



PT Adaro Energy Indonesia Tbk

May 2023

Disclaimer



These materials have been prepared by PT Adaro Energy Indonesia Tbk (the “Company”) and have not been independently verified. No representation or warranty, expressed or implied, is made and no reliance should be placed on the accuracy, fairness or completeness of the information presented or contained in these materials. The Company or any of its affiliates, advisers or representatives accepts no liability whatsoever for any loss howsoever arising from any information presented or contained in these materials. The information presented or contained in these materials is subject to change without notice and its accuracy is not guaranteed.

These materials contain statements that constitute forward-looking statements. These statements include descriptions regarding the intent, belief or current expectations of the Company or its officers with respect to the consolidated results of operations and financial condition of the Company. These statements can be recognized by the use of words such as “expects,” “plan,” “will,” “estimates,” “projects,” “intends,” or words of similar meaning. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in the forward-looking statements as a result of various factors and assumptions. The Company has no obligation and does not undertake to revise forward-looking statements to reflect future events or circumstances.

These materials are for information purposes only and do not constitute or form part of an offer, solicitation or invitation of any offer to buy or subscribe for any securities of the Company, in any jurisdiction, nor should it or any part of it form the basis of, or be relied upon in any connection with, any contract, commitment or investment decision whatsoever. Any decision to purchase or subscribe for any securities of the Company should be made after seeking appropriate professional advice.

Snapshot of Adaro Energy Indonesia



**Lost-time injury
frequency rate
(LTIFR)**
0.12 in FY22



Employees
~12,000



**Countries
Served**
16



**FY22 Operational
EBITDA**
\$5.0 billion
(+139% YoY)



FY22 Production
62.88 million
tonnes (+19%
YoY)



FY22 Revenue
\$8.1 billion
(+103% YoY)

Adaro Energy Indonesia's Performance

Continue to deliver consistent results and strong cash flows



OPERATIONAL	1Q23	1Q22	Change
Production (Mt)	15.69	12.15	29%
Sales (Mt)	15.72	12.20	29%
OB removal (Mbcm)	56.45	48.22	17%
FINANCIAL (\$ millions, unless indicated)	1Q23	1Q22	Change
Net Revenue	1,839	1,225	50%
Core Earnings	538	484	11%
Operational EBITDA	726	755	-4%
Cash	3,011	1,556	94%
Net Debt (Cash)	(1,578)	(112)	1,305%
Capex	132	70	87%
Free Cash Flow	522	352	48%
Operational EBITDA Margin	40%	62%	-22%
Net Debt (Cash) to Equity (x)	Net Cash	Net Cash	-
Net Debt (Cash) to Last 12 months Operational EBITDA (x)	Net Cash	Net Cash	-
Cash from Operations to Capex (x)	(3.01)	3.04	-199%

Adaro Minerals MetCoal Business

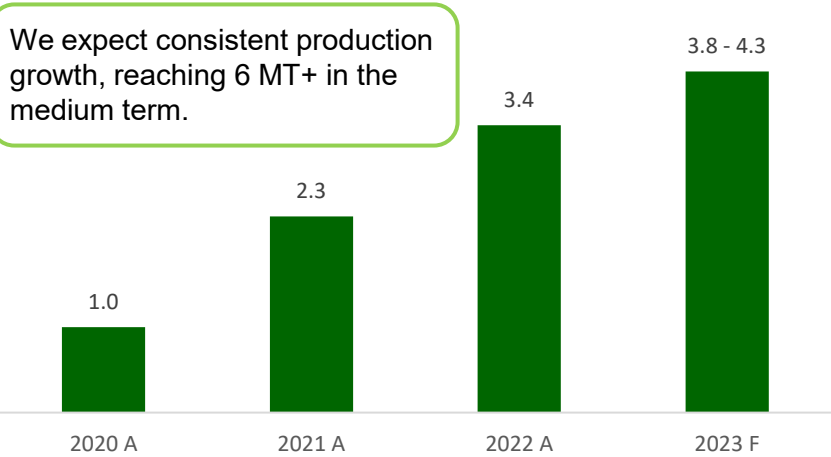
supports the Steel Industry a key component in Wind Turbine and the Solar Industry



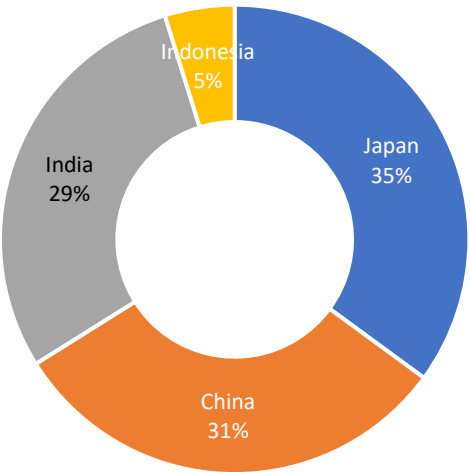
Adaro Minerals key financial highlights

OPERATIONAL	1Q23	1Q22	Change
Production (Mt)	1.22	0.62	97%
Sales (Mt)	0.85	0.59	44%
Overburden removal (Mbcm)	3.30	1.47	124%
FINANCIAL (\$ million)	1Q23	1Q22	Change
Net Revenue	238	182	31%
Core Earnings	87	85	2%
Operational EBITDA	121	120	1%
Operational EBITDA Margin	51%	66%	-15%

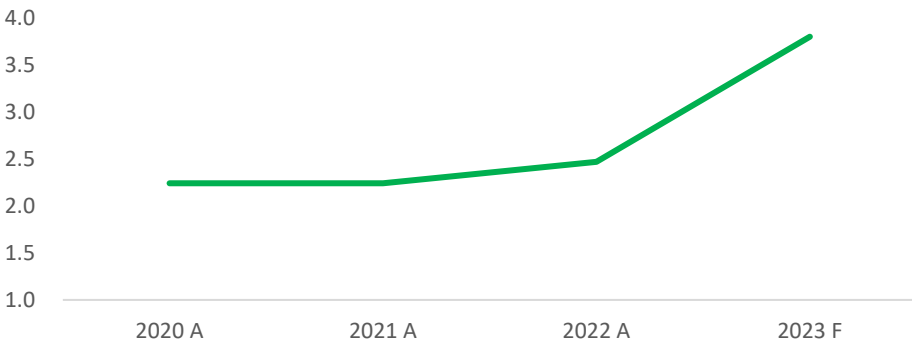
Adaro Minerals metcoal production (Mt)



Sales by Destination 1Q23



Adaro Minerals Strip Ratio Remains Very Low

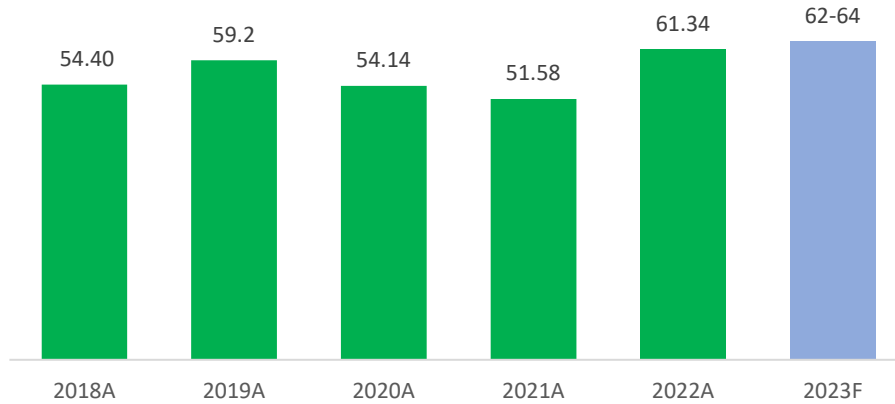


FY23 guidance

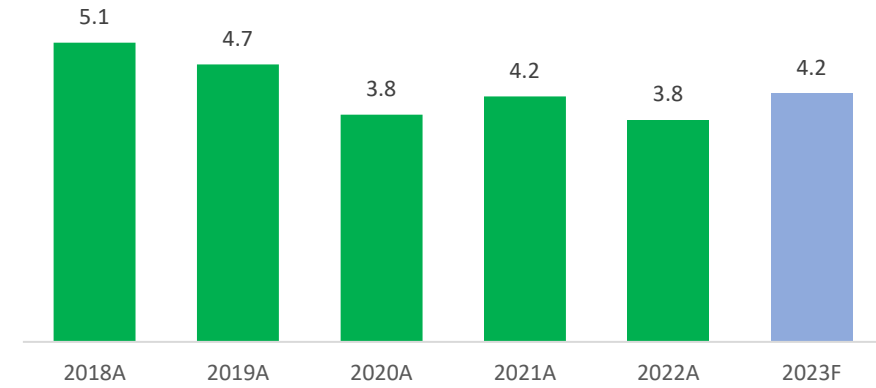
provides cash to invest in EV value chain and renewables



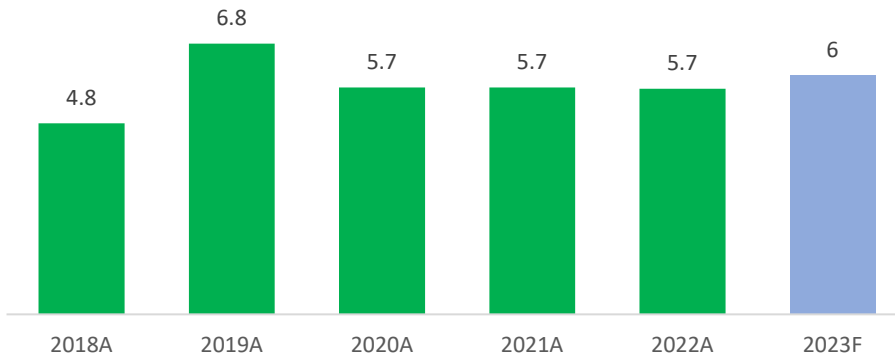
Coal sales (Mt)



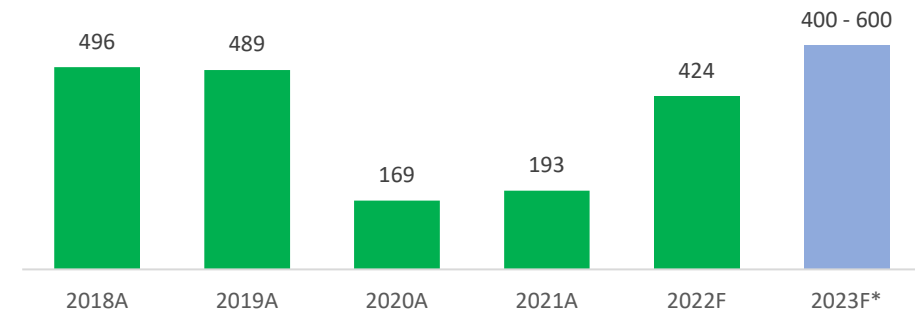
Consolidated planned strip ratio (bcm/t)



Kestrel Saleable MetCoal Production (Mt)



Consolidated Capital expenditure (\$m)



*)Exclude expenses related to Kaltara

Three Business Pillars for a Bigger and Greener Adaro

Pursuing sustainable growth driven by the green economy



Main operating pillar: pit-to-power integration to provide reliable and affordable energy

- Core thermal coal operations in Indonesia supported by the group's mining services and logistics contractors.
- Operates thermal power plants in several areas in Indonesia and creates access to reliable power.
- Provides the cash flows that serve as the foundation to fund the Adaro Group's diversification strategy.



Growth pillar: metallurgical coal, and minerals and minerals processing for green economy

- Metallurgical coal operations in Indonesia through PT Adaro Minerals Indonesia Tbk (IDX: ADMR).
- Downstream processing of minerals for EV battery ecosystem in Indonesia.
- Through this pillar, Adaro Group is committed to achieve growth in a more sustainable manner.



Growth pillar: renewable energy to support downstream processing and diversification of Indonesia's energy mix

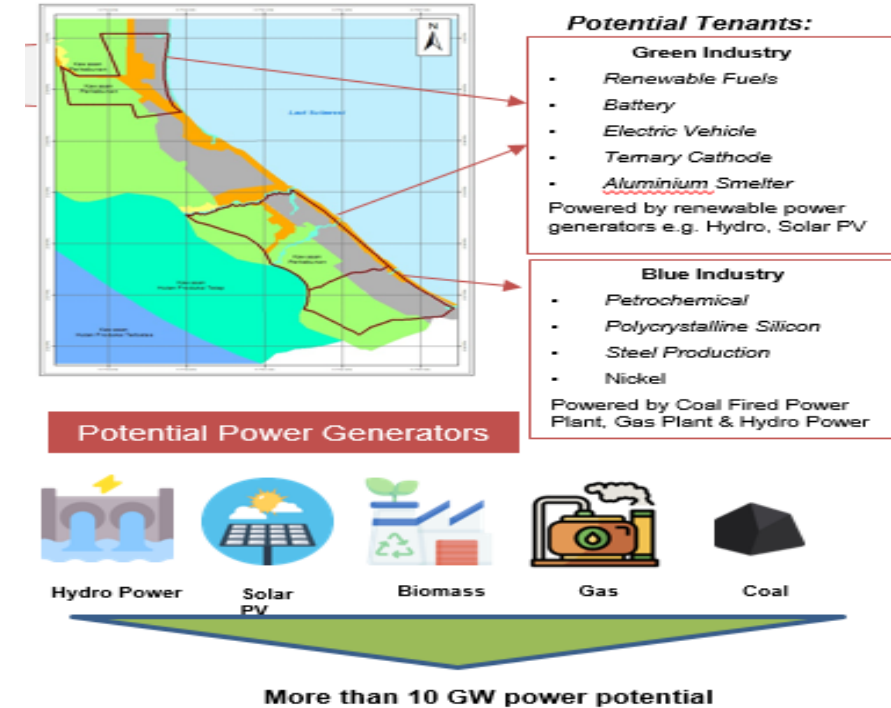
- Developing green energy sources: hydro, solar, wind – and continue to actively participate in tender of renewable power plants.
- Supplies the renewable energy requirement for green downstream processing.

The world's largest Green Industrial Park

Strategically located in North Kalimantan

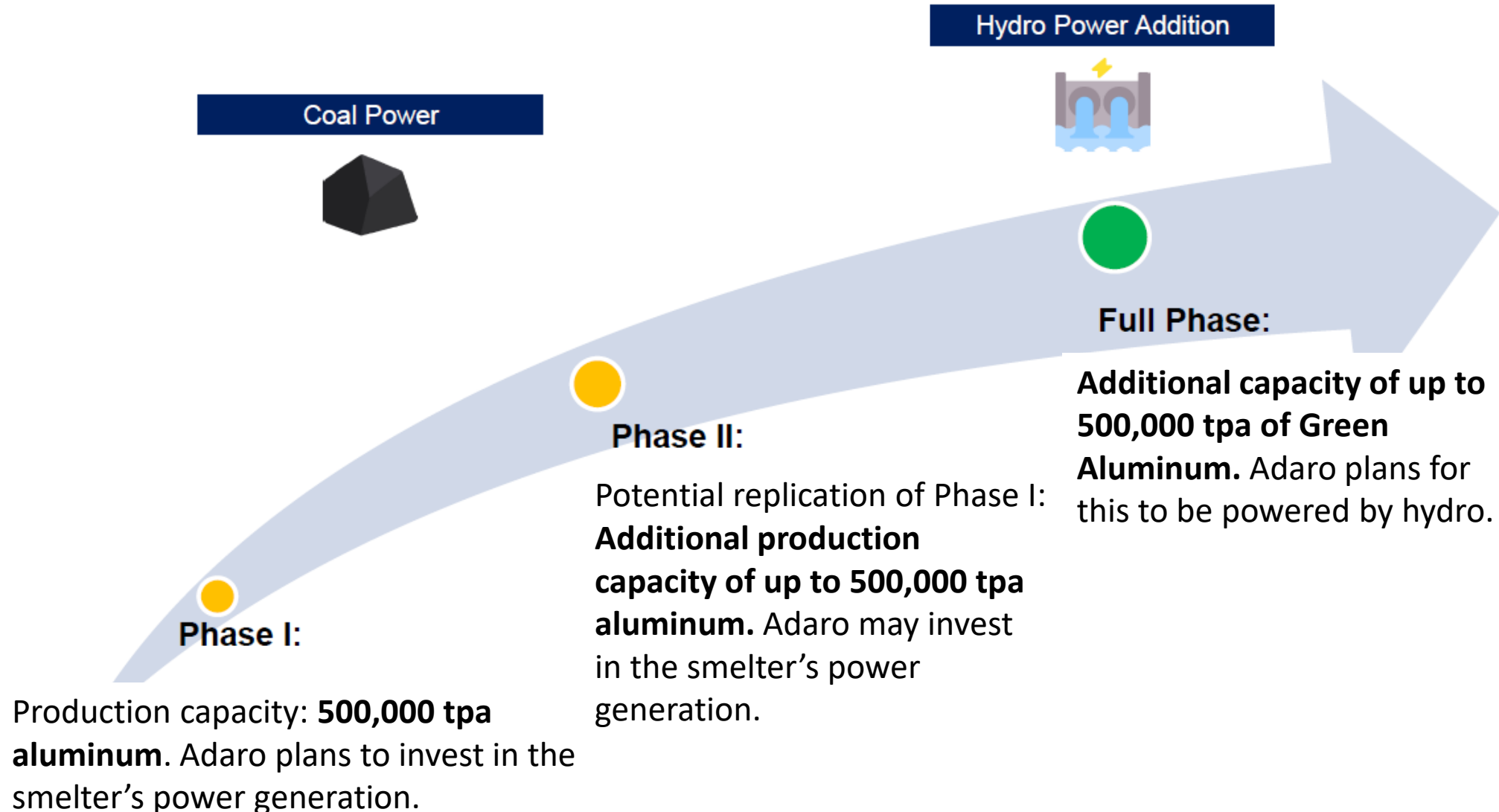


- Located in a very strategic location in terms of export & import, and potential supply of mineral sources and smelting industries
- Total area of 16,000 Ha, consists of 2 (two) large overlay area – 11,500 Ha and 4,700 Ha
- Potential development of a large-scale public port to support the industrial logistics
- Huge potential of Hydro Power Plants development to power the industrial estate



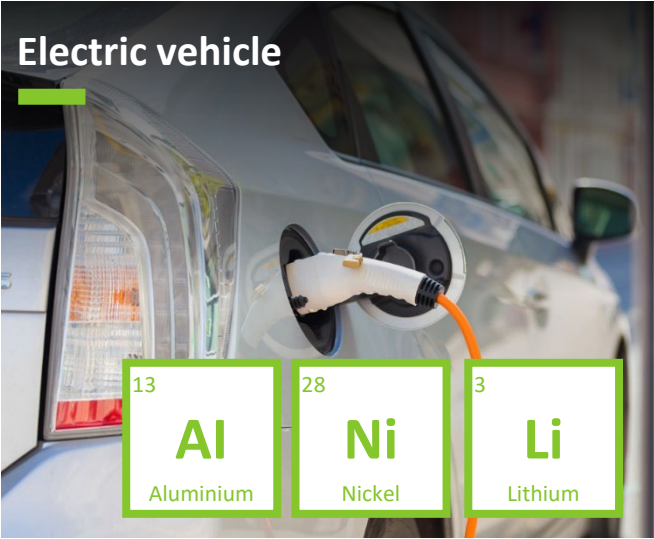
Aluminum Smelter in Kaltara Industrial Park

Scope of project is 1.5mt of Aluminum production



The Green Economy

Driving demand for Green Minerals



- 30%** More Aluminium used in electric vehicles than internal combustion engines
- 35 kg** Nickel needed in a single car lithium-ion battery pack
- 8 kg** Lithium needed in a single car lithium-ion battery pack



- 90 tons** Metallurgical coal needed to produce Steel for each MW of wind power
- 120 tons** Steel needed for each MW of wind power
- 1 ton** Aluminium in a single wind turbine



- 7 tons** Polysilicon needed for each MW solar PV plant
- 4M tons** Aluminium demand from the solar power sector by 2040

Adaro is well positioned

to capture these opportunities, now and in the future



Adaro has the necessary skillset...



Strong **balance sheet and financial capabilities**



Proven track record in building and operating **large-scale, complex projects**



Deep experience and knowledge in Indonesia's **mining** sector



Strong ownership and management team with extensive connections

...to capture these opportunities

Operating metallurgical coal mine in Indonesia & Australia

Building a **500K tons aluminium smelter**

Building one of the world's largest **green industrial estates** in North Kalimantan, including **plans to build several GW of hydro power & Solar PV plants**

Continue developing **renewable energy projects** within the region, and one of two consortiums to passed pre-qualification of **waste-to-energy project in Indonesia**

Adaro will continue to explore opportunities to serve the green mineral needs of the new economy

Global Demand Outlook

Industry	2018	2040	Remarks
Transportation	25MT	43MT	- Higher demand for electric vehicle, especially for battery packaging and heat sink. - Penetration to reduce vehicle weight and use of gasoline.
Building and Construction	22MT	29MT	- Urbanization and growing construction industry. - Penetration for building materials.
Consumer and Industrial	15MT	21MT	Increasing demand for consumer and industrial products.
Packaging	13MT	19MT	- Increasing demand for tin packaging. - Increasing demand for foil and plastic substitution.
Energy	11MT	16MT	- Increasing demand for energy sector application, such as solar panel structure. - Copper substitute for transmission cable.

- Demand for aluminum is estimated to increase on the back of economic growth in Asia.
- Demand for aluminum will be supported by the increase in transportation sector, in line with the commitment of global citizen and the transportation industry to increase the production of new energy vehicle.

Adaro Green

25GW of green energy needs by 2030

In Indonesia, before accounting for increased demand for processing green minerals



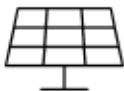
102 GW of installed capacity by 2030



11.3GW
Hydropower



5.8GW
Geothermal



4.8GW
Solar

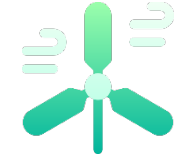
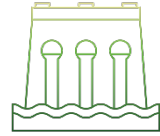


2.7GW
Others (incl Wind, bio-gas/mass & WTE)

The increased demand for green minerals will drive further need for green energy

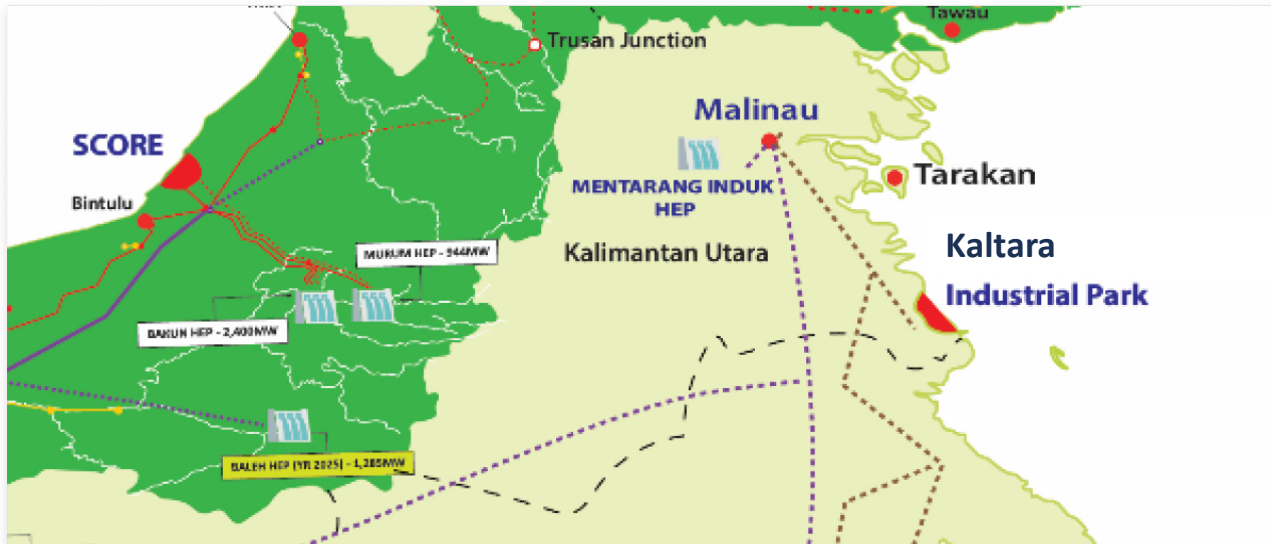
Source: RUPTL 2021-2030

Development of Renewable Energy for Green Business Transformation



• Project	Hydro Power Plant	Mini-Hydro Power Plant	Solar PV + Battery Energy Storage System (BESS)	Wind Turbine + Battery Energy Storage System (BESS)
• Location	Kalimantan Industrial Park Indonesia, North Kalimantan	Lampunut, Central Kalimantan	Kelanis, Central Kalimantan	Tanah Laut, South Kalimantan
• Installed Capacity	Total capacity is ~1.4GW (phase 1)	~ 4 MW	Solar PV: ~ 8 MWp BESS: ~ 4 MWh	Wind: ~ 70 MW BESS: ~ 10 MWh
• Off-taker / User	Kalimantan Industrial Park Indonesia's tenants	PT Maruwai Coal (PTMC), Adaro Minerals' subsidiary for coking coal mining operations	PT Adaro Indonesia, AEI's subsidiary for thermal coal mining operations	PLN
• Current Status	Finalization of Offtake agreement	Selection process of EPC contractor	Development	LoI

Indonesia's largest hydro power plant project

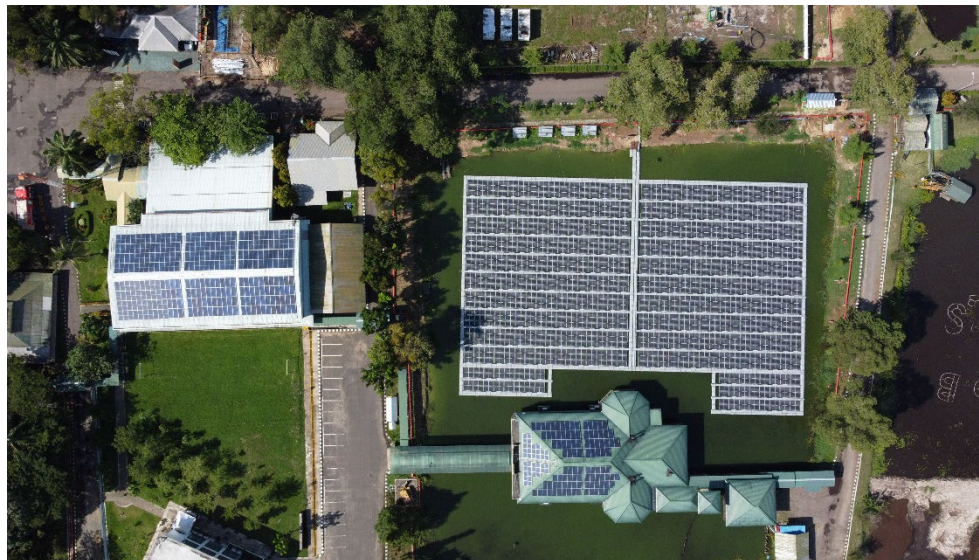


- Planned installed capacity of 1,375 MW, with the potential to generate approximately 9 Terawatt hours (TWh) per annum.
- Located in North Kalimantan, this power plant will provide affordable, reliable, and sustainable energy to support the Kaltara Industrial Park. COD is estimated in 2030.
- Will use the Concrete Faced Rockfill Dam (CFRD), designed with a dam crest height of 235m and crest length of 815m. This hydro power plant will have one of the world's tallest dams.



Recently energized captive solar PV

~600 kWp to supply to our mining area



- We have installed **130 kWp PV Rooftop**, and another **468 kWp PV Floating** (so far the biggest installed floating PV in Indonesia)
- The project is expected to generate **156,000 kWh/year** and serves a captive market to **support Adaro Group's mining operation**.
- Environmental impact of this project includes **replacing 33,000 liters of diesel per year**, and **avoiding emission of 98 ton CO2/year**.



adaro 



Adaro Energy

Why Adaro



Solid Foundation

- Integrated energy company with strong footing in the energy industry.

Positioned for Sustainable Growth

- Integrated business model enables us to control cost and manage risks better, ensuring business sustainability.

Capturing Opportunities in Green Economy

- Well positioned to capture the opportunity through ADMR, which will focus on managing and developing our non-coal mineral assets.

Consistent Dividend Payment and Shareholder Return

- Cumulatively from 2008, we have paid approximately **US\$2.9 billion** in dividends with average payout ratio of **47%**.

Industry Leading Cost Position

- Cost competitiveness resulted in one of the highest operational EBITDA margins in the sector, reaching **62%** of operational EBITDA margin in 2022.

Experienced Management Team

- Management has been consistent with strategy execution while also being nimble in reacting to business developments

Commitment to ESG

- PT Adaro Indonesia received 5th PROPER Gold Award
- MSCI ESG rating of BBB.

Strong Cash Generation

- Adaro generated \$2.8 billion of free cash flow and net cash of \$2.6 billion in FY22 which will fund our business transformation.

Conversion of CCOW to IUPK

- Continuation of AI's CCOW.
- Government Regulation (PP No 15 of 2022) stipulates the changes in the commercial terms: royalty rate, CIT rate, and provision of non-tax revenue for the central and local government.

CCOW		IUPK
1	Royalty rate	13.5%14% - 28%
2	CIT	45%22%
3	Provision of Non-Tax Revenue	
	- Central Government	-4%
	- Local Government	-6%

- In line with conversion to IUPK, AI's concession size has been reduced, but does not affect our operation or our reserves.

Change in the royalty rate of IUP

- This impacts MIP and Balangan Coal mines, representing approximately 17% of 2022 production. The royalty going forward will be based on HBA pricing and could increase to between 7% - 10.5% from 3% - 5%.

Change in the formula of Harga Batubara Acuan (HBA)

- Indonesia has introduced the reformulation of HBA to better reflect the value of Indonesian coal. The new HBA has three coal categories: HBA (6,322 kcal GAR), HBA I (5,200 kcal GAR), and HBA II (4,200 kcal GAR).
- The HBA will be derived from an average of actual traded Indonesian prices from two months prior. 70% from deals done in the first month prior, and 30% from deals done in the two months prior.

Large Reserves and Diverse Portfolio across Indonesia and Australia



1

Adaro Indonesia: 88.5%
Existing, S Kalimantan sub-bituminous
Reserves: 682 Mt
Resources: 3.2 Bt

2

Balangan Coal Companies:
S Kalimantan sub-bituminous
Reserves 118Mt
Resources: 257 Mt

3

PT Adaro Minerals Indonesia Tbk (AMI):
Central and East Kalimantan Metallurgical coal
Reserves: 165 Mt
Resources: 975 Mt

4

MIP: 75% stake
S Sumatra sub-bituminous
Reserves 207 Mt
Resources 301 Mt

As of 31 December 2022, AEI has more than **8 billion tonnes (Bt) of resources** and **1.3 Bt of reserves** across thermal and metallurgical coal – providing us with flexibility in the coal market.

5

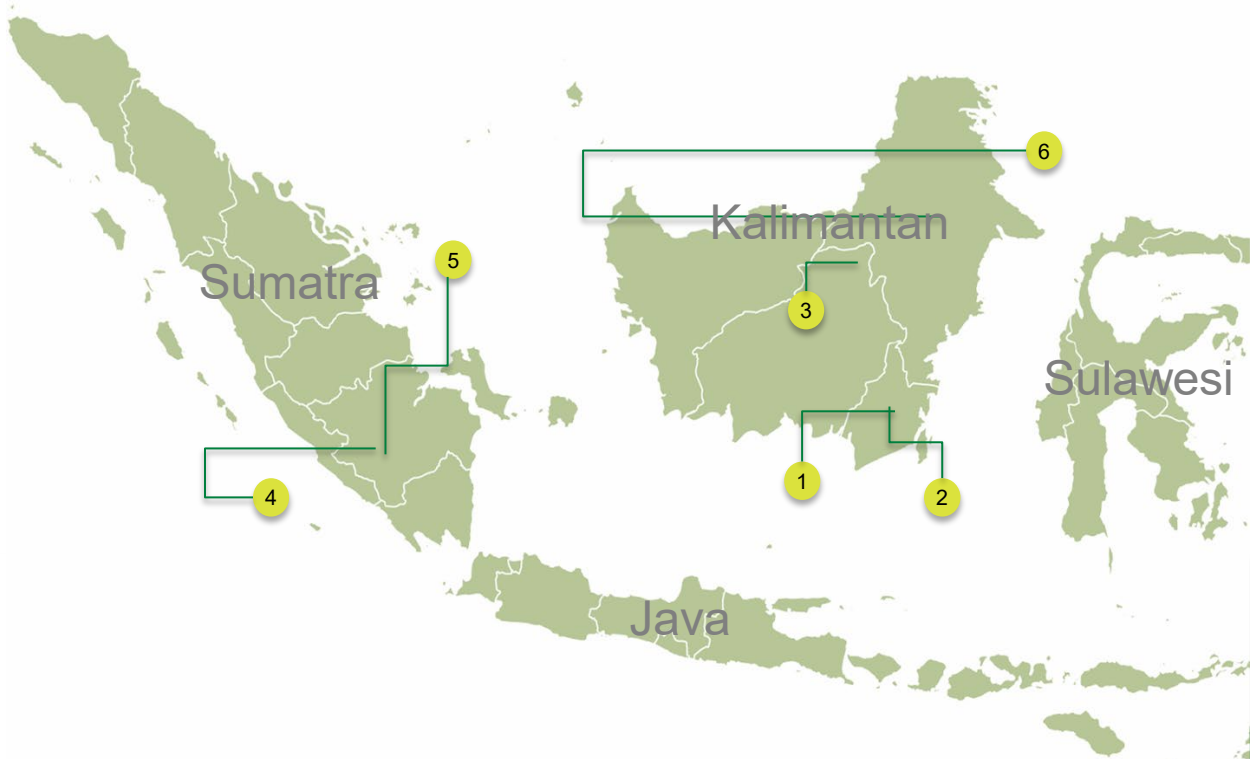
BEE: 61.04% stake
S Sumatra sub-bituminous
Geological study phase

6

BEP: 10.22% stake with option to acquire 90%
E Kalimantan sub-bituminous
Resources 3.3 Bt

7

Kestrel Coal Mine
48% of 80%
Queensland, Australia Premium HCC
Reserves: 184 Mt
Resources: 421 Mt



Note: Reserves and Resources numbers above are before taking into account AEI's equity ownership

Integrated Business Model

with control over each part of the supply chain from pit-to-power



MINING

THERMAL COAL

Adaro Indonesia (AI) Coal mining, S. Kalimantan	88.5%
Balangan Coal Coal Mining, S. Kalimantan	75%
Mustika Indah Permai (MIP) Coal Mining, S. Sumatra	75%
Bukit Enim Energi (BEE) Coal Mining, S. Sumatra	61%
Bhakti Energi Persada (BEP) Coal mining, E. Kalimantan	18.5%

METALLURGICAL COAL

PT Adaro Minerals Indonesia Tbk (AMI) Coal mining, C. Kalimantan, E. Kalimantan	83.8%
Kestrel Coal Resources¹ Queensland, Australia	48%

1) Kestrel Coal Resources has 80% ownership on Kestrel Coal Mine



SERVICES

MINING SERVICES

Saptaindra Sejati (SIS) Coal mining and hauling contractor	100%
Jasapower Indonesia (JPI) Operator of overburden crusher and conveyor	100%
Adaro Jasabara Indonesia (AJI) Mining services	100%
Adaro Mining Technologies (AMT) Coal research & development	100%

COAL TRADING

Coaltrade Services International Pte. Ltd (CTI) Coal Trader	90%
---	------------



LOGISTICS

Maritim Barito Perkasa (MBP) Barging & Shipping	100%
Sarana Daya Mandiri (SDM) Dredging & maintenance in Barito River mouth	51.2%
Indonesia Multi Purpose Terminal (IMPT) Port management & terminal operator	100%
Indonesia Bulk Terminal (IBT) Coal terminal & fuel storage	100%
Puradika Bongkar Muat Makmur (PBMM) Cargo loading & unloading	100%
Harapan Bahtera Internusa (HBI) Shipping administration	100%
Barito Galangan Nusantara (BGN) Maintenance services	100%



POWER

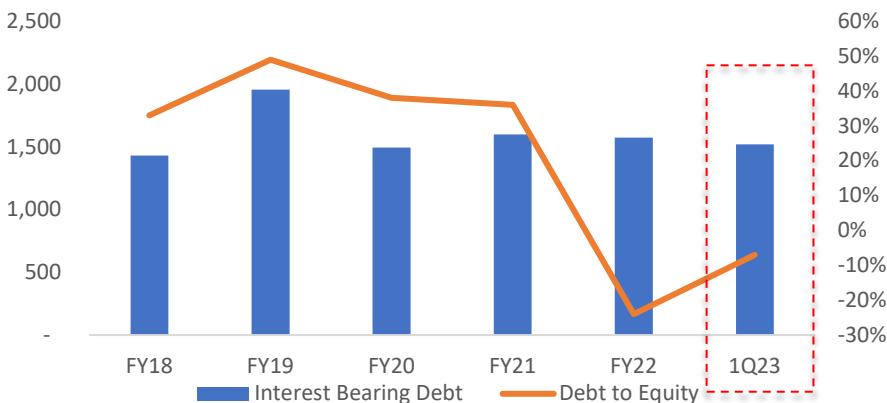
Makmur Sejahtera Wisesa (MSW) Operator of 2x30MW mine-mouth power plant in S. Kalimantan	100%
Operator of Solar PV at AI's mine site in S. Kalimantan	
Tanjung Power Indonesia (TPI) Partner in 2x100MW power plant project in S. Kalimantan	65%
Bhimasena Power Indonesia (BPI) Partner in 2x1000MW power generation project in Central Java	34%



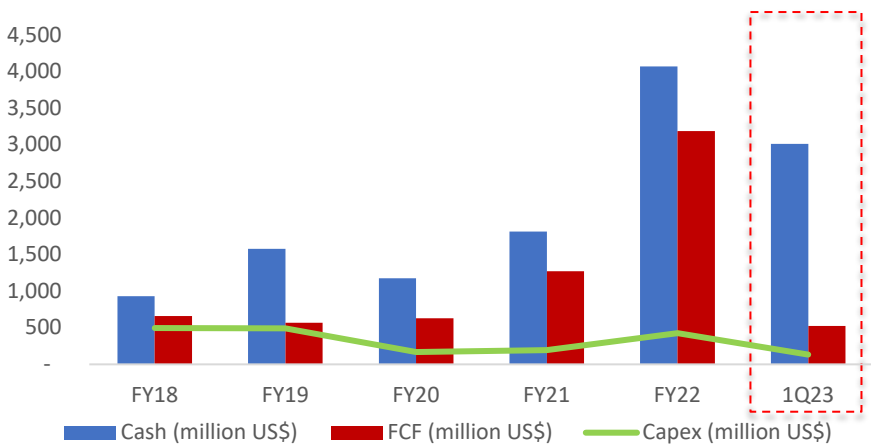
Solid Financials Backed by Strong Operations



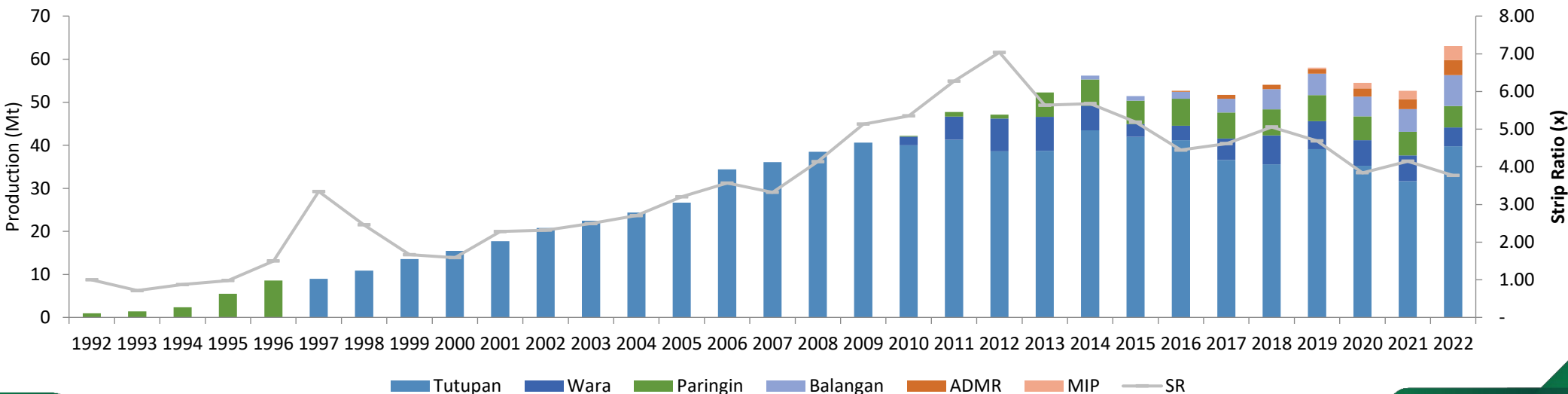
Financial position continues to improve



Strong cash balance and free cash flow generation



Adaro Historical Production

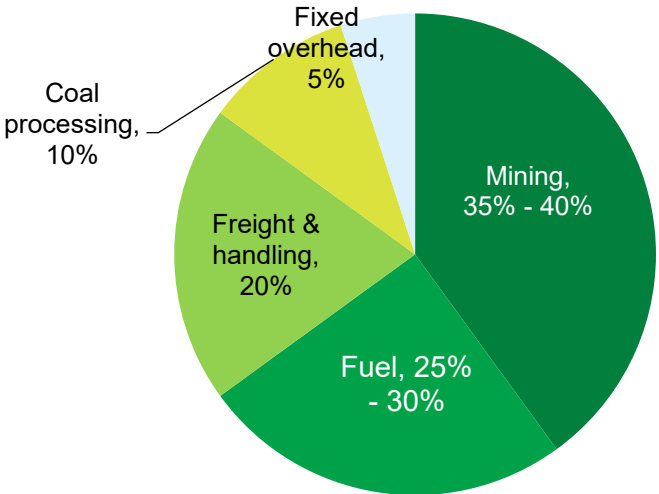


Industry Leading Efficiency

One of the lowest cost operators in Indonesia



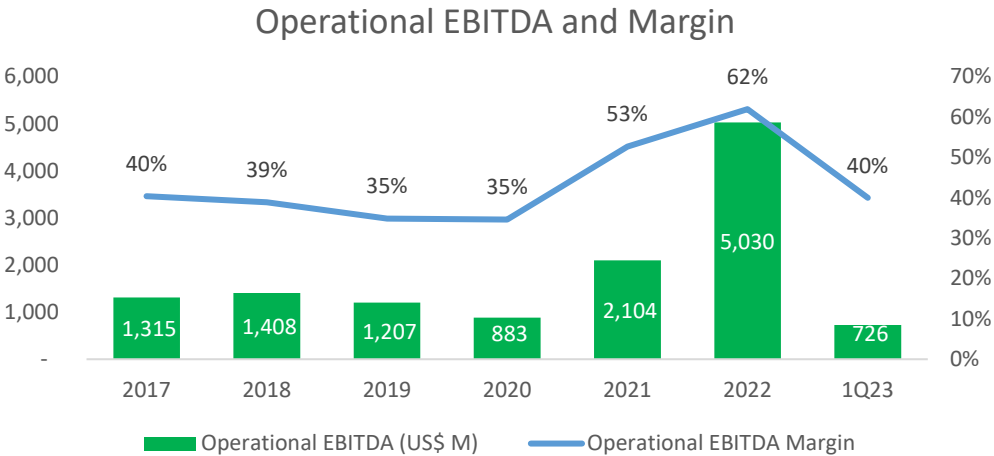
Adaro’s estimated coal cash cost breakdown (1Q23)



Electrification to reduce the usage of diesel gensets



Strong operational EBITDA generation and healthy operational EBITDA margin

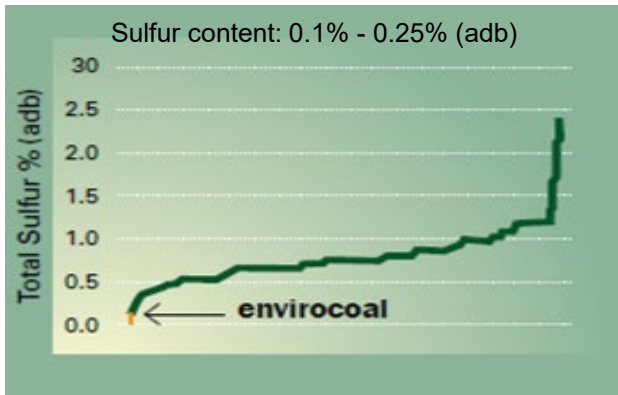
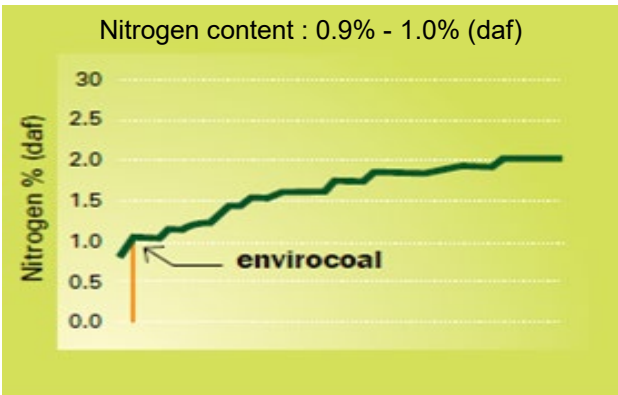
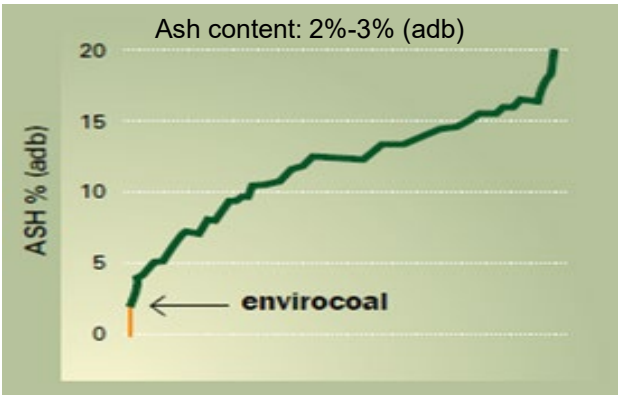


- Consistently delivers on operational EBITDA target and performed in-line with guidance.
- Healthy operational EBITDA margin on the back of better cost control from integrated business model.

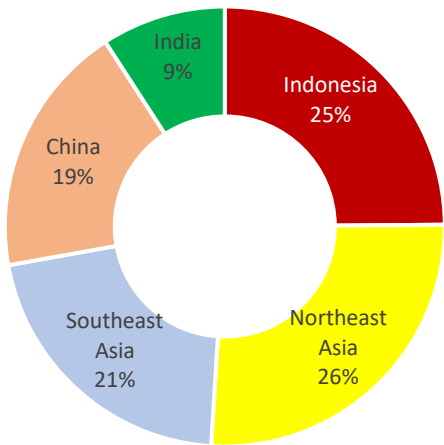
Well Positioned Product and Strong Customer Base Focused on Asia



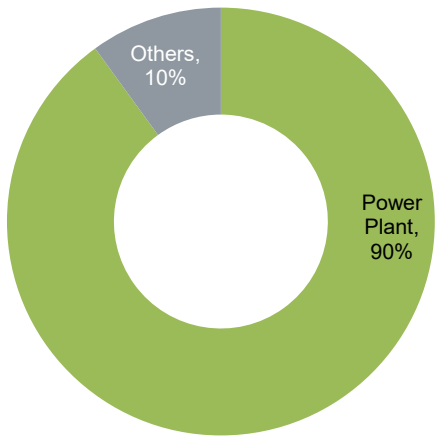
Envirocoal is among the lowest pollutant content coal in the seaborne market



Customer geographical breakdown (1Q23)



Customer type by volume (1Q23)



*others include cement, pulp & paper, and industrial

Operates Mining Services and Logistics to Ensure Operational Excellence



Key part of our vertical integration.

Ensures operational excellence, productivity improvement and timely reliable delivery to customers.

Stable earnings profile buffers against the volatility in coal price.

Focus on providing services for companies in the Adaro Group.



		Units	1Q23	1Q22	1Q23 vs 1Q22
SIS	Overburden Removal	Mbcm	44.55	40.10	11%
	Coal Transport to Port	Mt	14.80	11.61	27%
MBP	Coal barging	Mt	15.00	11.22	34%

One of Indonesia's largest IPPs

Adaro Power's gross power generation capacity stands at 2,260 MW



Makmur Sejahtera Wisesa – CFPP

Size / Tech.	2 x 30 MW CFB technology
Shareholders	100% Adaro Power
COD	#1 Jun 2013, #2 Feb 2014
Availability Factor	60.01% (Avg. 1Q23)
Adaro Mining Electrification	Current: 11.7 MW Plan: additional 17.9 MW



Makmur Sejahtera Wisesa – Solar PV

Size	130 kWp + 467 kWp
Shareholder	100% Adaro Power
COD	Q3 2018 (for 130 kWp) & 467 kWp COD 27 December 2021
Project cost	USD 800,000 (approx.)
Electricity produced	493.84 MWh (1Q23)



Tanjung Power Indonesia – CFPP

Size / Tech.	2 x 100 MW CFB technology
Shareholders	65% AP, 35% Korea EWP
Project cost	USD 545 million
COD	2019
Availability Factor	81.08% (Avg. 1Q23)



Bhimasena Power Indonesia – CFPP

Size / Tech.	2 x 1,000 MW Ultra Super Critical
Shareholders	34% AP, 34% JPower, 32% Itochu
Project cost	USD 4.2 billion
Availability Factor	86.79% (Avg. 1Q23)

Apart from improving the performance of its already-operated power plants and completing the construction, Adaro Power continues to study renewable power projects such as biomass, wind power, and solar PV to support PLN through unsolicited proposal and tenders. Adaro Power is also in the process of developing captive use power generation projects for the Group's other business units such as IBT (Genset & Solar PV) and ADMR (Mini-hydro)

Owens & Operates 1,670 Ips of Water Treatment Plants



Also Supports Mining Operations through Slurry Management Business Unit

Dumai Tirta Persada 1

Location : Dumai, Riau
Size : 450 Ips
Adaro Shares : 49%
Status : First phase (50 Ips) completed



Grenex Tirta Mandiri 2

Location : Bekasi, West Java
Size : 200 Ips
Adaro Shares : 49%
Status : Started construction



Drupadi Tirta Gresik 3

Location : Gresik, East Java
Size : 400 Ips
Adaro Shares : 100%
Status : In operation since 2012



Adaro Wamco Prima 4

Location : Tanjung, South Kalimantan
Business : Mining pump services
Adaro Shares : 60%
Status : Operation



Drupadi Tirta Intan 5

Location : Banjar, South Kalimantan
Size : 500 Ips
Adaro Shares : 100%
Status : In operation since 2012



Adaro Tirta Mentaya 6

Location : Sampit, Central Kalimantan
Size : 320 Ips (contract), 400 Ips (capacity)
Adaro Shares : 90%
Status : In operation upto 250 Ips



Adaro Water is currently in the process to achieve operational excellence through continuous improvement in its operating subsidiaries, including WTPs operations and slurry pumps operations. Meanwhile, on the construction side, Adaro Water continues to ensure that the project can achieve its goals in terms of schedule, budget & quality. From business development perspective, Adaro Water continues to actively seeking for new projects through PPP, non PPP and acquisition.

**PT Adaro Minerals
Indonesia Tbk
(IDX:ADMR)**

Adaro Minerals Indonesia at a Glance



Indonesia's leading metallurgical coal producer with low-cost, efficient operation supported by Adaro Group's integrated supply chain network



Five CCoW holders located in Central and East Kalimantan, Indonesia.



Large coal reserves and resources base which supports long-term sustainable growth.
Coal reserves: 170.7 Mt. Coal resources: 980 Mt.



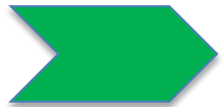
Coal production in 2021 reached 2.3 Mt, and in 2022 coal production reached 3.37 Mt
(▲ 46% y-o-y). Aiming at 6 Mtpa in 2025.



Strong demand profile from blue-chip steel companies. Current customers are located in China, Japan and Indonesia.



Offers coal **supply diversification** for customers in a market dominated by Australia, Canada and the US.



Close proximity to key markets offers customers with more **competitive cost** and shorter transportation time.

Company Overview - ADMR



- Established in 2007, Adaro Minerals carries out an integrated mining activities through its subsidiaries, which has one of the largest greenfields area in Central Kalimantan for metallurgical coal.
- The Company's subsidiaries own 5 Coal Contract Of Work ("CCoW") located in East Kalimantan and Central Kalimantan with total area up to 146,579 ha.
- The 5 CCoWs are in the operation and production operation development stages: Maruwai Coal is currently operating and selling metallurgical coal, Lahai Coal is conducting mining optimization, meanwhile Kalteng Coal, Sumber Barito Coal and Juloi Coal are in development phase.

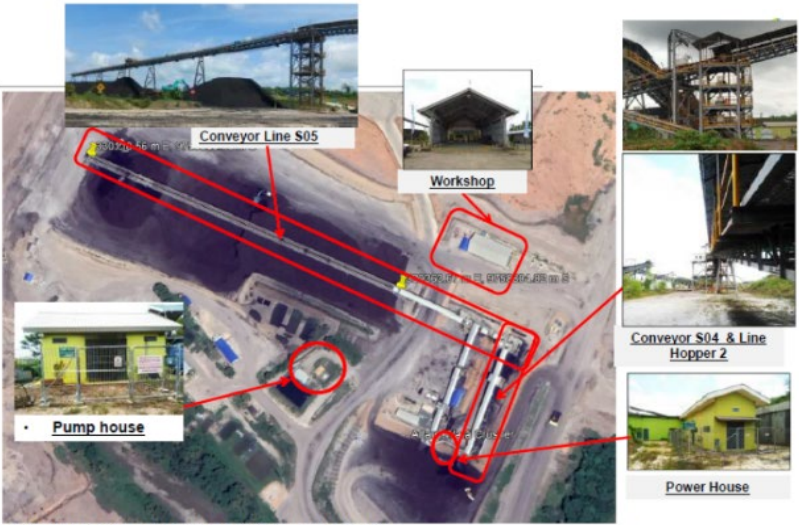
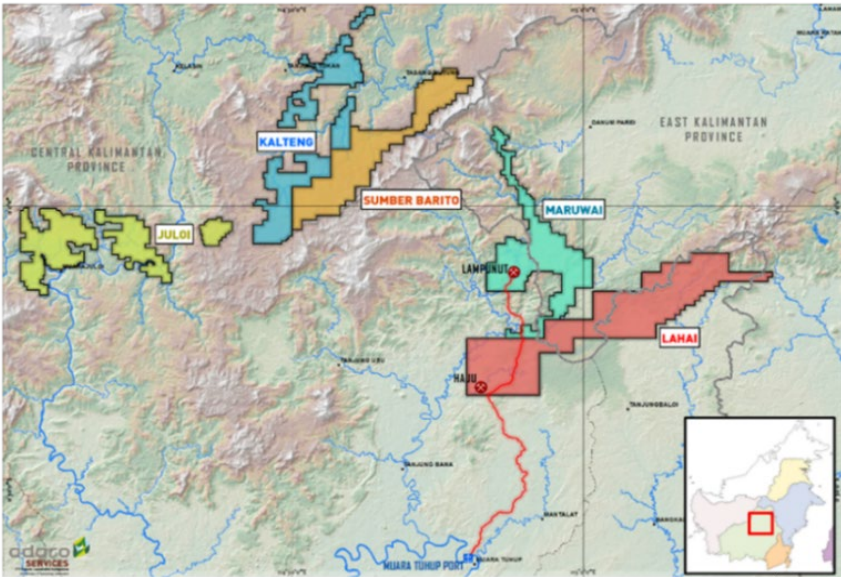
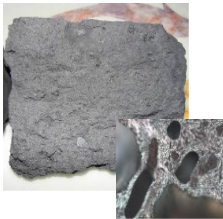


Foto Udara Area Wara Coal Crusher PT. JPI

CCoW	STAGE	COALS
Lahai		Green Coal
Maruwai		Hard Coking Coal, Green Coal
Kalteng		Met-Coal
Juloi		Met-Coal
Sumber Barito		Met-Coal



Metallurgical Coal



Cokes

Notes : Operation

Production Operation Development

Large Coal Resource and Reserves

Coal Resource

Company / Locality	Total Coal Resources (Mt)	Measured (Mt)	Indicated (Mt)	Inferred (Mt)	Compliance Standard
LC - Haju (Green Coal)	4.4	3.8	0.4	0.1	JORC
MC - Lampunut (Metallurgical and Green Coal)	105.4	98.4	6.9	0.2	JORC
JC - Juloi Northwest (Metallurgical)	629.8	-	269.6	360.3	JORC
JC - Bumbun (Metallurgical)	174.5	60.4	57.8	56.4	JORC
KC - Luon (Metallurgical)	50.9	24.7	19.3	6.9	JORC
SBC - Dahlia Arwana (Metallurgical)	15.0	6.5	6.5	2.0	JORC
TOTAL	980.0	193.8	360.5	425.7	

Coal Reserves

Company / Locality	Total Coal Reserves (Mt)	Proved (Mt)	Probable (Mt)	Compliance Standard
LC - Haju (Green Coal)	2.3	2.3	0.03	JORC
MC - Lampunut (Metallurgical and Green Coal)	89.6	81.2	8.4	JORC
JC - Bumbun (Metallurgical)	55.5	-	55.5	JORC
KC - Luon (Metallurgical)	17.7	-	17.7	JORC
SBC - Dahlia Arwana (Metallurgical)	5.6	-	5.6	JORC
TOTAL	170.7	83.4	87.2	

One of the **largest undeveloped** met coal reserves and resources globally

Premium quality hard coking coal with **low ash, low phosphorus, and high vitrinite** content

Long reserves life, based on current production

**Coal Reserves and Resources data is as of August 2021 from independent consultant PT Quantus Consultants Indonesia*

Established Infrastructure to Ensure Operational Excellence

Lampunut Coal Handling and Processing Plant

Crushing Plant : 600 tph



- One of the largest CHPPs in Indonesia in terms of capacity
- Reduces ash from 12% ad to 4.5% ad

Washing Plant : 525 tph (max: 550 tph)



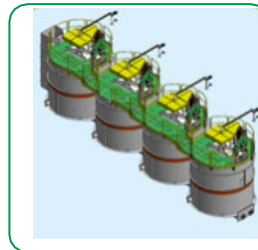
WASHING – 3 Process Circuit



DMC
1.4 – 50 mm

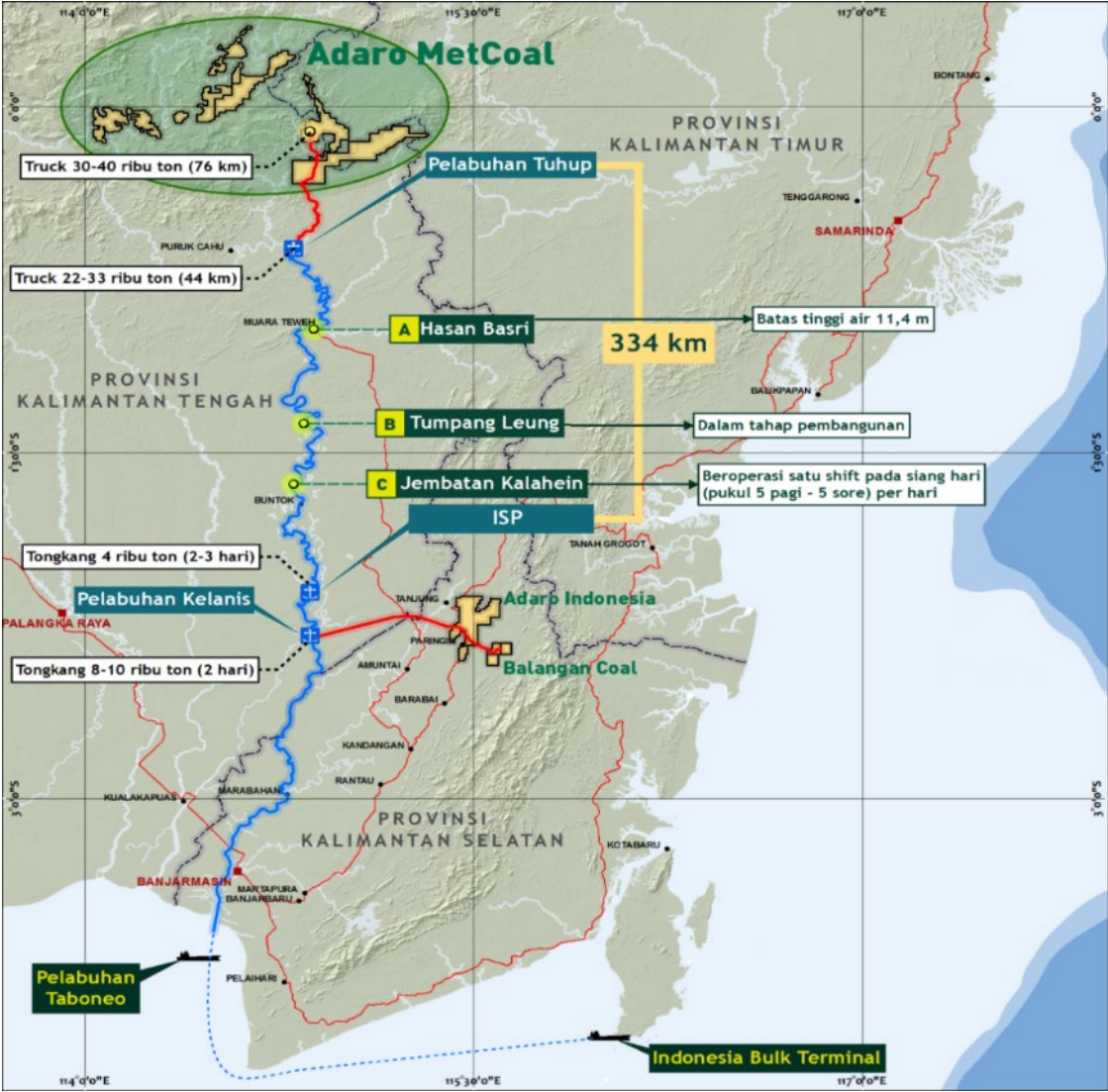


Hydrocyclone & Spiral
0.25 – 1.4 mm

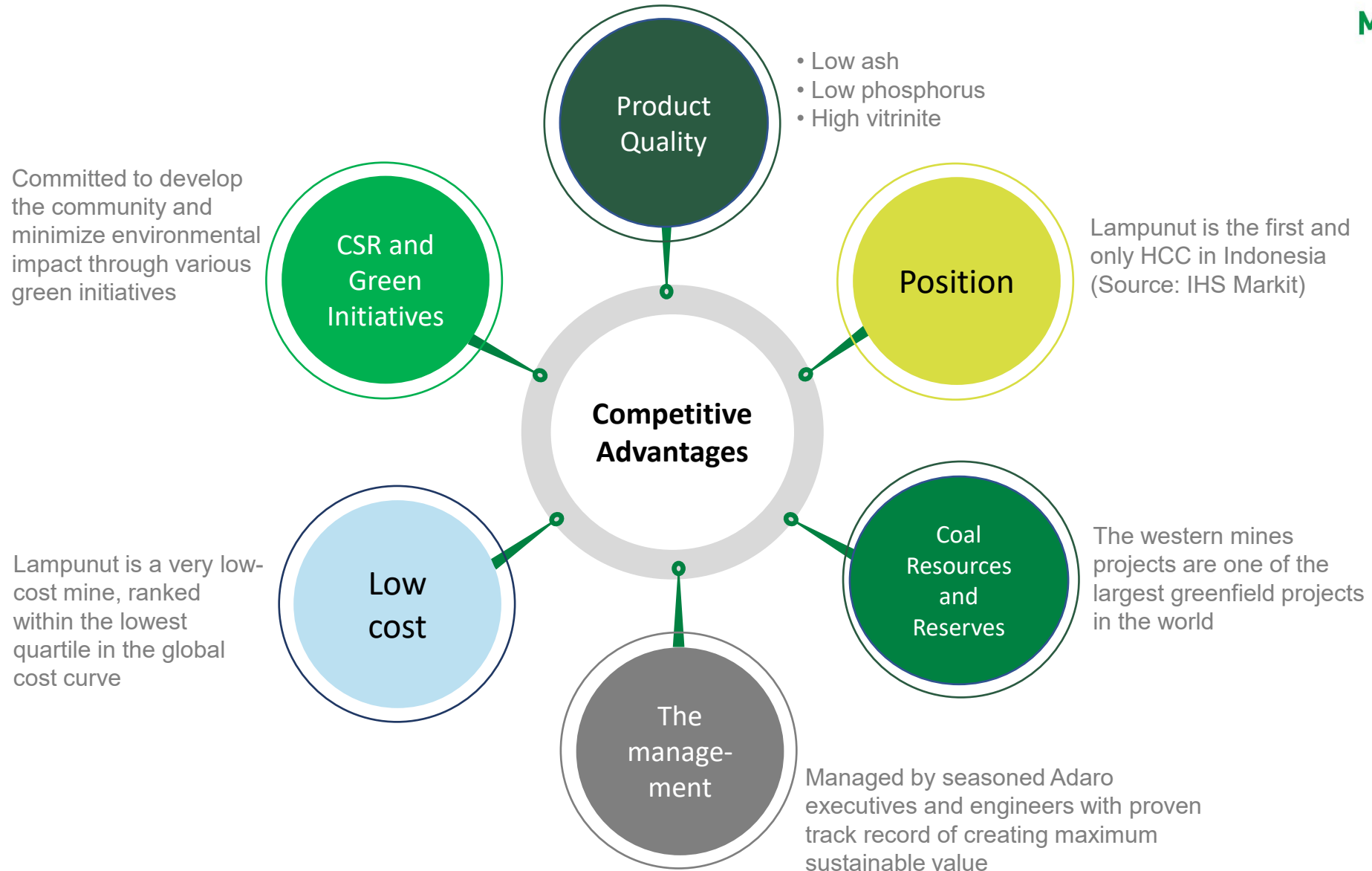


Flotation
0.25 mm

Supply Chain: from Coal Terminal to Vessel Loading Points



Competitive Advantages



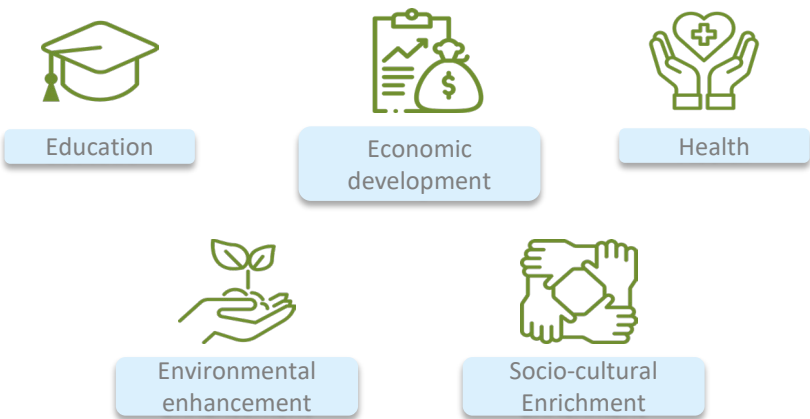


Sustainability and Green Initiatives

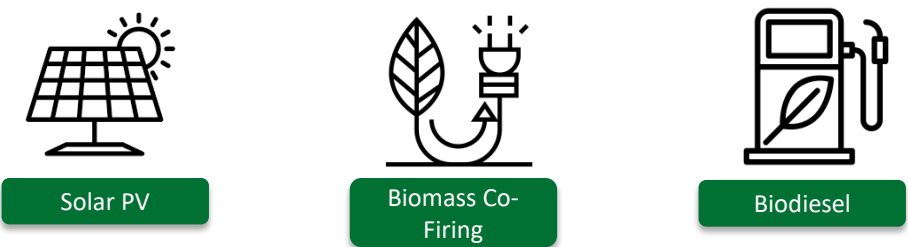
Balance of People, Planet and Purpose



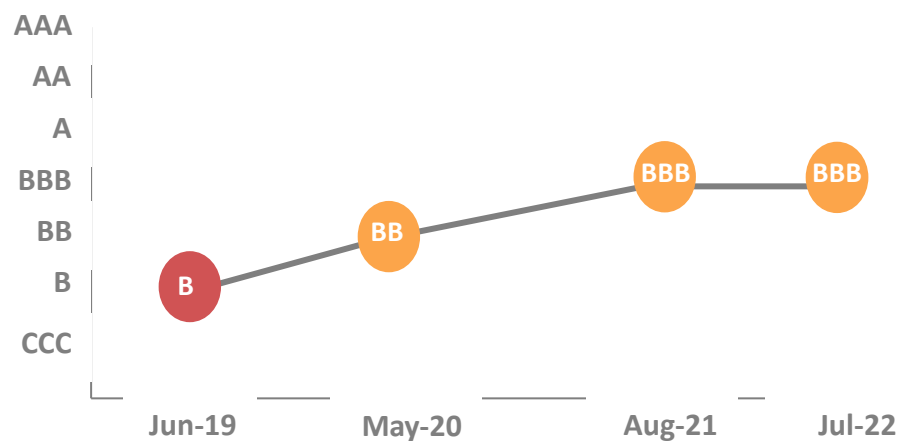
Key programs in Corporate Social Responsibility



Green Initiatives to Reduce Emission



MSCI ESG Rating History



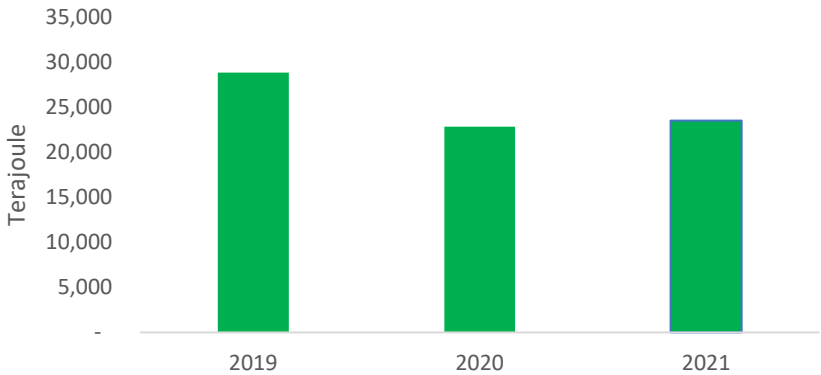
Fifth PROPER Gold Award



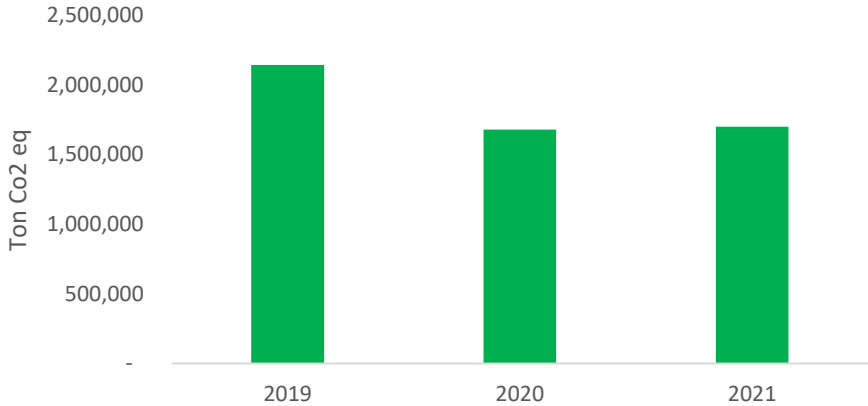
Improving Environmental Performance



Reduced total energy consumption by 21% y-o-y



...and reduced GHG emission (scope 1) by 22% y-o-y



Innovative projects to improve efficiency and environmental performance

Fleet Management System reduces queueing time and energy used



Kelanis Smart Inverter Solar Cell reduces diesel usage and CO2 emission

Ecosystem Restoration and Carbon Capture



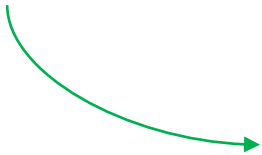
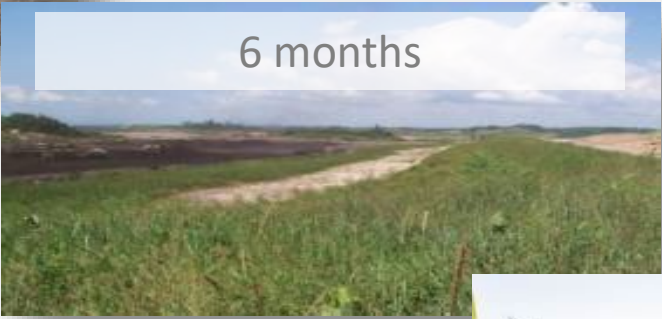
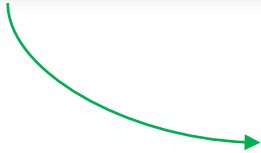
Through Adaro Land Pillar, we have subsidiaries which own forest management permits for ecosystem restoration and forest management permits for carbon absorption.

PT Alam Sukses Lestari holds license to use timber product – ecosystem restoration in natural forest which allows restoration of forest ecosystem to achieve balanced biodiversity.



PT Hutan Amanah Lestari holds license for utilization of carbon absorption and is one of the largest holders of such license in Indonesia. We expect that once operational, carbon trading will be the main business of this company.

Reclamation and Rehabilitation



Awards and Recognitions

2013

PROPER green award
Ministry of Environment & Forestry

Aditama gold award
For environmental excellence in the coal sector
Ministry of Energy & mineral resources

Global CSR bronze award
For sustainable clean water program
Pinnacle Group Global CSR

2014

PROPER green award
Ministry of Environment & Forestry

Aditama gold award
For environmental excellence in the coal sector
Ministry of Energy & mineral resources

Bronze sustainability award
For sustainable investment
RobecoSAM

2015

PROPER green award
Ministry of Environment & Forestry

Cultural based community empowerment award
Awards in several categories
Corporate Forum for Community Development & Ministry of Human Dev

Bakti Husada award
For community health development
Ministry of Health

2016

PROPER green award
Ministry of Environment & Forestry

Global CSR bronze award
For community-led sanitation
Annual Global CSR & Summit

Padmamitra award
For poverty alleviation
Ministry of Social Affairs

2017

PROPER green award
Ministry of Environment & Forestry

Aditama gold award
For environment excellence in the coal sector
Ministry of Energy & mineral resources

Best of environmental management & safety award
Ministry of Energy & mineral resources

2018

PROPER green award
Ministry of Environment & Forestry

Aditama gold award
For environment excellence in the coal sector
Ministry of Energy & mineral resources

Best of coal mining service business management & safety award
Ministry of Energy & mineral resources

2019

PROPER gold award
Ministry of Environment & Forestry

Global CSR award, one gold and two silver
For early childhood education program, CSR Leadership and environmental excellence in leader program.
Annual Global CSR & Summit

2020

PROPER gold award
Ministry of Environment & Forestry

MSCI ESG Ratings upgraded to BB
MSCI

Charity and Community Impact
Coaltrans Asia

Best Implementation of Good Mining Practices
MoEMR

2021

PROPER gold award
Ministry of Environment & Forestry

MSCI ESG Ratings upgraded to BBB
MSCI

Best Environmental Excellence Award - Silver
Global CSR Summit & Awards

Aditama award
Good mining practices
MoEMR

2022

PROPER gold award
Ministry of Environment & Forestry

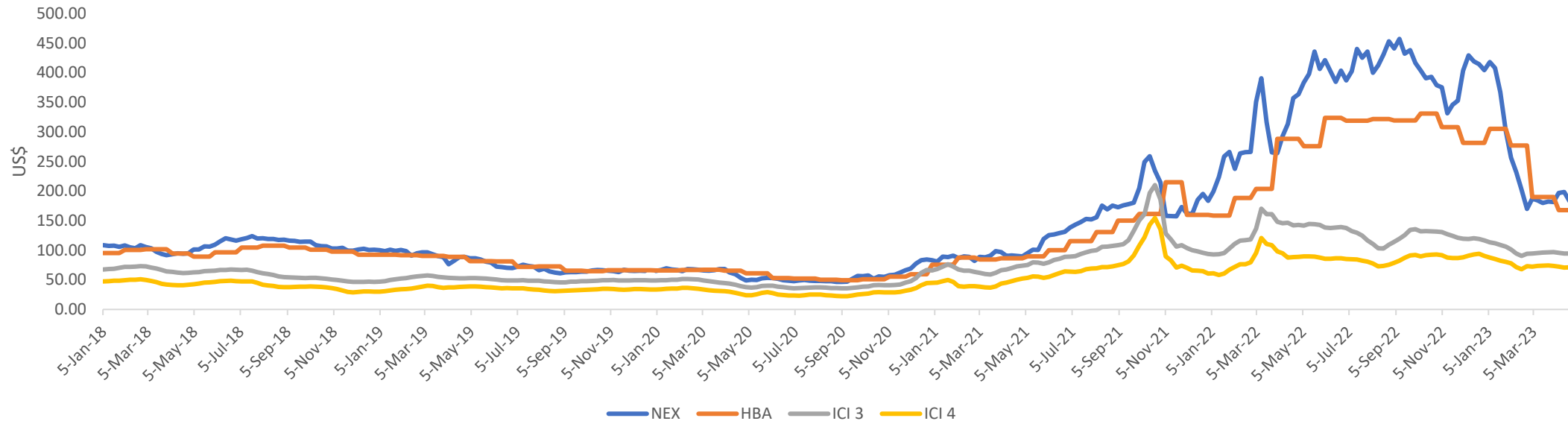
Global CSR Gold Award
For Excellence in Provision of Literacy and Education
Annual Global CSR & Summit

Green Initiative Award
Recognizing the company's initiatives to diversify and increase share of new and renewable energy
Katadata



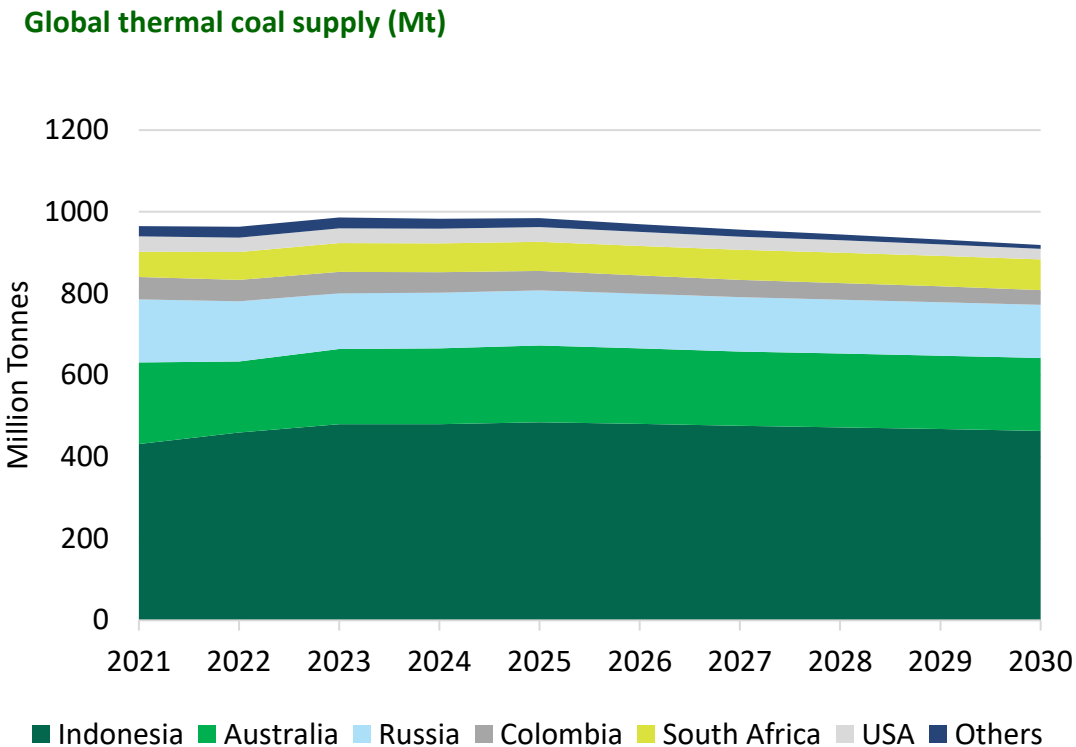
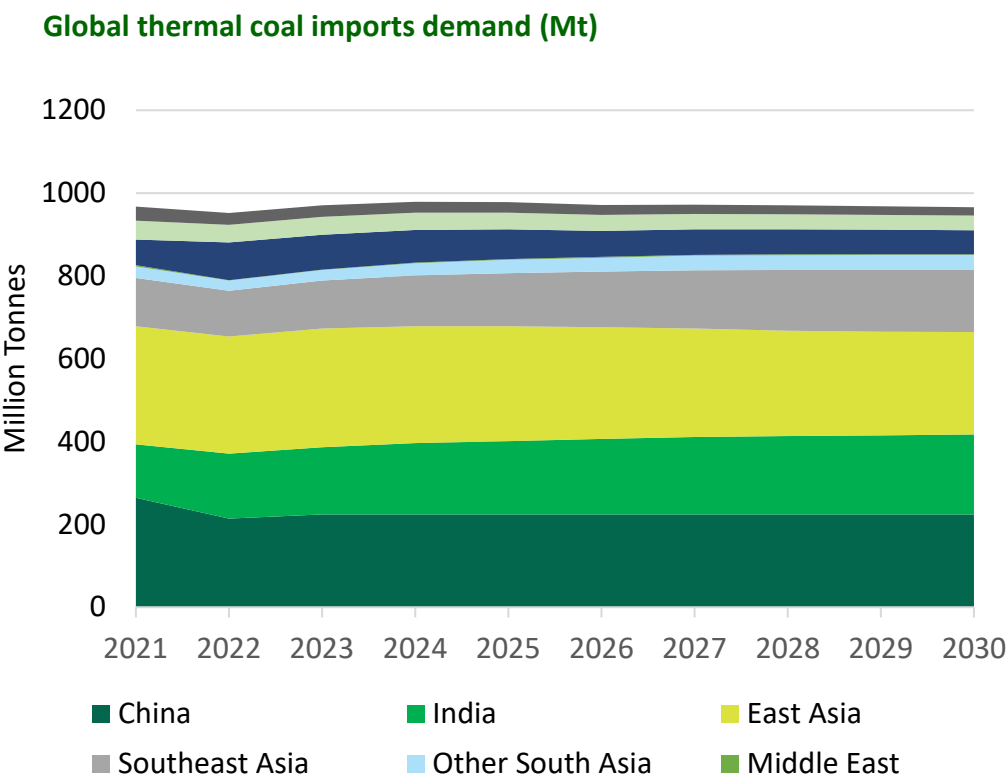
Industry Outlook

Prices Remain Near Historical Highs



- Prices have remained volatile at high levels.
- Demand from India and Southeast Asia has supported Indonesian thermal coal imports – due to inclement weather and also supply crunch.
- Indonesian coal demand is still expected to be high due to its competitiveness and unique characteristics

Seaborne Thermal Coal Demand and Supply Outlook

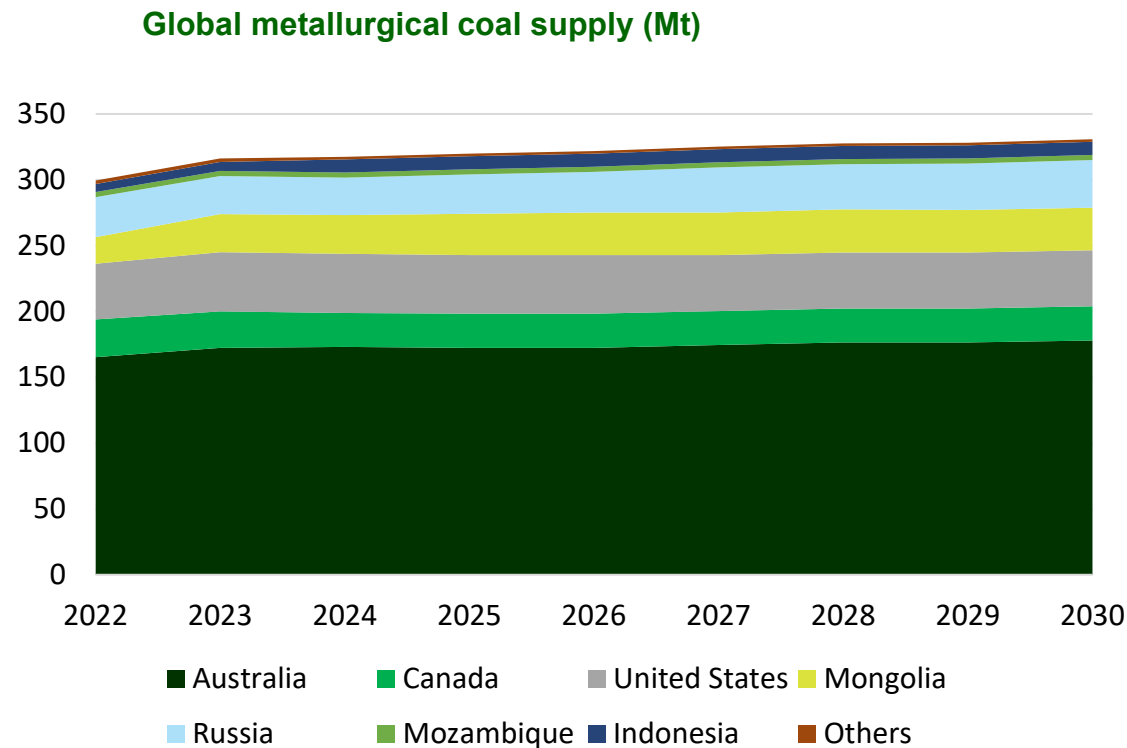
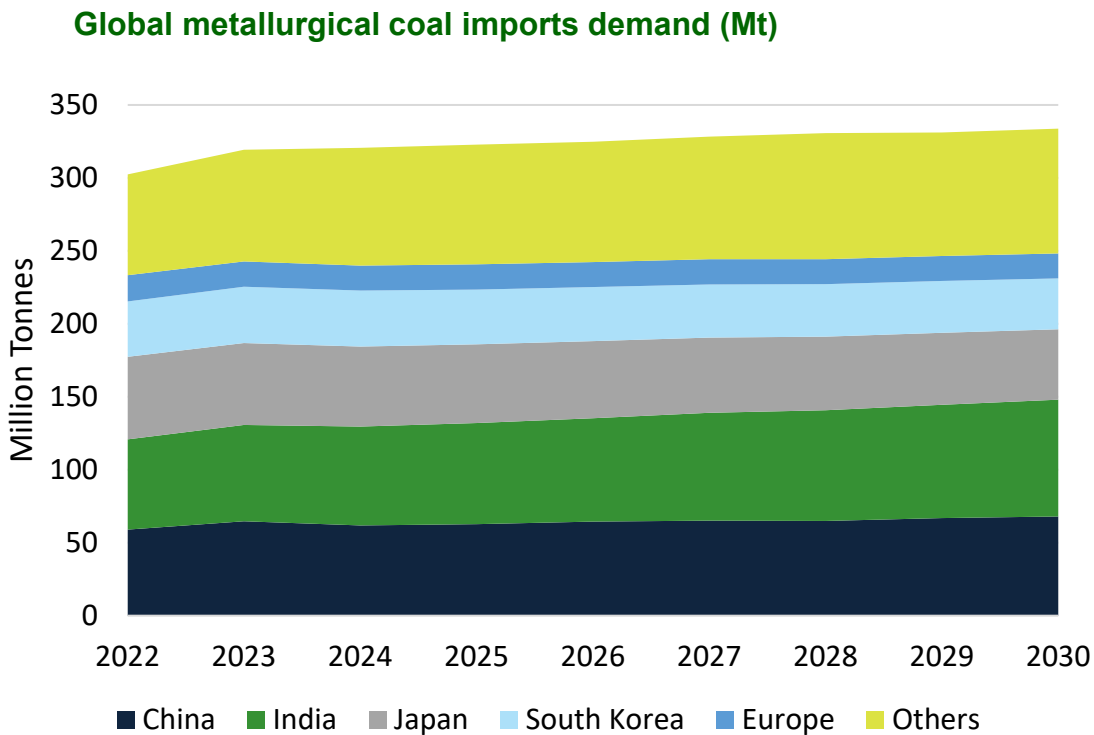


Sources: Adaro Analysis

- Coal remains as significant part of energy mix in emerging economies in Asia
- Despite push towards renewable energy, emerging economies in Asia still rely on coal for electricity generation due to its availability and affordability.
- As the world aims to reduce carbon emission, demand for coal will be affected.



Seaborne Metallurgical Coal Demand and Supply Outlook



Sources: Adaro Analysis

Underinvestment and Robust Demand expected to lead to Undersupplied market

- The long-term outlook shows a positive and stable growth of demand and supply.
- India to be the main driver of growth for the next decade, outpacing China and Japan.
- Australia continues to be the main supplier in seaborne market, but supply growth will be constrained due to underinvestment in some supplying countries.

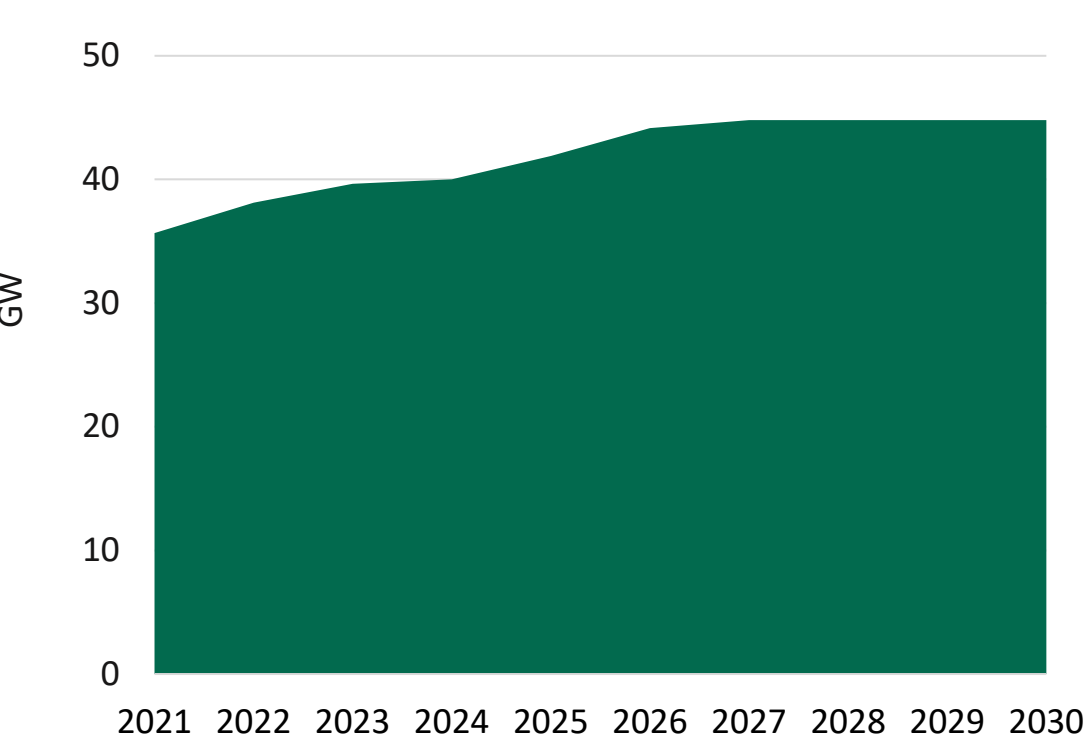


Indonesian Long-Term Demand Remains Robust

Supported by growing downstream activities in Indonesia

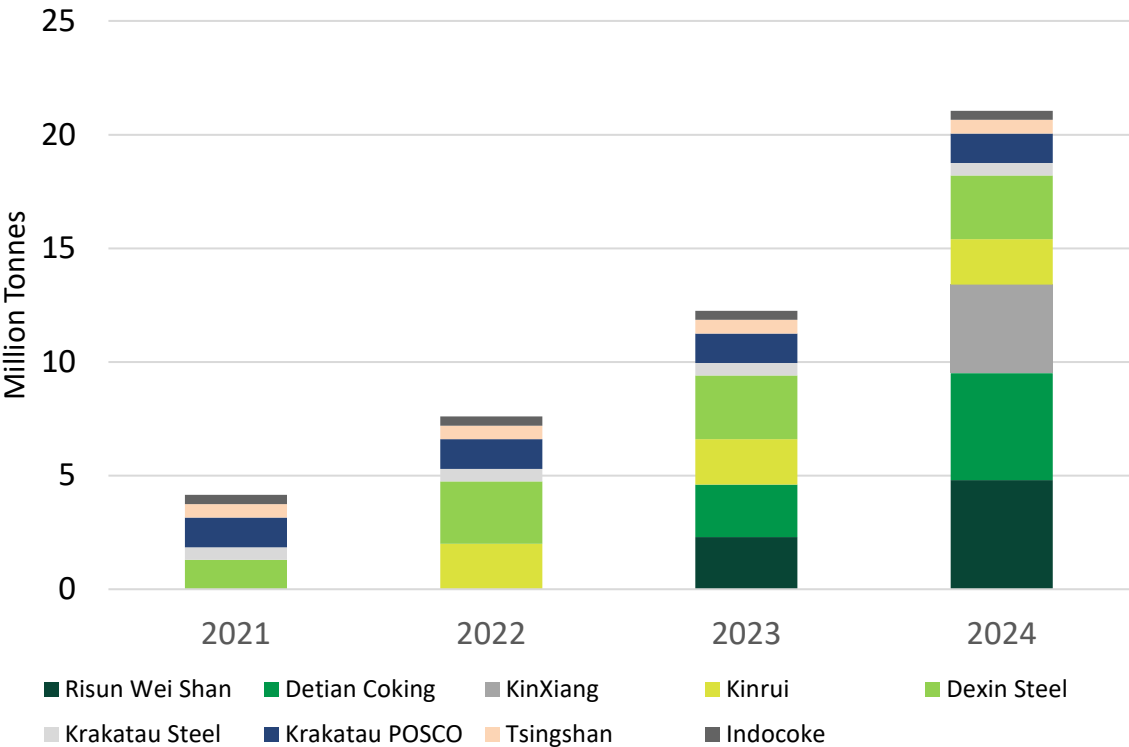


Coal Fired Power Plant Capacities in 2021 - 2030



Source: RUPTL 2021 – 2030, ESDM 2022, APBI

Coke capacity increase



- CFPP capacity continues to increase to support the transition in minerals processing and refinery in Indonesia.
- Indonesia coke capacities are expected to reach 21 Mt in 2024, which translates to 35 Mt of metallurgical coal consumption.

Thank you