

INFORMATION DISCLOSURE TO THE SHAREHOLDERS ON MATERIAL TRANSACTION 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 a planned transaction to sell up to all of the shares of PT Adaro Andalan Indonesia (“**AAI**”) owned the Company. On the date of this information disclosure, AAI is a limited-liability company whose shares are 99.9999% directly owned by the Company.

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)

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This information is issued in Jakarta on September 11th, 2024.

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 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 Kurnianto 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 Selling Shareholders.
Material Transaction:	as defined by POJK 17/2020.
Affiliated-party Transaction:	as defined by POJK 42/2020.

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) (the "**Planned Transaction**"). 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 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 Company's Financial Statements as at June 30th, 2024, on which a limited review has been performed by the Public Accounting Firm Rintis, Jumadi, Rianto & Rekan ("**Financial Statements of June 30th, 2024**"), 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.

Meanwhile, the value of the Planned Transaction shall take into account the share valuation by the independent appraiser, i.e. in the amount of US\$2,450,224 thousand, which is equivalent to 31.8% of the Company's total equity. Pursuant to POJK 35/2020 on the Valuation and Presentation of Business Valuation Reports in the Capital Market with regard to fairness threshold, the maximum transaction value shall be no greater than 34.2% of the Company's total equity.

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.

The Company has appointed the Public Appraiser Firm ("**KJPP**") Kusananto 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 00120/2.0162-00/BS/02/0153/1/IX/2024 of September 2nd, 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 00127/2.0162-00/BS/02/0153/1/IX/2024 of September 11th, 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, and is not a conflict-of-interest transaction as stipulated by POJK 42/2020. This transaction does not have the potential to disturb the Company's business continuity.

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. PT Adaro Indonesia, PT Paramitha Cipta Sarana, PT Semesta Centramas, PT Laskar Semesta Alam, and PT Mustika Indah Permai, 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.

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.

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. 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.

Value of the transaction

The sales value is equal to the volume-weighted average price generated 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 FSA Regulation number 35/2020.

Mechanism of the Planned Transaction

The Planned Transaction is conducted through a public offering of AAI's 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	<p>The Company will offer the Offered Shares (as defined below) to all its shareholders who are registered on the Company's list of shareholders on a certain date to be announced in the prospectus of the public offering by the selling shareholder ("Recording Date").</p> <p>The buyers are the Company's shareholders who are registered on the Recording Date and choose to buy AAI's shares from the Company.</p>
Shares offered	<p>Up to all of the shares owned by the Company in AAI ("Offered Shares").</p> <p>The Company will determine the ratio to be used for ordering AAI's shares based on the shareholders' share ownership on the Recording Date ("Ordering Ratio").</p> <p>The Ordering Ratio will be announced in the PUPS prospectus.</p>

Offering price	Volume-weighted average price 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 35/2020.
Tax aspect	The transaction will be settled through crossing on the Indonesian stock exchange so that the Seller will be charged with final income tax of 0.1% (zero point one percent) of the gross transaction value.
Public offering period and ordering procedure	To be determined in the PUPS 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 Humberg 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 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 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 Humberg 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

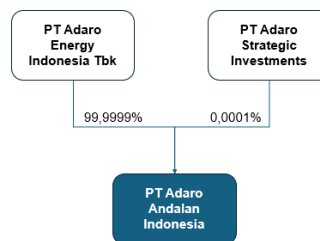
AAI's authorized capital consists of 12,800,000,000 shares of Rp3,125 par value per share.

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's shares.

The following chart presents AAI's share ownership composition:



The summary of AAI's consolidated balance sheet based on the consolidated financial statements of AAI and subsidiaries as at June 30th, 2024 and December 31st, 2023 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 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 30th, 2024	December 31st, 2023
Assets		
Current assets	1,875,992	3,270,164
Non current assets	3,557,046	3,792,752
Total assets	5,433,038	7,062,916
Liabilities and equity		
Liabilities		
Short-term liabilities	1,519,862	1,798,306
Long-term liabilities	1,192,208	474,146
Total liabilities	2,712,070	2,272,452
Equity		
Total equity attributed to the owners of the parent entity	2,383,041	4,366,000
Non-controlling interests	337,927	424,464
Total Equity	2,720,968	4,790,464
Total liabilities and equity	5,433,038	7,062,916

in thousand of US dollar

Profit & Loss and Other Comprehensive Revenue	June 30th, 2024	June 30th, 2023
Revenue	2,656,511	3,255,246
Cost of revenue	(1,879,339)	(2,134,097)
Gross profit	777,172	1,121,149
Operating income	944,331	924,455
Profit before income tax	1,035,168	993,560
Profit for the period/year	922,767	804,759
Total comprehensive revenue for the period/year, after tax	911,232	822,588

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

PRO FORMA CONSOLIDATED BALANCE SHEET AS AT JUNE 30TH, 2024

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

	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
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents*	2,793,958	1,370,204	4,164,162
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	857,017	4,600,468
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	(4,204)	1,428
Total non current assets	6,521,012	(2,640,499)	3,880,513
TOTAL ASSETS	10,264,463	(1,783,482)	8,480,981

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 interim consolidated financial statements of June 30th, 2024 which have been reviewed.

	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 Group's interim consolidated financial statements of June 30th, 2024 which have been reviewed.

	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	62,814	1,217,308
Treasury shares	(177,019)	-	(177,019)
Difference in value from transactions with non- controlling interests	157,815	-	157,815
Retained earnings			
- Appropriated	68,588	-	68,588
- Unappropriated*	5,530,729	(5,040)	5,525,689
Other comprehensive income	35,391	5,100	40,491
Total equity attributed to owners of the parent entity	7,112,938	62,874	7,175,812
Non-controlling interests	587,651	(204,321)	383,330
TOTAL EQUITY	7,700,589	(141,447)	7,559,142
TOTAL LIABILITIES AND EQUITY	10,264,463	(1,783,482)	8,480,981

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 interim consolidated financial statements of June 30th, 2024 which have been reviewed.

*) 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	-	2,972,835
Cost of revenue	(1,765,110)	-	(1,765,110)
Gross profit	1,207,725	-	1,207,725
Operating expenses	(178,984)	-	(178,984)
Other (expenses)/income, net	(20,654)	(27,915)	(48,569)
Operating income	1,008,087	(27,915)	980,172
Finance cost	(48,020)	-	(48,020)
Finance income	80,464	-	80,464
Share in profits of associates and joint ventures	38,613	-	38,613
	71,057	-	71,057
Profit before income tax	1,079,144	(27,915)	1,051,229
Income tax expense	(198,955)	-	(198,955)
Profit for the year	880,189	(27,915)	852,274
Comprehensive (loss)/income for the period:			
Items to be reclassified to profit or loss			
Exchange difference due to financial statement translation	(35,020)	-	(35,020)
Share of other comprehensive income/(loss) from associates and joint ventures	15,043	-	15,043
	(19,977)	-	(19,977)

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.

	Historical June 30 th , 2024 PT Adaro Energy Indonesia Tbk and Subsidiaries ⁽¹⁾	Adjustments related to the Transaction	Proforma June 30 th , 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)	-	(198)
Remeasurement of post-employment benefit liabilities	542	-	542
Income tax related to this item	(112)	-	(112)
	232	-	232
	(19,745)	-	(19,745)
Total comprehensive income for the period, net of tax	860,444	(27,915)	832,529
Profit for the period attributed to:			
Owners of the parent entity	778,773	(27,915)	750,858
Non-controlling interests	101,416	-	101,416
Profit for the period	880,189	(27,915)	852,274
Total comprehensive income of the period attributed to:			
Owners of the parent entity	758,985	(27,915)	731,070
Non-controlling interests	101,459	-	101,459
Total comprehensive income of the period, net of tax	860,444	(27,915)	832,529

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.

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 PLANNED TRANSACTION

KJPP Kusnanto & Rekan ("KJPP KR"), 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), which had been appointed by the Company by Assignment Letter number KR/240718- 003 of July 18th, 2024, submitted the appraisal on the market value of 99.9999% AAI shares and provided a fairness opinion on the Planned Transaction.

The following is the summary of the appraisal report on 99.9999% AAI's shares as stated in its report number No. 00120/2.0162-00/BS/02/0153/1/IX/2024 of September 2nd, 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 PUPS prospectus by Selling Shareholders who decide to buy AAI's shares from the Company.

ii. Object of the appraisal

The object of the appraisal is the market value of 99.9999% of AAI's shares owned by the Company.

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

This appraisal is prepared based on the market and economic condition, business and financial general condition, and government regulations applicable until the date this appraisal report is published.

The appraisal on the Object of the Appraisal performed using the discounted cash flow method was based on the financial statement projections of AAI's operating subsidiaries prepared by the management of AAI's operating subsidiaries. In preparing the financial statement projections, various assumptions were developed based on the performance of AAI's operating subsidiaries in the previous years and based on the management's plans in the future. KJPP KR has made adjustments to the financial statement projections in order to describe the condition of the operations and performance of AAI's operating subsidiaries appraised at the time of this appraisal more fairly. In general, there are no significant adjustments made by KJPP KR to the performance targets of AAI's operating subsidiaries appraised and they have reflected their achievement ability (fiduciary duty). KJPP KR is responsible for the implementation of the appraisal and the fairness of the financial statement projections based on the historical performance of AAI's operating subsidiaries and the information from AAI's management on the financial statement projections of AAI's operating subsidiaries. KJPP KR is also responsible for AAI's appraisal report and the conclusion on the final value.

In this appraisal assignment, KJPP KR assumed that all conditions and obligations of the Company have been fulfilled. KJPP KR also assumed that from the appraisal date to the date of issuance of the appraisal report, there have been no changes that have a material effect on the assumptions used in the appraisal. KJPP KR is not responsible for reaffirming or completing, updating its opinion due to changes in assumptions and conditions and events that occur after the date of this report.

In carrying out the analysis, KJPP KR assumed and relied on the accuracy, reliability, and completeness of all financial information and other information provided to KJPP KR by the Company and AAI or which was publicly available, which was essentially true, complete, and not misleading and KJPP KR is not responsible for conducting an independent examination of such information. KJPP KR also relied on assurances from the management of the Company and AAI that they were not aware of the facts that cause the information provided to KJPP KR to be incomplete or misleading.

The appraisal analysis of the Object of Appraisal was prepared using the data and information as disclosed above. Any changes to the data and information may materially affect the final opinion of KJPP KR. KJPP KR is not responsible for changes in the conclusions of the KJPP KR appraisal or any loss, damage, costs, or expenses caused by the lack of transparency of information so that the data obtained by KJPP KR becomes incomplete and/or misinterpreted.

Because the results of the KJPP KR appraisal were highly dependent on the data and underlying assumptions, changes to the data sources and assumptions according to market data will change the results of the KJPP KR appraisal. Therefore, KJPP KR conveys that changes to the data used may affect the appraisal results and that the differences that occur may be material. Although the contents of this appraisal report have been carried out in good faith and in a professional manner, KJPP KR cannot accept responsibility for the possibility of differences in conclusions caused by additional analysis, the application of the appraisal results as a basis for conducting transaction analysis or changes in the data used as the basis for the appraisal. The appraisal report of the Object of Appraisal is a non-disclaimer opinion.

The work of KJPP KR related to the appraisal of the Object of Appraisal does not constitute and cannot be interpreted in any form, a review or audit, or the implementation of certain procedures on financial information. The work also cannot be intended to reveal weaknesses in internal control, errors or irregularities in financial statements, or violations of the law. Furthermore, KJPP KR has also obtained information on the legal status of AAI based on AAI's articles of association.

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's 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 USD2,450,224 thousand.

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 00127/2.0162-00/BS/02/0153/1/IX/2024 of September 11, 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 Shareholders who decide to buy AAI's 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's 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 public offering by selling shareholders 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 35/2020 as disclosed in this Information Disclosure, on which the total amount of the transaction shall be no less than US\$2,450,224 thousand and no greater than US\$2,633,991 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

The analysis for the Fairness Opinion on the Planned Transaction was prepared using the data and information as disclosed above, which have been reviewed by KJPP KR. In carrying out the analysis, KJPP KR relied on the accuracy, reliability, and completeness of all financial information, information on the Company's legal status and other information provided to KJPP KR by the

Company or which is publicly available. Any changes to such data and information may materially affect the final result of KJPP KR's opinion. KJPP KR also relied on assurances from the Company's management that they were not aware of any fact that may cause the information provided to KJPP KR to be incomplete or misleading. Therefore, KJPP KR is not responsible for changes in the conclusion of KJPP KR's Fairness Opinion due to changes in such data and information.

The Company's consolidated financial statement projections before and after the Planned Transaction were prepared by the Company's management. KJPP KR has reviewed the financial statement projections and the financial statement projections have described the Company's operating conditions and performance. In general, there were no significant adjustments that KJPP KR needs to make to the Company's performance targets.

KJPP KR did not inspect the Company's fixed assets or facilities. In addition, KJPP KR also did not provide an opinion on the tax impact of the Planned Transaction. The services that KJPP KR provides to the Company in relation to the Planned Transaction are only the provision of a Fairness Opinion on the Planned Transaction and not accounting, auditing, or taxation services. KJPP KR did not conduct research on the validity of the Planned Transaction from a legal aspect and the implications of the taxation aspect. The Fairness Opinion on the Planned Transaction was only reviewed from an economic and financial perspective. The Fairness Opinion Report on the Planned Transaction is a non-disclaimer opinion. Furthermore, KJPP KR has also obtained information on the legal status of the Company and AAI based on the articles of association of the Company and AAI.

The work of KJPP KR related to the Planned Transaction does not constitute and cannot be interpreted as in any form, a review or audit, or the implementation of certain procedures on financial information. The work is also not intended to reveal weaknesses in internal control, errors or irregularities in financial statements, or violations of the law. In addition, KJPP KR does not have the authority and is not in a position to obtain and analyze any other form of transactions outside the Planned Transaction that exist and may be available to the Company and the effects of these transactions on the Planned Transaction.

This Fairness Opinion was prepared based on market and economic conditions, general business and financial conditions, and Government regulations related to the Planned Transaction on the date this Fairness Opinion was issued.

In preparing this Fairness Opinion, KJPP KR used several assumptions, such as the fulfillment of all conditions and obligations of the Company and all parties involved in the Planned Transaction. The Planned Transaction will be implemented as explained in accordance with the time period that has been determined and the accuracy of the information regarding the Planned Transaction disclosed by the Company's management.

This Fairness Opinion must be viewed as a whole and the use of part of the analysis and information without considering other information and analysis as a whole as a whole can lead to misleading views and conclusions regarding the process underlying the Fairness Opinion. The preparation of this Fairness Opinion is a complicated process and may not be possible through incomplete analysis.

KJPP KR also assumes that from the date of issuance of the Fairness Opinion until the date of the Planned Transaction, there have been no changes that have a material effect on the assumptions used in the preparation of this Fairness Opinion. KJPP KR is not responsible for reaffirming or completing, updating the opinion of KJPP KR due to changes in assumptions and conditions, as well as events that occur after the date of this report. The calculations and analysis in the context of providing the Fairness Opinion have been carried out correctly and KJPP KR is responsible for the Fairness Opinion Report.

The conclusion of this Fairness Opinion is valid if there are no changes that have a material impact on the Planned Transaction. Such changes include, but are not limited to, changes in conditions

both internally in the Company and externally, namely market and economic conditions, general business, trade and financial conditions, as well as Indonesian government regulations and other related regulations after the date of issuance of this Fairness Opinion Report. If after the date of issuance of this Fairness Opinion Report the above changes occur, the Fairness Opinion on the Planned Transaction may be different.

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;
- II. Qualitative and quantitative analyses on the Planned Transaction; and
- III. Analyses on the fairness of the Planned Transaction.

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 ½ (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 ½ (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 1/3 (one third) of total number of shares with valid voting rights and the resolution is valid if approved by more than 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:

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