers, operated by leveraging its resources and potentials. The Company's diverse businesses are classified into three growth pillars: Adaro Energy, Adaro Minerals, and Adaro Green. Initially the Company built the vertically integrated supply chain from mines to power plants, and continued the supply chain to green businesses thereafter.

The Company is currently developing green business supply chain as the next extension, to support and capture the opportunities from green economy being developed in Indonesia.

Through AAI, the Company owns shares in several thermal coal mining companies, i.e. AI, PCS, SCM, LSA, and MIP, which produce thermal coal of medium calorific value and low pollutant content. In addition, the Company through AAI also owns shares in two thermal coal mining companies under development, i.e. PT Pari Coal and PT Ratah Coal.

To ensure that coal is delivered at the ship-loading locations or customers' locations in accordance with the agreed schedule, specifications, and quality, AAI runs a logistics business,

which consists of coal barging and ship loading, river channel dredging and maintenance, stevedoring, land and sea port operations, and barge maintenance and repair.

Furthermore, to complete its coal mining businesses, AAI also has supporting businesses operated through its subsidiaries in the land, water, investment, and power generation segments. These supporting operations are essential to secure smooth operations of the mining business, as well as business sustainability in the long run.

The Company intends to continue pursuing strategic expansions and diversifications in the non-coal mining segments. This will create a more balanced business portfolio and stronger protection for the Company in all phases of the business cycles and contribute significantly to the long-term value creation.

The Company is also committed to fully supporting the Indonesian government's commitment to reduce greenhouse gas emission, including the initiatives to achieve net-zero emissions in 2060 or earlier through various measures. The Company has a commitment to have around 50% of its total revenue generated by non thermal coal businesses by 2030. This target will be achieved by expanding businesses in the areas that support Indonesia's green ecosystem. The Company is currently developing an aluminum smelter (in construction) and a hydropower plant (in pre construction stage). This aluminum smelter is expected to commence operations in 2025 while the hydropower plant is expected to commence operations in 2030. Therefore, the revenues from these two projects are projected to add to the Company's revenue and help to achieve the target of generating 50% revenue from non thermal coal businesses.

Aluminum is an essential component of various products that support green economy, such as batteries and electric cars. Meanwhile, the hydropower plant will produce the clean energy needed by the supply chain of those products.

To fulfill this commitment, the Company intends to separate the businesses under the mining segment and a number of supporting businesses under AAI from the Adaro Mineral and Adaro Green pillars to maintain the strong synergy generated by the integration of businesses that belong to more closely related industrial sectors. This measure is perceived to be effective in maximizing the performance of AAI and those non thermal coal business pillars since it will allow each company to focus on developing their core strengths.

The Company's Planned Transaction is expected to help AAI and the non thermal coal business segments to strengthen the focus on development and performance. This separation will also help the Company's green business to gain larger financing access, more competitive funding cost, and better access to green projects with high-level potential business partners, in addition to offering more investment options to the public investors to make investments according to their interests and perspectives.

Currently, the Company's new and renewable energy projects are still on the initial stage and have not obtained financing. This segregation is expected to allow the Company to access more competitive financing from financing institutions that focus more on green energy funding. While coking coal is not yet recognized in Indonesian Taxonomy for Sustainable Finance, it can still obtain financing from several financing institutions because coking coal is a raw material for steel production, which is required for transitioning to green economy.

The Company is still exploring various funding potentials from international financing institutions. It is expected that this segregation will provide the access to more competitive financing from financing institutions that focus more on green energy funding. Until now, the Company has not made any commitment with any financing company to fund its projects in the green business being explored, and the Company is still calculating for project development, including the financial capability to fulfil the financial obligation on the funding of the associated projects.

The following table presents the analysis on the benefits and challenges from executing the Planned Transaction:

	By Executing the Planned Transaction	Without Executing the Planned Transaction
Potential benefits	<ul style="list-style-type: none"> • Supporting the government's initiative to transition to green economy • Making Indonesia more attractive for investments by offering the investors with more options and opportunities in the green and sustainable business sector • Strengthening the development focus and more focused business performance for the thermal coal mining business and non thermal coal business, especially for developing various projects in the green business. • Obtaining better access to partnership potentials with blue-chip potential business partners for the environmentally friendly projects being developed by the Company. • Obtaining the access to wider and more competitive funding potentials for developing green businesses. 	<ul style="list-style-type: none"> • The Company still has investments in thermal coal business and still generate revenues from thermal coal business.
Challenges	<ul style="list-style-type: none"> • The considerably large project costs and greenfield projects require large funding amounts and excellent project management to ensure that operations will run within the planned time and calculated economics. 	<ul style="list-style-type: none"> • The constraints on funding and investments for developing the green business being developed by the Company because of the association with the Company's thermal coal business, which possesses the challenges related to climate change and the global initiative toward net-zero emission.

The percentages of AAI's revenue and net income to the Company's consolidated revenue and income are 89.4% and 104.8%, respectively. With AAI divestment, according to the Pro Forma Financial Statements of June 30th, 2024, the Company still has consolidated net income and revenue around 35% of the revenue prior to AAI divestment, contributed by the Company's businesses outside AAI. Even though coking coal is not yet recognized in Indonesian Taxonomy for Sustainable Finance, it can still obtain financing from several financing institutions because coking coal is a raw material for steel production, which is required for transitioning to green economy. Going forward, the Company is confident that the green-economy associated businesses it is developing are promising significantly larger revenue and profit potentials in the future, supported by more competitive funding. In addition, by participating in green-economy related businesses, the Company participates in supporting the efforts to control climate change.

ii. **Brief Description on the Transaction**

Object of the transaction

The object of the transaction is up to all of the shares owned by the Company in AAI, totaling 7,008,202,240 shares. On the date of this Information Disclosure, AAI is a limited-liability company whose shares are 99.9999% (ninety-nine point nine nine nine nine percent) directly owned by the Company. The POES will be executed simultaneously or following AAI's initial public offering (IPO), whereby upon such AAI's IPO, the Company's share ownership in AAI is predicted to be diluted to 90% of AAI's total issued and paid-up capital.

Value of the transaction

The offering price for the POES is equivalent to the volume-weighted average price established after the closure of the trading on AAI's share listing day on the stock exchange, while taking into account the fairness of the transaction as stipulated in POJK 35/2020, provided that the final offering price shall be:

- i. minimum equivalent to the fair market price of AAI shares based on the appraisal of the Independent Appraiser; and
- ii. maximum 107.5% of the appraised value determined by the Independent Appraiser, within the fairness threshold as set forth in POJK 35/2020.

Therefore, the total value of the Planned Transaction shall be minimum US\$2,445,950 thousand, which is equivalent to 31.8% of the Company's total equity and maximum US\$2,629,396 thousand, which is equivalent to 34.1% of the Company's total equity, under the assumption that each of the Company's shareholders subscribes to the Shares Offered under POES mechanism based on Subscription Ratio.

The Planned Transaction fulfils the definition of material transaction of POJK 17/2020 because AAI's total assets, net income, and revenue is individually greater than 50% (fifty percent) of the Company's total assets, net income, and revenue as stated in the Financial Statements, with the following details:

No.	Value Components of the Material Transaction	AAI (in US\$ '000)	The Company (in US\$ '000)	Percentage
(i)	AAI's total assets divided by the Company's total assets is equal to or greater than 20% (twenty percent)	US\$5,433,038	US\$10,264,463	52.9%
(ii)	AAI's net income divided by the Company's net income is equal to or greater than 20% (twenty percent)	US\$922,767*)	US\$880,189	104.8%
(iii)	AAI's revenue divided by the Company's revenue is equal to or greater than 20% (twenty percent)	US\$2,656,511	US\$2,972,835	89.4%

*) including the non recurring gain of US\$322.936 thousand eliminated on the Company's net income.

Mechanism of the Planned Transaction

The Planned Transaction is conducted through a public offering of AAI shares in accordance with the applicable capital market regulations, including POJK 76/2017.

Subject to the FSA's statement that the Company's registration statement on the public offering by the shareholders based on POJK 76/2017 has become effective ("PUPS"), the Company will offer the opportunities to its shareholders to participate in the Planned Transaction as buyers, during the same period as or subsequent to the process of AAI's public offering.

The sales of shares will be conducted under the following terms:

Item	Description
Seller	The Company
Buyer	The Company will offer the Shares Offered to all its shareholders who are registered on the Company's list of shareholders on the date currently estimated to be November 27 th , 2024, or another date to be announced in the POES prospectus (" Recording Date ").

	<p>The buyers are the Company's shareholders who are registered on the Recording Date and choose to buy AAI shares from the Company.</p> <p>In the event that AAI's shareholders are not the Company's shareholders registered in the Company's shareholders' list on the certain date which will be announced in the POES Prospectus, such AAI's shareholders are not categorized as the shareholders who are entitled to buy AAI shares offered by the Company under the POES mechanism.</p>
Shares Offered	<p>Up to all of the shares owned by the Company in AAI, totaling 7,008,202,240 shares ("Shares Offered"). The POES will be executed simultaneously or following AAI's initial public offering process, whereby after such AAI's initial public offering, the Shares Offered are predicted to be equivalent to 90% of AAI's issued and paid-up capital.</p> <p>The Company will determine the ratio to be used for ordering AAI shares based on the shareholders' share ownership on the Recording Date ("Subscription Ratio").</p> <p>Subscription Ratio will be granted proportionally only to all of the Company's shareholders. No shareholder is entitled to any certain rights. The Subscription Ratio will be announced in the POES prospectus.</p>
Offering Price	<p>The POSS offering price shall be equivalent to the volume-weighted average price established after the market close on the trading day of AAI's share listing on the stock exchange, while taking into account the fairness of the transaction as stipulated in POJK 35/2020, provided that the final offering price shall be:</p> <ol style="list-style-type: none"> i. minimum equivalent to the fair market price of AAI shares based on the appraisal of the Independent Appraiser; and ii. maximum 107.5% of the appraised value determined by the Independent Appraiser, within the fairness threshold as set forth in POJK 35/2020.
Tax Aspect	<p>Based on the tax analysis prepared by the firm Purwantono Suherman Surja Consult (a member of Ernst & Young Global Limited) of October 11th, 2024, it is concluded as follows:</p> <ol style="list-style-type: none"> a. the tax implications on AAI's initial public offering process are: <ol style="list-style-type: none"> (i) the additional final tax of 0.5% on the sales of AAI's founder shares, which shall be paid to the tax authority within one month after AAI shares are traded on Indonesia Stock Exchange; and (ii) the final tax of 0.1% of the gross transaction value of AAI share sales on IDX, provided that the final tax of 0.5% has been paid by the owners of the founder shares. b. The tax implication on POSS execution on AAI shares by the Company to the Company's shareholders is the final tax of 0.1% of the gross transaction value of the sales of AAI shares on IDX, which will be covered by the Company as the selling shareholder. c. The share offering price determined for POSS execution has

	<p>fulfilled the arm's length principle as set forth by the applicable tax regulations.</p> <p>d. Article 12 of Law of General Provisions and Procedures on Taxes stipulates that tax payers are obliged to calculate and report the tax based on the self-assessment mechanism without awaiting the assessment or tax assessment letter issued by the tax authority. All relevant tax paying entities associated with the transaction including the Company and AAI have fulfilled the tax calculation and reporting in accordance with this regulation.</p> <p>e. AAI shares' initial public offering and the POSS on AAI shares by the Company have fulfilled the applicable tax regulations.</p>
Public offering period and ordering procedure	To be determined in the POSS prospectus.
Remaining shares	The unsold remaining shares will be kept by the Company.

iii. Parties to the Transaction

1. The Company as the shareholder of AAI

Brief history

The Company was established based on the notarial deed number 25 made before Sukawaty Sumadi, S.H., a Notary in Jakarta. 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 based on Deed number 10 of June 4th, 2024 made before Humbert Lie, S.H., S.E., M.Kn., a Notary in North Jakarta. 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-0043080.AH.01.02.TAHUN 2024 of July 17th, 2024.

The Company started operating commercially in July 2005. The Company is domiciled in Jakarta and located at Gedung Menara Karya, 23rd floor, Jl. H.R. Rasuna Said Blok X-5, Kav. 1-2, South Jakarta.

The Company's purpose and objectives are to operate 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).

Management and supervision

Based on the notarial deed number 8 of June 4th, 2024 made before Humbert 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.01.09-029993 of June 4th, 2024, 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: M. Syah Indra Aman
Director: Julius Aslan
Director: Iwan Dewono Budiyuwono

2. AAI

Brief history

AAI is a subsidiary company of the Company. AAI was established based on the notarial deed number 2 of December 1st, 2004 made before Ir. Rusli, S.H., a Notary in Bekasi. AAI'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 23rd, 2004 and announced in the State Gazette of the Republic of Indonesia number 52 of July 1st, 2005, Supplement to State Gazette number 6922. Its Articles of Association have been amended several times with the latest amendment based on the Deed of Shareholders' Resolution number 1 of September 3rd, 2024 made before Humbert Lie, S.H., S.E., M.Kn., a Notary in North Jakarta, which has been approved by the Minister of Law and Human Rights of the Republic of Indonesia based on the Decree of the Approval for the Change in Articles of Association number AHU-0055647.AH.01.02.TAHUN 2024 of September 3rd, 2024, which has been registered in the Company List of the Ministry of Law and Human Rights of the Republic of Indonesia number AHU-0186922.AH.01.11.TAHUN 2024 of September 3rd, 2024, and notified to the Minister of Law and Human Rights of the Republic of Indonesia as confirmed by (i) the Receipt of the Notification on the Change in Articles of Association number AHU-AH.01.03-0188887 of September 3rd, 2024, which has been registered in the Company List of the Ministry of Law and Human Rights of the Republic of Indonesia number AHU-0186922.AH.01.11.TAHUN 2024 of September 3rd, 2024 and (ii) the Receipt of the Notification on the Change in Company Data number AHU-AH.01.09-0247706 of September 3rd, 2024, which has been registered in the Company List of the Ministry of Law and Human Rights of the Republic of Indonesia number AHU-0186922.AH.01.11.TAHUN 2024 of September 3rd, 2024 ("**Deed number 1/2024**").

AAI's head office is domiciled in Jakarta and located at Cyber Tower 2, 26th floor, Jl. H.R. Rasuna Said Blok X-5, No. 13, Jakarta 12950 Indonesia.

AAI's purpose and objectives are to engage in the plantation businesses of oil palm, rubber, and other latex producing plants, holding company activities, and other management consultation activities.

Management and supervision

Based on Deed number 1/2024, the compositions of AAI's Board of Directors and Board of Commissioners are as follows:

Board of Commissioners

President Commissioner (Independent): Budi Bowoleksono
Commissioner: Primus Dorimulu

Board of Directors

President Director: Julius Aslan

Director: Priyadi
 Director: Lie Luckman
 Director: Susanti

Capital Structure

On the date of this Information Disclosure, based on Deed number 1/2024, AAI's capital structure and shareholder composition are as follows:

Authorized capital Rp40,000,000,000,000
 Issued and paid-up capital Rp21,900,633,000,000

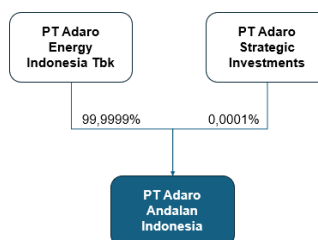
AAI's authorized capital consists of 12,800,000,000 shares of Rp3,125 par value per share.

AAI's shareholder composition on the date of this Information Disclosure is as follows:

Shareholder	Number of Shares	Amount (Rp)	Percentage (%)
The Company	7,008,202,240	Rp21,900,632,000,000	99.9999
PT Adaro Strategic Investments (ASI)	320	Rp1,000,000	0.001
Total	7,008,202,560	Rp21,900,633,000,000	100.00

The Company is AAI's shareholder holding 7,008,202,240 shares that represent 99.9999% of AAI shares.

The following chart presents AAI's share ownership composition:



The following table lists AAI's share ownership in subsidiaries, percentage of ownership, operational status, and business activities:

Subsidiary Entity under Direct Ownership	Business Activity	Year of Commencing Commercial Operations	Operational Status	Percentage of Effective Ownership
PT Adaro Indonesia ("AI")	Mining	1992	Operational	88%
PT Dianlia Setyamukti ("Dianlia")	Investment	-	Non operational	100%
PT Viscaya Investments ("Viscaya")	Investment	-	Non operational	100%
Arindo Holdings (Mauritius) Ltd ("Arindo Holdings") ^{a)}	Investment	-	Holding	90%
PT Adaro Logistics ("AL") ^{a)}	Service	2015	Operational	100%

PT Mustika Indah Permai ("MIP")	Mining	2019	Operational	75%
PT Bukit Enim Energi ("BEE") ^{b)}	Mining	-	Non operational	61%
PT Adaro Persada Mandiri ("APM") ^{a)}	Service	2006	Operational	91%
PT Adaro Mining Technologies ("AMT") ^{a)}	Service	2023	Operational	100%
PT Paramitha Cipta Sarana ("PCS")	Mining	2024	Operational	75%
PT Adaro Tirta Mandiri ("ATM") ^{a)}	Trading	2019	Operational	100%
PT Semesta Centramas ("SCM")	Mining	2014	Operational	75%
PT Laskar Semesta Alam ("LSA")	Mining	2016	Operational	75%
PT Pari Coal ("PC")	Mining	-	Non operational	65%
PT Ratah Coal ("RC")	Mining	-	Non operational	100%
PT Indoprima Niaga Sejahtera ("INS") ^{a)}	Investment	-	Holding	65%
PT Kaltara Power Indonesia ("KPI")	Power provision	-	Non operational	84%

Subsidiary Entity under Indirect Ownership	Business Activity	Year of Commencing Commercial Operations	Operational Status	Percentage of Effective Ownership
PT Sarana Daya Mandiri ("SDM")	Service	2009	Operational	30%
PT Rehabilitasi Lingkungan Indonesia ("RLI") ^{a)}	Service	2016	Operational	91%
PT Adaro Jasabara Indonesia ("AJI")	Service	2007	Operational	100%
PT Indonesia Bulk Terminal ("IBT")	Terminal management service	1997	Operational	100%
Vindoor Investments (Mauritius) Ltd ("Vindoor") ^{a)}	Investment	-	Non operational	90%
Adaro International (Singapore) Pte Ltd ("AIS")	Coal trading	2001	Operational	90%
PT Maritim Barito Perkasa ("MBP")	Sea transport	2005	Operational	100%
PT Harapan Bahtera Internusa ("HBI")	Sea transport	2004	Operational	100%
PT Purdika Bongkar Muat Makmur ("PBMM")	Service	2013	Operational	100%
PT Indonesia Multi Purpose Terminal ("IMPT")	Terminal management service	2013	Operational	100%

Subsidiary Entity under Direct Ownership	Business Activity	Year of Commencing Commercial Operations	Operational Status	Percentage of Effective Ownership
Orchard Maritime Logistics Pte Ltd ("OML")	Coal handling and transport	2006	Non operational	100%
PT Agri Multi Lestari	Animal farming	2016	Operational	91%

("AML")				
PT Adaro Tirta Sarana ("ATS") ^{a)}	Mining support service	2021	Operational	99%
PT Drupadi Tirta Intan ("DTI")	Water treatment	2016	Operational	99%
PT Adaro Tirta Gresik ("ATG")	Water treatment	2016	Operational	99%
Adaro Capital Limited ("ACL")	Investment	2017	Non operational	90%
PT Alam Sukses Lestari ("ASL")	Forestry	2018	Operational	91%
PT Barito Galangan Nusantara ("BGN")	Sea transport construction, repair and maintenance	2018	Operational	100%
PT Hutan Amanah Lestari ("HAL")	Forestry	2018	Non operational	68%
PT Adaro Tirta Mentaya ("ATME")	Water treatment	2021	Operational	89%
PT Adaro Wamco Prima ("AWP")	Water and mud treatment	2019	Operational	59%
Adaro Australia Pty Ltd	Investment	-	Non operational	90%
PT Sarana Mekar Pratama ("SMP") ^{a)}	Investment	-	Holding	55%
PT Sarana Multi Talenta ("SMT")	Service	-	Operational	100%
PT Adaro Tirta Wening ("ATW")	Water management support service	2023	Operational	99%
PT Adaro Tirta Brayon ("ATB")	Water treatment	-	Operational	99%
PT Persada Wana Lestari ("PWL")	Forestry	-	Non operational	91%
PT Cakra Wana Lestari ("CWL")	Forestry	-	Non operational	91%
PT Mandiri Wana Lestari ("MWL")	Forestry	-	Non operational	91%
PT Indotama Semesta Manunggal ("INDOTAMA")	Mining Service	-	Non operational	65%
PT Indovisi Sentosa Mandiri ("ISM")	Port	-	Non operational	65%
PT Mitra Rimba Indoprima ("MRI")	Forestry business	-	Non operational	65%
PT Indo Mitra Konstruksi ("IMK")	Mining Service	-	Non operational	65%

^{a)} and subsidiaries

^{b)} On August 8th, 2024, the Company divested its entire share ownership in BEE

The summary of AAI's consolidated balance sheet based on the consolidated financial statements of AAI and subsidiaries as at June 30th, 2024, December 31st, 2023 and December 31st, 2022, and the summary of AAI's consolidated profit and loss and other comprehensive revenue based on the consolidated financial statements of AAI and subsidiaries for the period ended June 30th, 2024 and June 30th, 2023 (unaudited), and for the year ended on December 31st, 2023 and December 31st, 2022, audited by Public Accounting Firm Rintis, Jumadi, Rianto & Rekan (a member of PwC global network) with unqualified opinion, are as follows:

in thousand of US dollar

Balance Sheet	June 30 th , 2024	December 31 st , 2023	December 31 st , 2022
---------------	------------------------------	----------------------------------	----------------------------------

Assets			
Current assets	1,875,992	3,270,164	4,326,775
Non current assets	3,557,046	3,792,752	3,639,311
Total assets	5,433,038	7,062,916	7,966,086
Liabilities and equity			
Liabilities			
Short-term liabilities	1,519,862	1,798,306	2,117,564
Long-term liabilities	1,192,208	474,146	1,340,306
Total liabilities	2,712,070	2,272,452	3,457,870
Equity			
Total equity attributed to the owners of the parent entity	2,383,041	4,366,000	4,115,713
Non-controlling interests	337,927	424,464	392,503
Total Equity	2,720,968	4,790,464	4,508,216
Total liabilities and equity	5,433,038	7,062,916	7,966,086

in thousand of US dollar

Profit & Loss and Other Comprehensive Revenue	June 30th, 2024	June 30th, 2023 (Unaudited)	December 31st, 2023	December 31st, 2022
Revenue	2,656,511	3,255,246	5,915,408	7,725,933
Cost of revenue	(1,879,339)	(2,134,097)	(4,186,532)	(3,776,856)
Gross profit	777,172	1,121,149	1,728,876	3,949,077
Operating income	944,331	924,455	1,391,359	3,625,905
Profit before income tax	1,035,168	993,560	1,559,975	3,848,074
Profit for the period/year	922,767	804,759	1,285,891	2,349,572
Total comprehensive revenue for the period/year, after tax	911,232	822,588	1,300,332	2,375,106

**) including nonrecurring gain of US\$322,936 thousand.*

B. EFFECTS OF THE TRANSACTION ON THE COMPANY'S FINANCIAL CONDITION (PRO FORMA)

(Stated in thousand of US dollar, except share par values and data)

Pro Forma Financial Statements of June 30th, 2024

	Historical June 30th, 2024 PT Adaro Energy Indonesia Tbk and Subsidiaries⁽¹⁾	Adjustments related to the Transaction	Pro forma June 30th, 2024 PT Adaro Energy Indonesia Tbk and Subsidiaries
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents*	2,793,958	1,365,930	4,159,888
Restricted cash and time deposits – current portion	4,110	-	4,110
Trade receivables	510,954	(237,331)	273,623
Other investments – current portion	57,507	(57,507)	-
Inventories	199,297	(88,961)	110,336
Prepaid taxes – current portion	96,011	(76,758)	19,253
Other receivables – current portion	20,070	(12,022)	8,048
Loans to related parties – current portion	2,129	-	2,129
Advances and prepayments – current portion	59,021	(43,931)	15,090
Other current assets	394	3,323	3,717
Total current assets	3,743,451	852,743	4,596,194
NON-CURRENT ASSETS			
Restricted cash and time deposits – non current portion	57,099	(37,340)	19,759
Other investments – non current portion	499,592	(499,592)	-
Other receivables – non current portion	114,754	(51,340)	63,414
Investments in associates and joint ventures	1,405,472	(767,127)	638,345
Loans to third parties	187,248	(2,271)	184,977
Loans to related parties – non current portion	143,450	773,176	916,626
Advances and prepayments – non current portion	196,252	(112,982)	83,270
Prepaid taxes – non current portion	32,195	(15,051)	17,144
Mining properties	970,994	(419,583)	551,411
Fixed assets	2,007,817	(688,702)	1,319,115
Goodwill	776,943	(737,278)	39,665
Intangible assets	4,253	(2,135)	2,118
Concession service receivables	28,539	(28,539)	-
Deferred tax assets	90,772	(47,531)	43,241
Other non current assets	5,632	(3,996)	1,636
Total non current assets	6,521,012	(2,640,291)	3,880,721
TOTAL ASSETS	10,264,463	(1,787,548)	8,476,915

Notes:

(1) The historical consolidated financial information of PT Adaro Energy Indonesia Tbk (“the Company”) and subsidiaries (collectively referred to as “the Group”) is obtained from the Financial Statements.

	Historical June 30th, 2024 PT Adaro Energy Indonesia Tbk and Subsidiaries⁽¹⁾	Adjustments related to the Transaction	Proforma June 30th, 2024 PT Adaro Energy Indonesia Tbk and Subsidiaries
LIABILITIES AND EQUITY			
LIABILITIES			
CURRENT LIABILITIES			
Trade payables	365,669	(185,884)	179,785
Dividend payable	31,584	(31,584)	-
Accrued expenses	267,816	(171,133)	96,683
Short-term employee benefits liabilities	1,111	(829)	282
Tax payables			
- Corporate income tax	60,562	(33,767)	26,795
- Other taxes	49,319	(42,418)	6,901
Royalty payable	18,038	(2,673)	15,365
Current portion of long-term borrowings			
- Lease liabilities	29,563	(1,434)	28,129
- Bank loans	111,064	(61,412)	49,652
Senior notes	698,887	(698,887)	-
Provision for decommissioning, rehabilitation, reclamation and mine closure – current portion	3,993	-	3,993
Other liabilities – current portion	4,601	(4,268)	333
Total current liabilities	1,642,207	(1,234,289)	407,918
NON-CURRENT LIABILITIES			
Loans from third parties	5,738	(5,738)	-
Long-term borrowings, net of current maturities:			
- Lease liabilities	76,800	(218)	76,582
- Bank loans	385,735	(116,888)	268,847
Deferred tax liabilities	152,639	(62,526)	90,113
Loans from related parties	-	5,195	5,195
Post-employment benefit liabilities	70,699	(23,334)	47,365
Provision for decommissioning, rehabilitation, reclamation and mine closure – non current portion	230,056	(204,276)	25,780
Other liabilities – non current portion	-	39	39
Total non current liabilities	921,667	(407,746)	513,921
TOTAL LIABILITIES	2,563,874	(1,642,035)	921,839

Note:

(1) The historical consolidated financial information of the Group is obtained from the Financial Statements.

	Historical June 30th, 2024 PT Adaro Energy Indonesia Tbk and Subsidiaries⁽¹⁾	Adjustments related to the Transaction	Proforma June 30th, 2024 PT Adaro Energy Indonesia Tbk and Subsidiaries
EQUITY			
Equity attributable to owners of the parent entity			
Share capital – authorized capital 80,000,000,000 shares; issued and fully paid 31,985,962,000 shares at Rp100 par value per share	342,940	-	342,940
Additional paid-in capital, net	1,154,494	910,600	2,065,094
Treasury shares	(177,019)	-	(177,019)
Difference in value from transactions with non- controlling interests	157,815	(361,001)	(203,186)
Retained earnings			
- Appropriated	68,588	-	68,588
- Unappropriated*	5,530,729	(496,186)	5,034,543
Other comprehensive income	35,391	5,395	40,786
Total equity attributed to owners of the parent entity	7,112,938	58,808	7,171,746
Non-controlling interests	587,651	(204,321)	383,330
TOTAL EQUITY	7,700,589	(145,513)	7,555,076
TOTAL LIABILITIES AND EQUITY	10,264,463	(1,787,548)	8,476,915

Notes:

(1) The historical consolidated financial information of the Group is obtained from the Financial Statements.

*) Unappropriated retained earnings and cash and cash equivalents will decrease in an amount equivalent to total cash dividend distributed by the Company.

PRO FORMA CONSOLIDATED PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS' PERIOD ENDING ON JUNE 30th, 2024

(Stated in thousand of US dollar)

	Historical June 30th, 2024 PT Adaro Energy Indonesia Tbk and Subsidiaries⁽¹⁾	Adjustments related to the Transaction	Proforma June 30th, 2024 PT Adaro Energy Indonesia Tbk and Subsidiaries
Revenue	2,972,835	(1,919,130)	1,053,705
Cost of revenue	(1,765,110)	1,174,186	(590,924)
Gross profit	1,207,725	(744,944)	462,781
Operating expenses	(178,984)	102,304	(76,680)
Other (expenses)/income, net	(20,654)	20,687	33
Operating income	1,008,087	(621,953)	386,134
Finance cost	(48,020)	15,154	(32,866)
Finance income	80,464	(43,977)	36,487
Share in profits of associates and joint ventures	38,613	(20,676)	17,937
	71,057	(49,499)	21,558
Profit before income tax	1,079,144	(671,452)	407,692
Income tax expense	(198,955)	112,273	(86,682)
Profit for the year	880,189	(559,179)	321,010
Comprehensive (loss)/income for the period:			
Items to be reclassified to profit or loss			
Exchange difference due to financial statement translation	(35,020)	53,158	18,138
Share of other comprehensive income/(loss) from associates and joint ventures	15,043	(16,477)	(1,434)
	(19,977)	36,681	16,704

Notes:

(1) The Group's historical consolidated financial information is obtained from the Financial Statements.

	Historical June 30th, 2024 PT Adaro Energy Indonesia Tbk and Subsidiaries⁽¹⁾	Adjustments related to the Transaction	Proforma June 30th, 2024 PT Adaro Energy Indonesia Tbk and Subsidiaries
Comprehensive (loss)/income for the period: (continued)			
Items that will not be reclassified to profit or loss:			
Changes in fair value of investment in funds at fair value through other comprehensive income	(198)	(25,218)	(25,416)
Remeasurement of post-employment benefit liabilities	542	(542)	-
Income tax related to this item	(112)	112	-

	232	(25,648)	(25,416)
	(19,745)	11,033	(8,712)
Total comprehensive income for the period, net of tax	860,444	(548,146)	312,298
Profit for the period attributed to:			
Owners of the parent entity	778,773	(499,144)	279,629
Non-controlling interests	101,416	(60,035)	41,381
Profit for the period	880,189	(559,179)	321,010
Total comprehensive income of the period attributed to:			
Owners of the parent entity	758,985	(490,791)	268,194
Non-controlling interests	101,459	(57,355)	44,104
Total comprehensive income of the period, net of tax	860,444	(548,146)	312,298

Notes:

(1) The Group's historical consolidated financial information refers to the Group's interim consolidated financial statements of June 30th, 2024, which have been reviewed.

Assumptions for the execution of the material transaction in Pro Forma Financial Statements of June 30th, 2024:

- The management assumes that the Company does not recognize the portion of profit and loss and other comprehensive revenue from AAI Group from the time of losing control on January 1st, 2024 and assumes that the material transaction has been executed on January 1st, 2024.
- The management assumes that the transaction value used for the pro forma of the Material Transaction plan is the appraiser's appraisal value on up to all the shares owned by the Company in AAI as stated in the Appraiser's Report.
- The management applies the accountancy on the sales of AAI shares based on the Indonesia's financial accounting standard number 338, "Controlling Entities' Business Combination", where the difference between the amount of cash received from the share sales and the recorded net asset value of the AAI Group in the divestment of common control entities is presented in equity as "Additional paid-up capital, net" for US\$910,600 thousand value.

Based on Pro Forma Financial Statements of June 30th, 2024 as presented in the table hereinabove, AAI divestment shall lead to lower consolidated revenue and net income of the Company, or 65% and 64% respectively, based on the amounts in Pro Forma June 30th, 2024, as presented in the calculation below.

	(in thousand US\$)
	June 30th, 2024
The Company's consolidated revenue	2,972,835
The Company's Pro Forma consolidated revenue	1,053,705
Decrease	(1,919,130)
% decrease	65%
The Company's consolidated income in the current period	880,189
The Company's Pro Forma consolidated income for the current period	321,010
Decrease	(559,179)
% decrease	-64%

In the other words, in consolidation the Company still has net income and revenue around 35% of the revenue prior to AAI divestment, whereby the Company in consolidation still has investments in metallurgical coal and rock mining, mineral processing, energy, utilities, and supporting infrastructure supported by its resources and potentials. If AAI is divested by the Company, based on the Pro Forma Financial Statements of June 30th, 2024, the Company in consolidation still has total assets, revenue and net income of US\$8,476,915 thousand, US\$1,053,705 thousand and US\$321,010 thousand from the Company's business excluding AAI. Going forward, the Company will be more focused on developing the existing energy projects that support the Indonesian government green economy programs. This means, if the Planned Transaction is executed, the Company's business sustainability will not be disturbed.

The Company' total thermal coal reserves owned through consolidated subsidiaries, i.e. the subsidiaries of the AAI Group (AI, SCM, LSA, PCS, and MIP), is 917.4 million tonnes. With AAI divestment, based on the objective of the Planned Transaction, the Company no longer has thermal coal reserves and still has metallurgical coal reserves, with this product being the raw material in steel making, through a consolidated subsidiary PT Adaro Minerals Indonesia Tbk Group amounting to 173 million tonnes.

The Company's Consolidated Financial Ratio based on Pro Forma Financial Statements of June 30th, 2024:

Financial Ratio	Pro Forma June 30th, 2024	Analysis
Gross Profit Margin (%)	43.92%	Gross Profit Margin (%) of 43.92% indicates that the Company has good capability to generate profit from revenue after deducting production costs. This ratio represents the Company's efficiency in carrying out operations and profitability.
Operational EBITDA Margin (%)	48.41%	Operational EBITDA margin of 48.41% indicates that the Company has a high profitability level, not taking into account the non-operational costs. This operational EBITDA margin reflects excellent performance and operational efficiency, as well as the ability to consistently generate income.
Operating Margin (%)	36.65%	Operating margin of 36.65% indicates that the Company has excellent operational profitability. This is also an indication that the Company can manage the operational cost well out of the revenue generated.
Return on Equity (%)	8.50%	ROE calculated based on the pro forma consolidated financial performance for the six months ended June 30 th , 2024 and annualized to project the relevant financial ratio of 8.50% shows that the Company has the strong ability to generate returns for the shareholders' investment.
Return on Assets (%)	7.57%	ROA calculated based on the pro forma consolidated financial performance for the six months ended June 30 th , 2024 and annualized to project the relevant financial ratio of 7.57% shows that the Company has the strong ability to generate net income of 7.57% out of its total assets. This provides the Company's excellent performance in utilizing the assets for generating income.
Net Debt to Equity (x)	(0.50)	The negative ratio indicates the Company's very high liquidity level, meaning the Company has the ability to serve all of its debts since it has very high cash balance (very liquid).
Net Debt to Operational EBITDA (x)	(3.67)	The negative ratio indicates the Company's very high liquidity level. This means the Company is not only able to serve the debts with its operational EBITDA, but also has very high cash balance.

Financial Ratio	Pro Forma June 30th, 2024	Analysis
Cash from Operations to Capex (x)	1.85	The ratio of 1.85 indicates that the Company has generated cash from operations more than double the amount of capital expenditure. This is a strongly positive indication, showing that the Company has more than enough operational cash to fund the capital expenditure.
Current Ratio (x)	11.27	The ratio of 11.27 indicates that the Company has very strong liquidity, with current assets far exceeding short-term liabilities. This means the Company has very strong capability to serve its short-term liabilities.
Earnings per Share (AS\$)	0.00908	Earnings per share (EPS) of 0.00908 based on the pro forma financial statements of June 30 th , 2024 is attributable to the 64% decrease in net income after AAI's planned divestment. Going forward, the Company's profit is expected to continue rising on the back of the potential growth of the projects in the green business, which will provide good returns.
Price to Book Value (x)	0.69	PBV of 0.69 indicates that the market values the Company below its net asset value. With the future potential of its green projects, the Company's share price in the market will better reflect its future business growth.

The Company is considering to distribute cash dividends to all of its shareholders registered on the recording date, which shall be 8 (eight) business days following the General Meeting of Shareholders that approves such cash dividend distribution. The shareholders, on their own decision, can use the cash dividend to fund their participation in the Planned Transaction, subject to the shareholders' approval in the General Meeting of Shareholders to be held on a future date.

III. SUMMARY OF THE REPORT ON THE OBJECT OF THE PLANNED TRANSACTION

KJPP Kusnanto & Rekan is an official Public Appraisal Office under the Finance Minister's Decree number 2.19.0162 of July 15th, 2019 and registered at FSA as an office of capital market supporting profession by Registered License of the Capital Market Supporting Profession issued by FSA number STTD.PB-01/PJ-1/PM.223/2023 (business appraiser). It has been appointed by the Company by Assignment Letter number KR/240718- 003 of July 18th, 2024 to submit the appraisal for the market value of 99.9999% AAI shares and provide a fairness opinion on the Planned Transaction.

The following is the summary of the appraisal report on 99.9999% AAI shares as stated in its report number No. 00150/2.0162-00/BS/02/0153/1/X/2024 of October 14th, 2024.

i. Parties to the Planned Transaction

The parties to the transaction based on the Company's Information Disclosure are the Company and all of its shareholders whose names are registered on the Company's list of shareholders on the date to be announced in the POES prospectus by the Selling Shareholder, who decide to buy AAI shares from the Company.

ii. Object of the appraisal

The object of the appraisal is the Company's shares in AAI totaling 21,900,632 shares recorded on June 30th, 2024 or equivalent to 7,008,202,240 after the stock split executed on September 3rd, 2024, which represents the Company's ownership in AAI of 99.9999% of the shares.

iii. Objective of the appraisal

The objective of the appraisal is to obtain an independent opinion on the market value of the object of the appraisal on June 30th, 2024 stated in US dollar currency.

The purpose of the appraisal is to provide description on the market value of the object of the appraisal, which will be used as a reference and consideration by the Company's management for the implementation of the Planned Transaction, and to fulfil POJK 17/2020.

iv. Assumptions and limiting conditions

- a. Preparing a business appraisal report of non-disclaimer opinion;
- b. Representing that the business appraiser has reviewed the documents used in the appraisal process;
- c. Representing that the data and information received are obtained from sources of reliable accuracy;
- d. Using adjusted financial projection representing the fair financial projections prepared by the management under fiduciary duty;
- e. Representing that the business appraiser is responsible for the appraisal and the fairness of the adjusted financial projections;
- f. Generating business appraisal report available for the public, except in the event of confidential information potentially impacting the Company's operations;
- g. Representing that the business appraiser is responsible for the business appraisal report and conclusion on value; and
- h. Indicating that the business appraiser has received the information on the legal status of the object of the appraisal and the assignor.

v. Approaches and appraisal method

The appraisal on the Object of Appraisal was based on internal and external analyses. Internal analysis was based on data provided by management, historical analysis of the financial position report, and AAI's comprehensive income and loss statement, review of the operating conditions and the management and resources owned by AAI. KJPP KR evaluated AAI's future prospects based on the business plans and financial statement projections provided by management that KJPP KR reviewed for fairness and consistency. External analysis was based on a brief review of external factors considered as value drivers including a brief review of the prospects of the relevant industry.

In applying the appraisal method to determine the indication of the market value of a "business interest" it is necessary to refer to the representative financial statements (financial position report and comprehensive profit and loss statement), therefore it was necessary to adjust the book value of the financial position report and normalization of the profit of the comprehensive profit and loss statement usually prepared by management based on historical value. However, the book value of a company reflected in the financial position report and comprehensive profit and loss statement is the acquisition value and does not reflect the economic value that can be fully used as a reference as the market value at the time of the appraisal.

The appraisal methods used in the appraisal of the Object of the Appraisal were the discounted cash flow (DCF) method, the adjusted net asset method, and the guideline for publicly traded company method.

The discounted cash flow method was chosen considering that the business activities carried out by AAI's operating subsidiaries in the future would still fluctuate in accordance with estimates of the business development of AAI's operating subsidiaries. In carrying out the appraisal using this method, the operations of AAI's operating subsidiaries were projected in accordance with estimates of the business development of AAI's operating subsidiaries. The cash flows generated based on the projection was converted into present value with a discount rate that is appropriate to the risk level. The indicated value is the total present value of the cash flows.

In carrying out the appraisal using the net asset adjustment method, the value of all components of assets and liabilities/debts must be adjusted to their market value, except for components that show their market value (such as cash/bank or bank debt). The overall market value of the

company was then obtained by calculating the difference between the market value of all assets (tangible and intangible) and the market value of liabilities.

The comparative method of listed companies on the stock exchange was used in this appraisal because although in the public company's stock market there is no information regarding similar companies with equivalent business scale and assets, it is estimated that the existing public companies' stock data can be used as comparative data for AAI share value.

The above appraisal approach and method are those that KJPP KR considered most appropriate to be applied in this assignment and have been agreed upon by the Company's management and AAI.

Subsequently, the values obtained from each method were reconciled by weighting.

vi. Conclusion on value

Based on the results of the analysis of all data and information that KJPP KR received and taking into account all relevant factors that influenced the appraisal, KJPP KR is of the opinion that the market value of the Object of the Appraisal on June 30th, 2024 was USD2,445,950 thousand.

With the total of 21,900,632 shares recorded on June 30th, 2024, the price per share is US\$111.68. With the total of 7,008,202,240 shares after AAI shares' par value split, the price per share is US\$0.35.

IV. SUMMARY OF THE FAIRNESS OPINION

The following is the summary of the fairness opinion on the Planned Transaction as stated in its report number 00151/2.0162-00/BS/02/0153/1/X/2024 of October 14th, 2024.

i. Identity of the parties

The parties to the transaction based on the Company's Information Disclosure are the Company and all of its shareholders whose names are registered on the Company's list of shareholders on the date to be announced in the PUPS prospectus by Selling Shareholder, who decide to buy AAI shares from the Company.

ii. Object of the fairness opinion

The transaction in which the Company plans to sell up to 99.9999% of AAI shares (or up to 21,900,632 shares recorded in the Company's Financial Statements of June 30th, 2024, or up to 7,008,202,240 shares of the Company based on the Deed of Shareholders' Resolution of the Company of September 30th, 2024) through the POES mechanism to all the Company's shareholders for an offering price determined using the volume-weighted average price (VWAP) generated after the close of trading on the day of AAI's share listing on the stock exchange while taking into account the fairness of the transaction as stipulated in POJK 35/2020 as disclosed in this Information Disclosure, on which the total amount of the transaction shall be no less than US\$2,445,950 thousand and no greater than US\$2,629,396 thousand.

iii. Purpose of the fairness opinion

The purpose and objective of preparing the fairness opinion report on the Planned Transaction are to provide the description to the Company's Board of Directors on the fairness of the Planned Transaction from the financial aspect and to fulfill the applicable provision, i.e. POJK 17/2020.

iv. Assumptions and limiting conditions

- i. Preparing a business appraisal report of non-disclaimer opinion;

- j. Representing that the business appraiser has reviewed the documents used in the appraisal process;
 - k. Representing that the data and information received are obtained from sources of reliable accuracy;
 - l. Using adjusted financial projection representing the fair financial projections prepared by the management under fiduciary duty;
 - m. Representing that the business appraiser is responsible for the appraisal and the fairness of the adjusted financial projections;
 - n. Generating business appraisal report available for the public, except in the event of confidential information potentially impacting the Company's operations;
 - o. Representing that the business appraiser is responsible for the business appraisal report and conclusion on value; and
 - p. Indicating that the business appraiser has received the information on the legal status of the object of the appraisal and the assignor.
- v. Approaches and appraisal method

In compiling the fairness opinion report on this Planned Transaction, the Independent Appraiser has conducted an analysis through the appraisal approaches and procedure on the Planned Transaction, which include the following:

- I. Analysis on the Planned Transaction
The analysis on the Planned Transaction has been made based on the information regarding the Planned Transaction provided by the Company's management, identification and analysis on the relationship between the parties of the transaction, the analysis on the agreements and conditions agreed on the Planned Transaction, and the analysis on the benefits and risks of the Planned Transaction. The Planned Transaction qualifies as a material transaction according to POJK 17/2020.
- II. Qualitative and quantitative analyses on the Planned Transaction
The qualitative and quantitative analyses on the Planned Transaction have been made by reviewing the coal industry, which would provide the general description on the development of the coal industry performance globally and in Indonesia, by analyzing the Company's operational activities and business prospects, the rationale of the Planned Transaction, the costs and benefits of the Planned Transactions, and by analyzing AAI's historical financial performance based on its consolidated financial statements for the six months ended June 30th, 2024 and for the year ended December 31st, 2019 – 2023.
- III. Analysis on the fairness of the Planned Transaction
The analysis on the fairness of the Planned Transaction has been made by conducting qualitative and quantitative analyses on the Planned Transaction. The qualitative analysis took into account the risks and benefits as well as the potential gains from the Planned Transaction for all the Company's shareholders. The quantitative analysis was made by considering the potential gains before and after the execution of the Planned Transaction from the Company's financial projections and the potential gains from the difference between the transaction value and the market value, with the price ranging from minimum US\$2.45 billion and maximum US\$2.63 billion, with the value not exceeding 7.50% of the market value of 99.9999% of AAI shares of US\$2.45 billion.

vi. Fairness opinion on the transaction

Based on the scope of the assignment, assumptions, data, and information obtained from the Company's management used in preparing this report, the review on the financial impact of the Planned Transaction as disclosed in this Fairness Opinion report, we are of the opinion that the Planned Transaction is fair.

V. GENERAL MEETING OF SHAREHOLDERS (GMS) TO OBTAIN THE APPROVAL FOR MATERIAL TRANSACTION BASED ON POJK 17/2020

The Planned Transaction is a material transaction requiring the shareholders' approval in GMS in accordance with POJK 17/2020. The GMS to obtain the approval for the Planned Transaction is planned to be held on October 18th, 2024. The shareholders who are entitled to attend the GMS are those registered in the Company's list of shareholders and/or securities sub-account holders at the closure of the share trading on the stock exchange one day prior to the GMS invitation, or their legitimate proxies with power of attorney.

Attendance quorum and GMS resolutions

Referring to the Company's Article of Association juncto article 41 POJK number 15/POJK.04/2020 on the Plan and Implementation of Publicly-listed Companies' General Meeting of Shareholders (POJK 15/2020) and article 6 of POJK 17/2020, the provision on attendance quorum is that the GMS may be implemented if attended by the shareholders or their legitimate proxies representing more than $\frac{1}{2}$ (one half) of the total outstanding shares with voting rights. Meanwhile, the provision on the quorum of GMS resolution is that a GMS resolution is valid if it is approved by the shareholders representing more than $\frac{1}{2}$ (one half) of the total outstanding shares with voting rights that attend the GMS.

Second Meeting

In the event that the attendance quorum is not fulfilled, the second GMS may be implemented and declared valid if attended by the shareholders representing at least $\frac{1}{3}$ (one third) of total number of shares with valid voting rights and the resolution is valid if approved by more than $\frac{1}{2}$ (one half) of the total number of shares with valid voting rights attending the GMS.

Third Meeting

In the event that the attendance quorum of the second GMS is not fulfilled, the third GMS may be implemented under the condition that this third GMS is valid and entitled to make resolutions if attended by the shareholders with valid voting rights under the attendance quorum and resolution quorum as stipulated by FSA on the Company's proposal.

VI. BOARD OF COMMISSIONERS' & BOARD OF DIRECTORS' STATEMENT

The Company's Board of Commissioners and Board of Directors hereby declare that:

1. This Information Disclosure is to be complete and in compliance with the requirements as stipulated in POJK 17/2020.
2. This Planned Transaction qualifies as a material transaction as defined in POJK 17/2020.
3. This Planned Transaction is a transaction exempted from the affiliated-party transaction based on article 23 of POJK 42/2020 and does not contain any conflict of interest as defined in POJK 42/2020.
4. The Company's Board of Commissioners and Board of Directors hereby declare that they have carefully reviewed the entire information provided with regard to the Planned Transaction as presented in this Information Disclosure, and all material information with regard to the Planned Transaction has been disclosed in this Information Disclosure and such material transaction 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.

VII. ADDITIONAL INFORMATION

The Company's shareholders wishing to receive further information on this Planned 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
Telephone: +62 21 2553 3000