

**ADDITIONAL INFORMATION ON THE DISCLOSURE OF
INFORMATION TO SHAREHOLDERS
PT INDIKA ENERGY TBK. (THE “COMPANY”)**

THIS ADDITIONAL INFORMATION ON THE DISCLOSURE OF INFORMATION TO THE SHAREHOLDERS IS PROVIDED BY THE COMPANY IN COMPLIANCE WITH THE FINANCIAL SERVICE AUTHORITY (OJK) REGULATION NO. 17/POJK.04/2020 ON MATERIAL TRANSACTION AND CHANGE OF BUSINESS ACTIVITY (“OJK REGULATION 17/2020”).

BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS STATED THAT THE PROPOSED TRANSACTION IS CONSIDERED TO BE A MATERIAL TRANSACTION IN THE AMOUNT OF MORE THAN 50% OF THE COMPANY’S EQUITY UNDER ARTICLE 6 PARAGRAPH (1) LETTER (D)(1) OF OJK REGULATION 17/2020.

INFORMATION AS STATED IN THIS ADDITIONAL INFORMATION ON THE DISCLOSURE OF INFORMATION IS IMPORTANT TO BE READ AND CONSIDERED BY THE SHAREHOLDERS OF THE COMPANY.

IF YOU FIND ANY DIFFICULTY TO UNDERSTAND THE INFORMATION AS STATED IN THIS ADDITIONAL INFORMATION ON THE DISCLOSURE OF INFORMATION PLEASE CONSULT TO YOUR LEGAL ADVISOR, PUBLIC ACCOUNTANT, FINANCIAL ADVISOR OR OTHER PROFESSIONALS.

THE COMPANY’S BOARD OF DIRECTORS STATED THAT THE INFORMATION AS STATED IN THIS ADDITIONAL INFORMATION ON THE DISCLOSURE OF INFORMATION IS FOR THE PURPOSE OF PROVIDING INFORMATION AND COMPLETE DESCRIPTION TO THE COMPANY’S SHAREHOLDERS REGARDING THE TRANSACTION AS PART OF THE COMPANY’S COMPLIANCE TO OJK REGULATION 17/2020.

THE BOARD OF DIRECTORS AND THE BOARD OF COMMISSIONERS, SEVERALLY AND JOINTLY, ARE FULLY RESPONSIBLE FOR THE ACCURACY AND THE COMPLETENESS OF THE INFORMATION AS STATED IN THIS DISCLOSURE OF INFORMATION. THE BOARD OF DIRECTORS AND THE BOARD OF COMMISSIONERS DECLARE THAT THE INFORMATION STATED IN THIS ADDITIONAL INFORMATION ON THE DISCLOSURE OF INFORMATION IS COMPLETE AND AFTER GIVING DUE AND CAREFUL EXAMINATION, EMPHASIZE THAT THE INFORMATION STATED IN THIS DISCLOSURE OF INFORMATION IS CORRECT AND THAT THERE ARE NO RELEVANT AND MATERIAL FACTS OMITTED WHICH CAN CAUSE THE INFORMATION STATED HEREIN TO BE UNTRUE AND/OR MISLEADING.

THE NOTES ARE NOT OFFERED OR SOLD IN INDONESIA OR TO THE INDONESIAN OR TO THE INDONESIAN CITIZEN, IN THE MANNER OF THE PUBLIC OFFERING OR DEBT SECURITIES OFFERING PERFORMED WITHOUT GOING THROUGH THE PUBLIC OFFERING AS STIPULATED IN LAW NO. 8 OF 1995 ON CAPITAL MARKETS AND ITS IMPLEMENTING REGULATION (INCLUDING BUT NOT LIMITED TO THE FINANCIAL SERVICE AUTHORITY (OJK) REGULATION NO. 30/POJK.04/2019 ON ISSUANCE OF DEBT SECURITIES AND/OR SUKUK WITHOUT PUBLIC OFFERING) AND THE INFORMATION STATED IN THIS ADDITIONAL INFORMATION ON THE DISCLOSURE OF INFORMATION IS NOT INTENDED FOR A PUBLIC OFFERING OR A RECOMMENDATION TO PURCHASE, DIRECTLY OR INDIRECTLY, OF THE COMPANY’S SECURITIES IN ANY JURISDICTION INCLUDING IN INDONESIA.

THE NOTES ARE NOT REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (“SECURITIES ACT”) AND SHALL NOT BE OFFERED OR SOLD IN THE TERRITORY OF THE UNITED STATES OF AMERICA (AS DEFINED IN RULE 144A AND REGULATIONS OF THE SECURITIES ACT), EXCEPT BASED ON THE EXEMPTION FROM, OR IN THE TRANSACTION NOT IN COMPLIANCE WITH, REGISTRATION REQUIREMENTS UNDER THE SECURITIES ACT. THERE ARE NO PUBLIC OFFERING CONDUCTED IN THE UNITED STATES OF AMERICA OR OTHER JURISDICTIONS IN WHICH SUCH TRANSACTION IS RESTRICTED, PROHIBITED, OR DEEMED AS ILLEGAL.



PT INDIKA ENERGY TBK.

Business Activities

Trading, Construction, Mining, Transportation and Services

Domiciled in South Jakarta, DKI Jakarta, Indonesia

Office

Graha Mitra 11th Floor
Jl. Jenderal Gatot Subroto Kav.21
Jakarta 12930, Indonesia
Phone. +6221 25579888 Fax. +6221 25579800
www.indikaenergy.co.id

This Additional Information on the Disclosure of Information
is issued in Jakarta on 6 November 2020
and is an integral part with the Disclosure of Information
issued on 26 October 2020

DEFINITION AND ABBREVIATION

Accounting Firm means Accounting Firm Imelda & Rekan.

Subsidiary Guarantors means IIC, TIME, TPE, TPEC, and TRIS (any of which as defined below), each of them is the subsidiary of the Company, which is fully owned by the Company, which provides the guarantee to ensure the payment obligation of the Issuer based on the Notes (as defined below).

Restricted Subsidiary means subsidiary of the Company owned directly or indirectly by the Company as stipulated under the Indenture of the Notes 2022, Notes 2023, Notes 2024 and the Notes.

IIC means PT Indika Inti Corpindo, domiciled in South Jakarta, a limited liability company duly established and organized under the law of the Republic of Indonesia.

Indenture means Indenture in relation to the issuance of the Notes entered into by the Issuer, the Company, Subsidiary Guarantors and Trustee dated 22 October 2020.

Additional Information on the Disclosure of Information means this Additional Information on the Disclosure of Information provided to the Company's Shareholders in order to fulfil OJK Regulation 17/2020.

MOLHR means Ministry of Law and Human Rights of the Republic of Indonesia.

OJK means the Financial Services Authority (*Otoritas Jasa Keuangan*), an independent, institution, having its function, duties, and legislative authority, control, examination, and investigation in Capital Market sector, Insurance, Pension Fund, Financial Institution and other Financial Services Institution as stated in Law No. 21 year of 2011 dated 22 November 2011 (concerning Financial Services Authority as successor of *Bapepam-LK* which is effective since 31 December 2012).

Initial Purchaser means Standard Chartered Bank (Singapore) Limited, Mandiri Securities Pte. Ltd. and Deutsche Bank AG, Singapore Branch.

Shareholders means the Company's shareholders whose names are registered in the Company's shareholders register.

Issuer means Indika Energy Capital IV Pte., Ltd., domiciled in Singapore, a limited liability company duly established and organized under the law of the Republic of Singapore.

Company means PT Indika Energy Tbk., domiciled in South Jakarta, a publicly limited liability company whose shares are listed on Indonesian Stock Exchange, duly established and organized under the law of the Republic of Indonesia.

Controlled Company means any company which is directly or indirectly controlled by the Company as defined in OJK Regulation 17/2020.

OJK Regulation 15/2020 means OJK Regulation No. 15/POJK.04/2020, stipulated on 20 April 2020 on the Preparation and Implementation of the General Meeting of Shareholders by the Public Company.

OJK Regulation 42/2020 means OJK Regulation No. 42/POJK.04/2020, stipulated on 1 July 2020 on Affiliated Transaction and Conflict of Interest Transactions.

SGX-ST means Singapore Exchange Securities Trading Limited, a Stock Exchange in Singapore.

Notes means collectively the Initial Notes and Additional Notes.

Initial Notes means the senior notes (*Senior Notes*) with amount of USD 450,000,000 (four hundred and fifty million United States of America Dollar) with the fixed rate of 8.250% (eight point two five zero percent) per annum and due in 2025, which was issued by the Issuer unconditionally and irrevocably guaranteed by the Company and the Subsidiary Guarantors.

Additional Notes means the senior notes (*Senior Notes*) with amount of USD 225,000,000 (two hundred and twenty five million United States of America Dollar) with the fixed rate of 8.250% (eight point two five zero percent) per annum and due in 2025, which was issued by the Issuer unconditionally and irrevocably guaranteed by the Company and the Subsidiary Guarantors.

Notes 2022 means Senior Notes with amount of USD 265,000,000 (two hundred sixty five million United States of America Dollar) with the fixed rate of 6.875% (six point eight seven five percent) per annum and due in 2022, which was issued by Indika Energy Capital II Pte. Ltd. with unconditionally and irrevocably guaranteed by the Company and the Subsidiary Guarantors.

Notes 2023 means Senior Notes with amount of USD 500,000,000 (five hundred million United States of America Dollar) with the fixed rate of 6.375% (six point three seven five percent) per annum and due in 2023, which was issued by Indika Energy Finance II B.V. with unconditionally and irrevocably guaranteed by the Company and the Subsidiary Guarantors.

Notes 2024 means Senior Notes with amount of USD 575,000,000 (five hundred seventy million United States of America Dollar) with the fixed rate of 5.875% (five point eight seven five percent) per annum and due in 2024, which was issued by Indika Energy Capital III Pte. Ltd. with unconditionally and irrevocably guaranteed by the Company and the Subsidiary Guarantors.

TIME means PT Tripatra Multi Energi, domiciled in South Tangerang City, a limited liability company duly established and organized under the law of the Republic of Indonesia.

TPE means PT Tripatra Engineering, domiciled in South Tangerang City, a limited liability company duly established and organized under the law of the Republic of Indonesia.

TPEC means PT Tripatra Engineers and Constructors, domiciled in South Tangerang City, a limited liability company duly established and organized under the law of the Republic of Indonesia.

Transaction means the Initial Notes issuance transaction and Additional Notes issuance transaction.

Initial Transaction means the Initial Notes issuance transaction.

Additional Transaction means the Additional Notes issuance transaction.

TRIS means Tripatra (Singapore) Pte. Ltd, domiciled in Singapore, a company duly established and organized under the law of the Republic of Singapore.

Trustee means Citicorp International Limited.

Securities Act means U.S. Securities Act of 1933 (as amended from time to time).

USD means United States of America Dollar, which is a legal currency of the United States of America.

RECITALS

In compliance with the provisions under OJK Regulation 17/2020, Board of Directors of the Company had announced Disclosure of Information on 26 October 2020 to provide information to the Shareholders of the Company that on 22 October 2020, the Company, through the Issuer, has issued and offered Initial Notes amounting to USD 450,000,000 to investors outside the territory of the Republic of Indonesia subject to Rule 144A and Regulation S under the United States Securities Act 1933 (as amended). On 4 November 2020, the Issuer has issued and offered the Additional Notes amounting to USD 225,000,000 under the same terms and condition with the issuance of Initial Notes. The issuance of the Notes is unconditionally and irrevocably guaranteed by the Company and its Subsidiary Guarantor under the terms and conditions set out in the Indenture.

Information contained in this Additional Information of Disclosure of Information is delivered to the Company's Shareholders in relation to the Additional Transaction by the Company through the Issuer.

The issuance of the Notes, and granting of corporate guarantee by the Company and the Subsidiary Guarantors are provided in the interest of Issuer to the holder of the Notes constitute as one transaction under the Initial Transaction and Additional Transaction and shall not constitute a separate and an independent transaction.

The Additional Transaction shall constitute as one transaction with Initial Transaction, and therefore, the total Transaction shall be USD 675,000,000 (six hundred and seventy five million United States Dollar). The Transaction is a Material Transaction which requires approval from the general meeting of shareholders ("**GMS**") as stipulated under Article 6 (1) paragraph (d) (1) of OJK Regulation 17/2020 in which the Initial Notes and Additional Notes shall be issued under the framework of the Rule 144A and Regulation S of Securities Act and listed in SGX-ST with the principal amount of USD 675,000,000 which is more than 50% or equal to 69.98% of the Company's total equity value as of 30 June 2020 based on the Company's Consolidated Financial Statements.

Based on matters mentioned above and in accordance with the applicable law and regulation, specifically OJK Regulation 17/2020, the Board of Directors of the Company hereby announce this Additional Information on the Disclosure of Information in accordance with the guidelines and procedures of the implementation of material transaction which value of the transaction is more than 50% as stipulated in Article 6 paragraph (1) provision (d) (1) *jo*. Article 17 *jo*. Article 20 of OJK Regulation 17/2020 with the purpose of providing information as well as complete description to the Company's Shareholders with regards to the Transaction.

The Transaction has obtained the approval from the extraordinary GMS held on 26 October 2020.

ADDITIONAL NOTES ISSUANCE TRANSACTION

1. TRANSACTION OBJECT

(i) Issuer of Additional Notes:

Indika Energy Capital IV Pte., Ltd., domiciled in Singapore, a limited liability company duly established and organized under the law of the Republic of Singapore. Issuer is a fully controlled the Company

(ii) Agregate Value of Additional Notes:

Amounting to USD 225,000,000.

The Additional Notes constitute as one series of transactions with the Initial Notes, and therefore, the total Transaction shall be USD 675,000,000. Based on the Company's Consolidated Financial Statements, the Company's total equity is USD 964,626,797, so the percentage of Transactions to the Company's total consolidated equity as of 30 June 2020 is 69.98%.

(iii) Maturity of the Principal Debt Payment:

The principal of the Notes shall be paid in full on the maturity date of the Notes on 22 October 2025.

(iv) Coupon and Payment Terms of the Coupon:

The maximum interest rate is 8.250% per annum.

Interest will be paid every 6 (six) months (semi-annual).

(vi) Covenants:

The limitations based on Indenture are as follows:

- Limitation on indebtedness and preferred stock;
- Limitation on restricted payments;
- Limitation on liens;
- Limitation on dividend and other payment restrictions affecting Restricted Subsidiaries;
- Limitation on sales and issuances of capital stock in PT Kideco Jaya Agung ("Kideco") and Restricted Subsidiaries;
- Limitation on issuances of guarantees by Restricted Subsidiaries;
- Limitation on sale and leaseback transactions;
- Limitation on asset sales;
- Limitation on transactions with shareholders and affiliates; and
- Limitation on the Issuer's and the Company's business activities.

Under the Indenture, there is a limitation on dividend and other payments restrictions that may affect Restricted Subsidiaries and restrictions on making other payments. This

provision is a generally accepted provision and is applied globally in the transaction scheme for the issuance of global notes with the high yield category, including the Notes issued by the Issuer.

(vii) Security

The security for this Additional Notes constitutes as one integral transaction and not a separated and independent transaction from the security for the Initial Notes. The issuance of Notes are guaranteed unconditionally and irrevocably with (i) a corporate guarantee by the Company and the Subsidiary Guarantors based on the terms and conditions set out in the Indenture; (ii) security interest over the Issuer's rights under the inter-company loans; (iii) secured by IIC shares owned by the Company, TPE and TPEC shares owned by IIC, TIME and the Company, Kideco shares owned by IIC and the Company, and TRIS shares owned by TPEC, where these securities are common security with Notes 2022, Notes 2023, and Notes 2024; and (iv) share charge of the Issuer which is owned by Indika Energy Capital Pte. Ltd. ("IECPL").

(viii) Value of the Security

The Notes are guaranteed in full by corporate guarantee and share pledges amounting to USD 1,161,195,318.

(ix) Proposed Use of Proceeds from the Transaction:

The Company will use the proceeds from the issuance of Additional Notes, after deducting the fees, commissions and other expenses associated with the issuance of Additional Notes, among others, to repay a portion of the outstanding facilities of the Company and subsidiaries and collectively with the proceeds of the Initial Notes issuance and existing cash, to repay the entire Notes 2023 to Indo Energy Finance II BV, as the issuer of the Notes 2023.

2. THE PARTIES INVOLVED IN THE TRANSACTION OF THE ISSUANCE OF THE NOTES

- (a) Issuer
- (b) The Company as Guarantor;
- (c) IIC as Subsidiary Guarantor;
- (d) TIME as Subsidiary Guarantor;
- (e) TPE as Subsidiary Guarantor;
- (f) TPEC as Subsidiary Guarantor;
- (g) TRIS as Subsidiary Guarantor;
- (h) Trustee as Trustee

Trustee means a party which has obligation to, among other, conduct authentication and deliver the Notes issued to holder of the Notes, assign to the assignee or issue a replacement of broken, lost or stolen's Notes in accordance to provisions under Indenture. In addition, Trustee has the obligation to, among other, deliver the Notes to the depository or custodian appointed by depository in accordance with the provisions under the Indenture. Based on the Indenture, Trustee that has been appointed for the Transaction is Citicorp International Limited with registered office at Citicorp International Limited, 20/F, Citi Tower, One Bay East, 83 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong.

(i) Initial Purchaser

The complete details on each of parties involved in the Transaction are as mentioned above, except for details regarding Trustee as mentioned in point (h) above, has been announced on the Disclosure of Information dated 26 October 2020.

3. DESCRIPTION, CONSIDERATION, AND BACKGROUND OF THE PROPOSED TRANSACTION AND THE EFFECT OF THE PROPOSED TRANSACTION TOWARDS THE COMPANY'S FINANCIAL CONDITION

As the Initial Notes Transaction is an integral part to the Additional Notes Transaction, thus details on the description, consideration, and background on the commencement of Transaction and effect of Transaction on the Company's financial condition are similar with information disclosed in the Disclosure of Information announced on 26 October 2020.

SUMMARY OF FAIRNESS OPINION

As stipulated under the OJK Regulation 17/2020, to ensure the fairness of Transaction to be carried out by the Company, the Company has appointed a Public Appraisal Service Office (*Kantor Jasa Penilai Publik*) Stefanus Tonny Hardi & Rekan ("**KJPP**"), to provide a Fairness Opinion on the Transaction, as presented in the Fairness Opinion for Transaction No. 00054/2.0007-00/BS/02/0358/1/XI/2020 dated 6 November 2020, with the following summary:

1. Parties to the Transaction

The parties involved in the Transaction are:

- a. The Issuer, as the issuer of the Notes;
- b. The Company, as the Guarantor; dan
- c. IIC, TPEC, TPE, TIME dan TRIS, as the Subsidiary Guarantors.

2. Material Transaction

The issuance of the Notes is amounting to USD 675,000,000 (six hundred and seventy five million United States Dollars). Based on the Company's Consolidated Financial Statements, the Company's total consolidated equity as of 30 June 2020 is USD 964,626,797, therefore the issuance of USD 675,000,000 Notes is equivalent to 69.98% of the Company's total consolidated equity as of 30 June 2020.

3. Object of the Fairness Opinion

In accordance with the assignment given by the Company, the scope of our assessment is to provide fairness opinion through fairness analysis, qualitative analysis and quantitative analysis of the Transaction.

4. Purpose and Objectives of the Fairness Opinion

Based on the result of the Accountant Firm's review of the Company's consolidated interim financial information based on the Company's Consolidated Financial Statement, the Company's total consolidated equity was USD 964,626,797, so the issuance of Notes amounting to USD 675,000,000 is equivalent to 69.98% of the Company's total consolidated equity as of 30 June 2020. Therefore, since the transaction value is more than 50% of the Company's equity, the Transaction shall constitute a material transaction as defined under Article 6 paragraph 1 letter (d)(1) of OJK Regulation 17/2020.

Thus, this fairness opinion is required in order to comply with applicable regulations, namely OJK Regulation 17/2020.

The Company has obtained approval from the general meeting of shareholder to issue the Notes through the Extraordinary GMS held on 26 October 2020 where the Extraordinary GMS has approved the plan to issue notes in United States Dollar denomination amounting to USD 750,000,000 in one issuance or in a series of issuance by the Company indirectly through its wholly-owned subsidiary to investors outside the Republic of Indonesia

5. Assessment Date

This fairness opinion is conducted as of 30 June 2020.

6. Appraiser Independency

In preparing the fairness opinion on the Transaction, KJPP has acted independently without any conflict of interest and is not affiliated with the Company or other affiliated parties.

KJPP also does not have any personal interests or benefits related to this assignment. Furthermore, this fairness opinion is not made to provide an advantage or disadvantage to any party. The rewards received by KJPP are not at all influenced by the fairness resulting from this fairness analysis process.

7. Benefit of the Transaction

The Notes will increase the liquidity of the Company and prolong profile of the maturity date of the Company's indebtedness and with the Notes principal payment scheme's by bullet payment, the Company shall be able to maintain its liquidity. In addition, the Company, or indirectly through its subsidiaries, may expand its business or diversify its business into the non-coal sector.

The issuance of the Notes is an attempt by the Company to anticipate business climate that has not fully recovered.

The following describes the benefits of issuing the Notes for the Company:

- a. By carrying out the Transaction, the Company's financial obligations that must be repaid in 2022 and 2023 or when the Notes 2022 and Notes 2023 becomes due and payable can be converted into financing with a longer term;

- b. With the bullet payment scheme for the Notes, the Company able to maintain its liquidity, especially when the Notes 2022 and Notes 2023 are due and payable;
- c. Through the Transaction, the Company, or indirectly through its subsidiary, may expand its business or conduct diversification to non-coal sector;
- d. Funds that were originally used by the Company to repay the Notes 2022 and Notes 2023 can be reused in the imminent future, thus such funds can be utilized to focused on financing the Company and its subsidiaries' business; and
- e. Funding through the issuance of the Notes is an alternative financing for the Company considering the limited distribution of financing by banks which is influenced by coal business climate which has not fully recovered.

8. Limitations and Conditions

When preparing the fairness opinion on the Transaction, KJPP uses several assumptions, among others:

- a. The fairness opinion prepared by the business appraiser is a non-disclaimer opinion;
- b. The business appraiser has conducted a review of the documents used in the appraisal process;
- c. Data and information obtained by business appraiser come from sources that can be trusted for their accuracy;
- d. Adjustments to financial projections prepared by management, reflect the fairness and capability to achieve such projections;
- e. Business appraiser is responsible for the assessment and fairness of financial projections, as long as there are no deviations in the implementation;
- f. The fairness opinion report is open to the public, unless there is a confidential information which may affect the Company's operations;
- g. Business appraiser is responsible for the fairness opinion report and the fairness opinion conclusion;
- h. Information on the legal status of the object of assessment from the assignor is considered correct and reliable. Business appraiser is not responsible if the information provided is proven to be inconsistent with the factual conditions;
- i. The results included in this report as well as any other values in the report that are part of the assessed business are only valid for the purposes of the assessment. The results of this fairness opinion may not be used for other purposes of assessment that may result in errors;
- j. KJPP as an Appraiser does not research the validity of documents related to appraisal, thus KJPP does not warranty the correctness or legality of such documents;
- k. The fairness opinion must be used as an integral part and only limited to the purposes and objectives of this assessment only. This report will not be valid for purposes and objectives other than as stated therein;

- l. KJPP assumes that data provided to us is correct and is related to the object of assessment and KJPP does not conduct further checks on its accuracy;
- m. KJPP is released from all claims and responsibilities relating to the use of reports that are not in accordance with the purposes and objectives of the report.

9. Methodology of Fairness Assessment of Transactions

Fairness Analysis of this Transaction is carried out by **transaction analysis**, **qualitative analysis** and **quantitative analysis** in the form of performance analysis and incremental analysis so that the fairness of the Transaction can be determined in terms of the financial impact on the Company's Shareholders.

10. Analysis on Fairness of the Transaction

On the basis of transaction analysis, qualitative and quantitative analysis that KJPP conducted on the Transaction, KJPP provides the following conclusions:

1. The Company through the Issuer has issued the Notes. Considering that there is uncertainty over the development of coal prices in the future, the Company hopes that the issuance of the Notes can develop the Company's business and prolong the maturity date of the Company's indebtedness so as to strengthen the financial condition and maintain the Company's liquidity;
2. Transaction constitutes as a material transaction as defined under the OJK Regulation 17/2020. Based on the results of a public accountant's review of the Company's Consolidated Financial Statements, the Company's total consolidated equity is USD 964,626,797, thus issuance of the Notes amounting to USD 675,000,000 is equivalent to 69.98% of the Company's total consolidated equity as of Assessment Date. Therefore, since the Transaction value is more than 50% of the Company's equity, the Transaction shall constitute as a material transaction as defined under Article 6 paragraph 1 letter (d)(1) of the OJK Regulation 17/2020. In this respect, the Company has obtained approval from the general meeting of shareholder to issue the Notes through an Extraordinary GMS held on 26 October 2020 where the Extraordinary GMS has approved the plan to issue notes in United States Dollar denomination amounting to USD 750,000,000 in one issuance or in a series of issuance by the Company indirectly through its wholly-owned subsidiary to investors outside the Republic of Indonesia. Referring to OJK Regulation 17/2020, to conduct Transactions, the Company is required to use an appraiser to determine the fairness of the Transaction, announce disclosure of information related to Transactions in no later than 2 (two) business days after the Transaction date, and submit evidence of such disclosure of information along with supporting documents to OJK which includes the appraiser's report and other supporting documents. The period between the appraisal date and the Transaction shall be no longer than 6 (six) months. Therefore, the Company has requested KJPP to prepare a fairness assessment to comply with the provisions of OJK Regulation 17/2020.
3. In accordance with the Offering Memorandum of the Initial Notes and Offering Memorandum of the Additional Notes, proceeds from the issuance of both of the Initial and Additional Notes, after deducted with issuance fee, commission, and other transaction fee, will be used to: (i) repay the entire principal amount of the Notes 2022 amounting to USD 265,000,000; (ii) together with existing cash of the Company, to repay the entire principal amount of the Notes 2023; (iii) funding of the Company's plans to expand its non-coal business activities as well as repayment of the Company's or its subsidiaries' debt.

4. Security granted for the interest of Additional Notes is an integral part and not a separate transaction from security granted for Initial Notes. The securities granted are: (i) a corporate guarantee by the Company and the Subsidiary Guarantors based on the terms and conditions set out in the Indenture; (ii) security interest over the Issuer's rights under the inter-company loans; (iii) secured by IIC shares owned by the Company, TPE and TPEC shares owned by IIC, TIME and the Company, Kideco shares owned by IIC and the Company, and TRIS shares owned by TPEC, where these securities are common security with Notes 2022, Notes 2023, and Notes 2024 and (iv) Issuer's share charge owned by IECPL. The securities provided under this Transactions is a transaction that contains elements of an affiliated transaction as defined under OJK Regulation 42/2020, since the Issuer is a subsidiary of the Company through Indika Energy Capital Pte. Ltd. However, since the security is given to the Issuer where one hundred percent of the shares are owned by the Company indirectly, this security providing is exempted as an affiliated transaction or a material transaction and the Company is only obliged to report to the OJK no later than 2 (two) days after the transaction for the provision of this security.

The total market value of the shares on a consolidated basis as one of the security for the issuance of Notes is USD 1,161,195,318, with the following details:

Secured Shares	Ownership	Shares	Ownership Percentage		Market Value
IIC	The Company	468.288	99,997%	USD	617,332,578
Kideco	The Company	100.139	40%	USD	235,604,142
TPEC	The Company	532.399	48,73%	USD	129,762,831
TPEC	TIME	560.154	51,27%	USD	136,527,621
TPE	The Company	24.999	1,80%	USD	367,710
TPE	TIME	1.360.000	98,20%	USD	20,004,223
TRIS	TPEC	39.000.000	100%	USD	21,596,213
Total				USD	1,161,195,318

*) When conducting share valuation of IIC, valuation was also conducted to subsidiary and associated entity of IIC, including IIC's shares in Kideco, TPE and TPEC.

5. Based on the projection of the Company's cash flow in the next 5 (five) years (2020 - 2025), by carrying out the Transaction, the Company's financial position provides a healthier picture, where in the conditions of conducting the Transaction, the present value of the Company's net cash flows is higher by USD 189,914,067 compared to the condition whereby the Company Not Conducting Transaction, as reflected in the current value table of net cash flows as below:

Conditions		Current Value Net Cash Flow
Conducting Transaction	USD	963,130,607
Not Conducting Transaction	USD	773,216,540
Margin	USD	189,914,067

11. Conclusion

Based on transaction analysis, qualitative analysis, quantitative analysis and fairness analysis of the Transaction, KJPP is of the opinion that the Transaction is **fair**.

STATEMENT OF THE COMPANY'S BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS

1. This Additional Information on the Disclosure of Information is complete and in accordance with the requirements under OJK Regulation 17/2020.
2. The Transaction does not contain any conflict of interest as stipulated under OJK Regulation 42/2020.
3. Statements in the Additional Information on the Disclosure of Information conveyed do not contain any statements or information or facts that are untrue or misleading, and contained all information and material facts which required by the investors to make decisions in relation to the Proposed Transaction.

ADDITIONAL INFORMATION

For any additional information required please contact the Company on the following address:

PT Indika Energy Tbk.
Graha Mitra 11th Floor
Jl. Jenderal Gatot Subroto Kav.21
Jakarta 12930, Indonesia
Tel. +6221 25579888 Fax. +6221 25579800
E-Mail: corporate.secretary@indikaenergy.co.id
www.indikaenergy.co.id