

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

This information disclosure on the affiliated-party transaction (hereinafter referred to as “**Information Disclosure**”) has been prepared to explain to all of the Company’s shareholders regarding the signing of the amendment to a loan agreement between PT Alam Tri Abadi (“**ATA**”), a limited-liability company whose shares are 99.99% directly owned by the Company, with PT Indoprima Niaga Sejahtera (“**INS**”), a limited-liability company whose shares are 65% indirectly owned by the Company.

This transaction fulfills the definition of affiliated-party transaction as set forth in Indonesian Financial Services Authority’s Regulation number 42/POJK.04/2020 on Affiliated-Party Transactions and Conflict of Interest Transactions (“**POJK 42/2020**”).

THE COMPANY’S BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS, EITHER SEVERALLY OR JOINTLY, ARE FULLY RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION DISCLOSURE AND THE AMENDMENT AND/OR ADDITION TO THE INFORMATION DISCLOSURE, IF ANY.

THE COMPANY’S BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS HEREBY DECLARE THAT THE INFORMATION AS DISCLOSED IN THIS INFORMATION DISCLOSURE IS COMPLETE, AND AFTER A DUE AND CAREFUL EXAMINATION, EMPHASIZE THAT THE INFORMATION STATED IN THIS INFORMATION DISCLOSURE IS TRUE, AND THAT THERE ARE NO RELEVANT AND MATERIAL FACTS OMITTED OR ELIMINATED IN SUCH A WAY THAT CAUSE THE INFORMATION PROVIDED HEREIN TO BE UNTRUE AND/OR MISLEADING.

THE COMPANY’S BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS DECLARE THAT THIS AFFILIATED-PARTY TRANSACTION DOES NOT CONTAIN ANY CONFLICT OF INTEREST.



PT Adaro Energy Indonesia Tbk

Business activities:

Operating head office activities and management consultation (for the businesses of subsidiaries operating in mining, excavation, mining support services, large-scale trading, logistics, warehousing, and logistics support activities, cargo handling (stevedoring), sea port service activities, plant agriculture, construction, engine repair and installation, power provision, water treatment, forestry and industry)

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This information is issued in Jakarta on July 1st, 2024.

DEFINITION

Affiliation:	defined as set forth by article 1 of the Capital Market Law or POJK 42/2020.
US\$:	United States dollar.
Director(s):	(a) member(s) of the Company's Board of Directors holding such position on the issuance date of this Information Disclosure.
Commissioner(s):	(a) member(s) of the Company's Board of Commissioners holding such position on the issuance date of this Information Disclosure.
Independent Appraiser:	the Office of Appraisal Services of Desmar, Susanto, Salman dan Rekan, an independent appraiser registered with the FSA, which has been appointed by the Company to appraise the fair value and/or fairness of the transaction.
Company:	PT Adaro Energy Indonesia Tbk, a publicly-listed company duly established and organized under the law of the Republic of Indonesia and domiciled in Jakarta, Indonesia.
Controlled Company:	as defined by POJK 42/2020.
Affiliated-Party Transaction:	as defined by POJK 42/2020.
POJK 42/2020:	FSA's Regulation number 42/POJK.04/2020 on Affiliated-Party Transactions and Conflict-of-Interest Transactions.

I. INTRODUCTION

On December 28th, 2023, ATA and INS made an Affiliated-Party Transaction by signing a loan agreement under which ATA granted to INS a loan amounting up to IDR136,175,000,000 (one hundred thirty-six billion one hundred seventy-five million rupiahs) ("**Loan Agreement**"), which the Company has disclosed by way of an information disclosure of December 29th, 2023.

Subsequently on June 27th, 2024, ATA and INS agreed to amend several terms of the Loan Agreement, which among others concern (i) an increase of the loan principal, (ii) an extension of the maturity date, and (iii) the interest payments ("**Amendment to the Loan Agreement**").

Pursuant to article 4 point 1 of POJK 42/2020, the Amendment to the Loan Agreement transaction fulfills the definition of an Affiliated-Party Transaction, therefore the fair value of the object of the Affiliated-Transaction and/or the fairness of the transaction must be determined by an independent appraiser and published to the public. In order to fulfill such POJK 42/2020 provision, the Company's Board of Directors issued this Information Disclosure to inform the Company's shareholders on such Affiliated-Party Transaction.

The Independent Appraiser Report used a reference is the report of the Office of Appraisal Services of Desmar, Susanto, Salman dan Rekan number 00037/2.0142-00/BS/02/0177/1/VI/2024 of June 25th, 2024 on the Fairness Opinion ("**Appraiser's Report**"). The Appraiser's Report has granted a "**fair**" opinion on this Amendment to the Loan Agreement.

This Affiliated-Party Transaction has been through the procedure as set forth in article 3 of POJK 42/2020 and executed in accordance with the generally applicable business practices.

This Affiliated-Party Transaction is not a Conflict-of-Interest Transaction, and therefore does not require the prior approval of the Company's General Meeting of Shareholders as set forth in POJK 42/2020 and does not fulfil the definition of a Material Transaction as specified in the FSA regulation No. 17/POJK.04/2020 on Material Transactions and Changes to Business Activities ("**POJK 17/2020**"), as the total value of this Affiliated-Party Transaction is less than 20% (twenty percent) of the Company's total equity value as stated in the Company's Financial Statements of December 31st, 2023, which have been audited by Public Accountant Tanudiredja, Wibisana, Rintis & Rekan, amounting to US\$7,408,750 (in thousand of United States dollars).

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

This Amendment to the Loan Agreement transaction is one of the Company's strategies to capture the investment opportunities to develop the Company's business. The Company strives to maximize its financial potentials and strong network to generate healthy returns for the shareholders.

The Company currently has good financial position and liquidity. Therefore, it has the flexibility to make investments in both real and financial sectors.

The Company has also assessed its risk profile or its tolerance against fluctuations in the investment to be made. The Company always conducts risk profile assessment, good investment diversification, in addition to monitoring and balancing its investment portfolio.

This Amendment to the Loan Agreement will provide support for further business development of INS and/or its subsidiaries. Therefore, the Company hopes that this transaction will make

positive contribution to both parties, support the Company's goals with regard to business development, and maximize the Company's return in a more effective and efficient manner.

ii. Brief Description on the Transaction

On June 27th, 2024, ATA and INS signed the Amendment to the Loan Agreement with the following details:

	Prior to the Amendment to the Loan Agreement	After the Amendment to the Loan Agreement
Loan principal	IDR136,175,000,000 (one hundred thirty-six billion one hundred seventy-five million rupiahs)	IDR487,500,000,000 (four hundred eighty-seven billion five hundred million rupiahs)
Maturity date	December 31 st , 2024	June 30th, 2027
The interest payments	The interest must be paid every 3 (three) months	The interest is due for payment on the maturity date, i.e. June 30th, 2027

The increase of the loan principal amount is for funding further business expansion and investments. The extension of the maturity date is for providing INS and/or its subsidiaries with more flexibility as well as maximizing ATA's rate of return.

iii. Parties to the Transaction

1. The Company as a controlling party of ATA and INS

Brief history

The Company was established based on the notarial deed of Sukawaty Sumadi, S.H., a Notary in Jakarta, number 25 of July 28th, 2004. The Company's deed of incorporation was announced in the State Gazette of the Republic of Indonesia number 59 of July 25th, 2006, Supplement to State Gazette number 8036, and approved by the Minister of Law and Human Rights of the Republic of Indonesia by Decree number C-21493 HT.01.01.TH.2004 of August 26th, 2004. The Company's Articles of Association have been amended several times with the latest amendment made by a notarial deed of Mahendra Adinegara, S.H., M.Kn. number 16 of February 15th, 2022. Such amendment to the Articles of Association has been approved by the Minister of Law and Human Rights of the Republic of Indonesia by the decree number AHU-0011776.AH.01.02.TAHUN 2022 of February 16th, 2022.

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 Humberg Lie, S.H.,

S.E., M.Kn., a notary in North Jakarta, which has been received by the Minister of Law and Human Rights of the Republic of Indonesia as confirmed by the Receipt of the Notification on the Change in the Company's Data number AHU-AH.01.09-029993 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 Budiuyuwono

2. ATA

Brief history

ATA is a Controlled Company of the Company. ATA was established based on the notarial deed of Ir. Rusli, S.H., a Notary in Jakarta, number 2 of December 1st, 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 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, and its 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 20th, 2021 to adjust article 3 of ATA's Articles of Association on the Purpose and Objective and Business Activities of ATA to the applicable Indonesian Standard Industrial Classification (ISIC). Such amendment to the Articles of Association has been approved by the Minister of Law and Human Rights of the Republic of Indonesia based on the Decree number 0051320.AH.01.02 TAHUN 2021 of September 21st, 2021.

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

ATA has the purpose and objectives to engage in the businesses of large-scale trading of solid, liquid, and gas fuels and associated products, large-scale trading of agricultural products and livestock, rubber plantation and other latex producing plants, oil palm plantation, and management consultation activities.

Management and supervision

Based on the notarial deed of Humbert Lie, S.H., S.E., M.Kn. number 17 of February 11th, 2020, 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 11th, 2020, and the notarial deed of Humbert Lie, S.H., S.E., M.Kn. number 12 of June 5th, 2024, which has

been notified to the Minister of Law and Human Rights of the Republic of Indonesia as confirmed by the Receipt of the Notification on the Change in the Company's Data number AHU-AH.01.09-0210466 of June 5th, 2024, 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: Iwan Dewono Budiyuwono
Director: M. Syah Indra Aman
Director: Lie Luckman

3. INS

Brief history

INS was established based on the notarial deed number 5 of May 10th, 2002, of Anastasia Anne Augusta, S.H., M.Kn., a Notary in Cimahi. INS' deed of establishment was approved by the Minister of Law and Human Rights of the Republic of Indonesia by Decree number AHU-0031351.AH.01.01.TAHUN 2022 of May 12th, 2022.

INS' Articles of Association have been amended several times with the latest amendment made by a notarial deed number 8 of April 13th, 2023 of Anastasia Anne Augusta, S.H., M.Kn., a Notary in Cimahi, which has been confirmed with a receipt of the notification from the Minister of Law and Human Rights of the Republic of Indonesia based on the Receipt of the Notification on the Change to the Articles of Association number AHU-AH.01.03-0054015 of April 13th, 2023.

INS' office is located at Gedung TCC-Batavia Tower One, 43rd fl, Jl. K.H. Mas Mansyur Kav.126, Karet Tengsin, Tanah Abang, Central Jakarta, Indonesia.

INS has the purpose and objectives to engage in the businesses of management consultation, business consultation and brokerage. INS also has subsidiaries operating in mining and other quarrying supporting businesses, and river and lake port services.

Management and supervision

Based on the notarial deed number 10 of April 18th, 2024 of Anastasia Anne Augusta, S.H., M.Kn., a Notary in Cimahi, 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 to the Company's Data number AHU-AH.01.09-0157489 of April 23rd, 2024, the compositions of INS' Board of Commissioners and Board of Directors are as follows:

Board of Commissioners

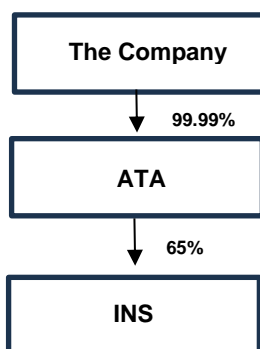
President Commissioner: Budi Santoso Simin
Commissioner: Hendri Tamrin
Commissioner: Heri Gunawan

Board of Directors

President Director:	A.H. Bramantya Putra
Director:	R. Giri. M. Natakusumah
Director:	Esther Suzanna Pakpahan

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

This Loan Agreement transaction is categorized as an Affiliated-Party Transaction as defined by POJK 42/2020. The following chart presents the structure of the affiliation of ATA and INS as the parties to the Affiliated-Party Transaction with the Company:



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

The Company's pro forma balance sheet			(thousand of US\$)
Balance Sheet	Reviewed	Transaction	Pro forma
	December 31st, 2023		December 31st, 2023
Current assets	4,302,033	-	4,302,033
Non-current assets	6,170,678	-	6,170,678
Total Assets	10,472,711	-	10,472,711
Short-term liabilities	2,135,234	-	2,135,234
Long-term liabilities	928,727	-	928,727
Total liabilities	3,063,961	-	3,063,961
Equity	7,408,750	-	7,408,750

The Company's pro forma profit and loss			(thousand of US\$)
Profit and Loss	Reviewed	Transaction	Pro forma
	December 31st, 2023		December 31st, 2023
Revenue	6,517,556	-	6,517,556
Cost of revenue	(3,980,272)	-	(3,980,272)
Gross profit	2,537,284	-	2,537,284
Operating income	2,155,498	-	2,155,498
Profit for the year	1,854,878	-	1,854,878

D. EXPLANATION, CONSIDERATION AND RATIONALE FOR EXECUTING THE TRANSACTION IN COMPARISON WITH THE CONDITION IF A SIMILAR TRANSACTION IS EXECUTED WITH A NON-AFFILIATED PARTY

The Company, through ATA, did not opt for making this investment in a third party because by investing in INS, in addition to optimizing the rate of return on the available liquidity, the Company will also be able to diversify its revenue sources. This will provide it with a greater benefit compared to investing in either a third party or other financial instruments. Meanwhile for INS, this Amendment to the Loan Agreement transaction offers better flexibility on the fund availability for business development with relatively faster processing time compared to the process conducted with a third party.

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

III. SUMMARY OF THE APPRAISER'S REPORT

Pursuant to article 4 of POJK 42/2020, 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 intended Transaction, the Company appointed an Independent Appraiser, i. e. the Office of Appraisal Services of Desmar, Susanto, Salman dan Rekan to provide the fairness opinion on the transaction, based on the quotation no. No. 0004/2.0142-00/PP-B/DSS-01/0177/V/2024 of May 27th, 2024, which has been approved by the Company.

The statement of the appraiser's report of fairness opinion as presented in the Report on the Fairness Opinion No. 00037/2.0142-00/BS/02/0177/1/VI/2024 of June 25th, 2024 is summarized as follows:

i. Identity of the parties

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

ii. Object of the fairness analysis

The object of the fairness analysis herein is the plan to sign Amendment I to the Loan Agreement between ATA and INS, in which ATA as the creditor and INS as the borrower agree to amend several terms of the loan agreement of December 28th, 2023, which among others concern (i) an increase of the loan principal to IDR487,500,000,000 (four hundred eighty-seven billion five hundred million rupiahs), (ii) an extension of the maturity date to June 30th, 2027, and (iii) the term of interest payment - from the previous term requiring interest payment every 3 (three) months to the term of paying the interest on the loan's maturity date (hereinafter referred to as the "**Planned Transaction**").

iii. Purpose of providing a fairness opinion

The Report Fairness Opinion is required for complying with the provisions of POJK 42/2020.

iv. Assumptions and limiting conditions

The Appraiser's statement on several assumptions used in compiling this fairness opinion is:

- This Fairness Opinion is a non-disclaimer opinion.
- All of the data, statements and information the Independent Appraiser received from the management and the data and information available in the public domain, in particular those concerning the economic and industry data, are deemed accurate and obtained from the sources of credible accuracy.
- The Independent Appraiser has reviewed the documents used in the process of rendering the fairness opinion.
- This report of fairness opinion is compiled to fulfill the capital market purposes and the FSA's provision and not for tax or other purposes other than the capital market purposes.
- In conducting the analysis, the Independent Appraiser made a number of assumptions and depended on the accuracy, reliability and completeness of all financial information and other information the Company provided to the Independent Appraiser or the information available publicly, which in principle was true, complete and not misleading, and the Independent Appraiser is not responsible for conducting an independent examination on such information. The Independent Appraiser also relied on the warranty of the Company's management that they were not aware of any fact that may cause the information provided for the Independent Appraiser become incomplete or misleading.
- The Independent Appraiser assumed that from the issuance date of this fairness opinion until the execution date of the planned corporate action, there will be no changes that may have material effects on the assumptions used in compiling this fairness opinion. The Independent Appraiser is not responsible for reaffirming or completing or updating the opinion due to the changes to the assumptions and conditions or events occurring after the date of this letter.
- All disputes in the forms of criminal or civil cases (in or out of court) associated with the appraisal object is not under the Independent Appraiser's responsibility.
- Changes made by the Government or private parties concerning the condition of the appraisal object, on this matter the market condition, etc., are not within the Independent Appraiser's responsibility.

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:

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

vi. Fairness opinion on the Transaction

Based on the study and analysis conducted on all associated aspects for determining the positive impacts of this planned Affiliated-Party Transaction either qualitatively or quantitatively, we are of the opinion that the planned Affiliated-Party Transaction is Fair.

IV. BOARD OF DIRECTORS' STATEMENT

The Company's Board of Directors declares that the Loan Agreement has been made with sufficient procedure and ensures that the Loan Agreement is executed in accordance with the generally applicable business practices, i. e. the procedure to compare it with the terms and conditions of a transaction made between parties who do not have an Affiliated relationship and made by fulfilling the arm's-length principle.

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

The Company's Board of Commissioners and Board of Directors hereby declare that this Loan Agreement 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 Affiliated-Party Transaction as presented in this Information Disclosure, in addition to affirming that all material information regarding this transaction has been disclosed in this Information Disclosure and the material information is true and not misleading. Subsequently, the Company's Board of Commissioners and Board of Directors hereby declare that they hold full responsibility on the accuracy of all information provided in this Information Disclosure.

VI. ADDITIONAL INFORMATION

The Company's shareholders wishing to receive further information on this Loan Agreement transaction can contact:

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