

PT ADARO MINERALS INDONESIA TBK 1H23 ACTIVITIES REPORT

Mr. Christian Ariano Rachmat, President Director and CEO of PT Adaro Minerals Indonesia Tbk said:

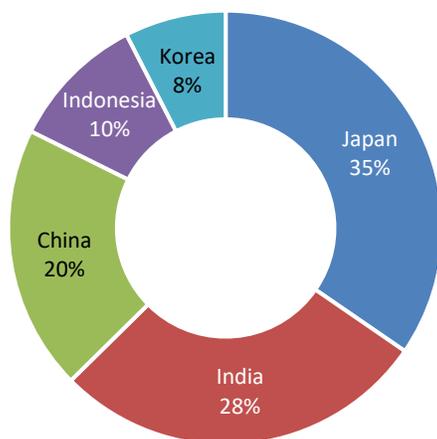
“Higher production and sales volume in 1H23 reflect market recognition and acceptance of our high-quality product supported with solid operations. We are on track to achieve FY23 guidance and execute our projects, in both metallurgical coal and aluminum smelter. Securing financing for the smelter is a key milestone that we achieved in 2Q23, and we are now putting our focus and effort into the construction activities aiming for COD in 2025.”

PT Maruwai Coal

- ADMR’s production volume in 1H23 reached 2.54 million tonnes (Mt), a 66% increase over the period, with sales reaching 1.82 Mt, 42% higher than in 1H22. All production in the period came from PT Maruwai Coal, which produces hard coking coal with ultra-low ash, low phosphorus and high vitrinite content.
- Overburden removal reached 7.55 Mbcm in 1H23, 116% higher than in 1H22, leading to a 1H23 strip ratio of 2.97x, 30% increase from 1H22. The good performance from our contractor and supportive weather conditions drove the higher overburden removal volume in the period.

| | Units | 2Q23 | 1Q23 | 2Q23 vs. 1Q23 | 2Q22 | 2Q23 vs. 2Q22 | 1H23 | 1H22 | 1H23 vs. 1H22 |
|--------------------|-------|------|------|---------------|------|---------------|------|------|---------------|
| Overburden Removal | Mbcm | 4.25 | 3.30 | 29% | 2.03 | 110% | 7.55 | 3.50 | 116% |
| Production Volume | Mt | 1.32 | 1.22 | 8% | 0.91 | 46% | 2.54 | 1.53 | 66% |
| Sales Volume | Mt | 0.97 | 0.85 | 14% | 0.69 | 40% | 1.82 | 1.28 | 42% |

- Japan remains the largest market for ADMR, but we are also encouraged by growth prospects in other regional markets. The chart below shows our sales destination by country in 1H23.



- We continue to invest into our facilities and infrastructure, with the upgrading of our hauling road making progress, while we also expand our fuel storage facility and staff accommodation camp in the Tuhup Port area.
- We have commenced the tender process to select our main contractor for the construction of the second barge loading conveyor at Tuhup Port. This expansion will increase our barge loading capacity, allowing us to take advantage of favorable weather conditions (water depth). Furthermore, we are tendering for contractors to expand our staff facilities in the Lampunut area to accommodate additional manpower, supporting our planned production increase to 6 Mtpa.

PT KALIMANTAN ALUMINIUM INDUSTRY (KAI)

- Through KAI, ADMR is actively developing opportunities in the mineral space, with a focus on downstream minerals processing. This business leads the Adaro Group's transformation to support the green economy.
- In May 2023, KAI secured financing of \$981.4 million and Rp1,547.9 billion for the development of a 500,000 tons per annum aluminum smelter, located in the industrial park being developed by PT Kalimantan Industrial Park Indonesia. In 2Q23, KAI completed the land preparation, earthworks, and construction of a temporary jetty and continues to work on the construction of other infrastructure related facilities.

HEALTH, SAFETY, AND ENVIRONMENT (HSE)

In 1H23, we experienced three lost-time injury (LTI) incidents and recorded a lost-time injury frequency rate (LTIFR) of 0.55 and severity rate (SR) of 15.08 with total man-hours worked of 5,438,743 during the first six months of the year.

CORPORATE ACTIVITIES

Annual General Meeting of Shareholders

ADMR held its Annual General Meeting of Shareholders (AGMS) in Jakarta on 10 May 2023. The AGMS discussed a total of five agendas which were, 1) approval of the company's annual report and ratification of the company's consolidated financial statement for fiscal year 2022, 2) approval for the appropriation of the company's net income for fiscal year 2022, 3) approval for the appointment of the public accounting firm to audit the company's consolidated financial statements for fiscal year 2023, 4) approval for the determination of the honorarium or salary and other benefits for the members of the company's Board of Commissioners and Board of Directors for fiscal year 2023, and 5) report on the realization of the use of proceeds from ADMR's public offering.

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