

**INFORMATION DISCLOSURE TO SHAREHOLDERS RELATED  
TO AFFILIATED TRANSACTION  
PT MERDEKA BATTERY MATERIALS TBK (THE "COMPANY")**

This Disclosure of Information to Shareholders (as defined below) is made to provide an explanation to the public in connection with the service provision agreement between PT Merdeka Mining Servis which is a Controlled Entity of PT Merdeka Copper Gold Tbk., as controlling entity of the Company, with PT Sulawesi Cahaya Mineral which is a Controlled Entity of the Company.

The Transaction is an Affiliated Transaction as stipulated in the Regulation of the Financial Services Authority of Republic of Indonesia No. 42/POJK.04/2020 on Affiliated Transaction and Conflict of Interest Transaction.

**THE INFORMATION AS STATED IN THIS INFORMATION DISCLOSURE IS IMPORTANT TO BE READ AND ATTENTION BY THE COMPANY'S SHAREHOLDERS.**

**IF YOU HAVE DIFFICULTIES UNDERSTAND THE INFORMATION AS SET FORTH IN THIS INFORMATION DISCLOSURE, YOU SHOULD CONSULT WITH A LEGAL COUNSEL, A PUBLIC ACCOUNTANT, A FINANCIAL ADVISOR OR ANY OTHER PROFESSIONAL.**

**THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS OF THE COMPANY DECLARE THAT ALL INFORMATION OR MATERIAL FACTS CONTAINED IN THIS INFORMATION DISCLOSURE ARE COMPLETE AND TRUE AND NOT MISLEADING.**

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



**PT MERDEKA BATTERY MATERIALS TBK**

**Business Activities**

Holding company for business groups engaged in nickel and other mineral mining, processing and other related business activities that are vertically integrated

**Domiciled in South Jakarta, DKI Jakarta, Indonesia**

**Headquarter Office**

Treasury Tower, 69<sup>th</sup> Floor, District 8 SCBD Lot. 28.,  
Jl. Jend. Sudirman Kav. 52-53, South Jakarta 12190  
Telephone: +62 21 3952 5581; Facsimile: +62 21 3952 5582  
E-mail: [corsec@merdekabattery.com](mailto:corsec@merdekabattery.com)  
Website: [www.merdekabattery.com](http://www.merdekabattery.com)

This Information Disclosure  
is issued in Jakarta on 2 October 2024

## DEFINITION

- “Affiliation”** : Means the parties as referred in Article 1 number 1 UUPM as amended by UUP2SK, namely:
- a. family relationships due to marriage up to the second degree, both horizontally and vertically, namely the relationship of a person with:
    1. husband or wife;
    2. parents of the husband or wife and the husband or wife of the children;
    3. grandparents of the husband or wife and the husband or wife of the grandchildren;
    4. siblings of the husband or wife along with the husband or wife from their siblings; or
    5. the husband or wife of the sibling of the person concerned.
  - b. family relationships due to descent up to the second degree, both horizontally and vertically, namely the relationship of a person with:
    1. parents and children;
    2. grandparents and grandchildren; or
    3. siblings of the person concerned.
  - c. relationship between a party and employees, directors or commissioner of the party;
  - d. relationship between 2 (two) companies which there is 1 (one) or more members of the same board of directors, management, board of commissioners, or supervisors are the same;
  - e. relationship between a company and a party, whether direct or indirect, by any means, controlling or controlled by the company or that party in determining the management and/or policies of the company or the concerned party;
  - f. relationship between 2 (two) or more companies controlled, whether direct or indirect, by any means, in determining the management and/or policies of the company by the same party; or
  - g. relationship between the company and a major shareholder, that is a party that direct or indirect own at least 20% (twenty percent) of the shares with voting rights of the company.
- “Conflict of Interest”** : The difference between the economic interests of a public company and the personal economic interests of members of the board of directors, members of the board of commissioners, major shareholders, or controlling entities that may be harm to the public company concerned.
- “Indonesia Stock Exchange”** : The regulator in the capital market for stock exchange transactions, which in this case is held by PT Bursa Efek Indonesia, is domiciled in South Jakarta.
- “MDKA”** : PT Merdeka Copper Gold Tbk, controlling entity of the Company which is domiciled in South Jakarta, is a public company whose shares are listed on the Indonesian Stock Exchange, which was established and operated based under the laws of the Republic of Indonesia.
- “MOLHR”** : Minister of Law and Human Rights of the Republic of Indonesia.
- “MMS”** : PT Merdeka Mining Servis, domiciled in South Jakarta, is a limited liability company established and operated under the laws of the Republic of Indonesia.
- “Financial Services Authority” or “OJK”** : An independent state institution, which has the functions, duties and authorities to regulate, supervise, examine and investigate as referred to the Law No. 21 Year 2011 on the Financial Services Authority, as amended by UUP2SK.

<b>“Shareholders”</b>	: Parties who have the benefit of the Company’s shares, both in the form of scripts and in collective custody which is kept and administered in the securities account at the Indonesian Central Securities Depository, which is registered in the Shareholders Register of the Company which is administered by the Securities Administration Bureau appointed by the Company.
<b>“Independent Appraiser” or “KJPP”</b>	: Public Appraisal Services Office of Ferdinand, Danar, Ichsan dan Rekan an independent appraiser registered with the OJK who have been appointed by the Company to conduct an assessment of the fair value and/or fairness of the Transaction.
<b>“Controlling Entity”</b>	: Means the Controlling Entity as referred in POJK 9/2018, namely the party who, either directly or indirectly: <ul style="list-style-type: none"> <li>a. owns shares in a public company of more than 50% (fifty percent) of all shares with voting rights that have been fully paid up; or</li> <li>b. has the ability to determine, either directly or indirectly, in any way the management and/or policies of a public company</li> </ul>
<b>“Agreement”</b>	: Service Provider Agreement made by and between MMS with SCM which is effective on 30 September 2024, along with any changes, additions and replacements, which may be made later.
<b>“Company”</b>	: PT Merdeka Battery Materials Tbk, domiciled in South Jakarta, is a publicly listed company whose shares are listed on the Indonesian Stock Exchange, which is established and operated based on the laws of the Republic of Indonesia.
<b>“POJK 9/2018”</b>	OJK Regulation No. 9/POJK.04/2018 regarding Public Company Takeover.
<b>“POJK 17/2020”</b>	: OJK Regulation No. 17/POJK.04/2020 regarding Material Transactions and Changes in Business Activities.
<b>“POJK 35/2020”</b>	OJK Regulation No. 35/POJK.04/2020 regarding Assessment of Material Transactions and Changes in Business Activities.
<b>“POJK 42/2020”</b>	: OJK Regulation No. 42/POJK.04/2020 regarding Affiliated Transactions and Conflict of Interest Transactions.
<b>“Rupiah” or “Rp” or “IDR”</b>	: References to Rupiah which is the legal currency of the Republic of Indonesia.
<b>“SCM”</b>	: PT Sulawesi Cahaya Mineral, domiciled in South Jakarta, is a limited liability company established and operated under the laws of the Republic of Indonesia.
<b>“Affiliated Transaction”</b>	: Any activity and/or transaction conducted by a public company or a controlled entity with an Affiliation of a public company or an Affiliation of a member of the board of directors, member of the board of commissioners, the major shareholders, or the controlling entity, including any activity and/or transaction conducted by a public company or controlled entities for the benefit of affiliation of public company or Affiliation of member of the board of directors, member of the board of commissioners, major shareholders or Controlling Entities.

<b>“Conflict of Interest Transaction”</b>	: Transactions that are carried out by public companies or controlled entities with any party, both with affiliation and parties other than affiliations that contain a conflict of interest.
<b>“USD” or “US\$”</b>	: Reference to the United States Dollar which is the legal currency of the United States.
<b>“UUP2SK”</b>	: Law No. 4 of Year 2023 dated 12 January 2023 on Financial Sector Development and Strengthening, State Gazette of the Republic of Indonesia No. 4 of Year 2023, along with all its implementing regulations.
<b>“UUPM”</b>	: Law No. 8 of Year 1955 on Capital Markets and its implementing regulations.

## INTRODUCTION

In order to comply with the provisions of POJK 42/2020, the Board of Directors of the Company announces Information Disclosure to provide information to the Shareholders of the Company that effective on 30 September 2024, MMS and SCM have signed an Agreement with details as described in the Transaction Agreement Summary below ("**Transaction**").

The transaction carried out is an Affiliated Transaction as referred to POJK 42/2020, in which MMS is a controlled entity of MDKA, which is the Controlling Entity of the Company and SCM is a company controlled by the Company. However, this Affiliated Transaction is not a Conflict of Interest Transaction as set forth in POJK 42/2020.

The Affiliated Transaction carried out by the Company complied with the procedures set forth in Article 3 of POJK 42/2020 and has been executed accordingly per generally accepted business practices.

In accordance with the provisions of Article 4 Paragraph 1 POJK 42/2020, this Transaction is an Affiliated Transaction which is required to use an Independent Appraiser in determining the fairness of the Affiliated Transaction, which the fairness of the transaction needs to be announced to the public. Furthermore, the Company has received the fair value for this Transaction based on the Appraisal Report from KJPP No. 00109/2.0176-00/BS/02/0453/1/IX/2024 dated 24 September 2024 on the Opinion on the Fairness of the Provision of Construction Services and/or Mining Services ("**Appraisal Report**").

Moreover, the Company is obliged to announce Information Disclosure to the public and submit the Appraisal Report along with other supporting documents to OJK no later than the end of 2 (two) business days after the Transaction date as referred to in Article 4 POJK 42/2020.

## DESCRIPTION OF THE TRANSACTION

### Information Regarding the Parties Involved

#### 1. **MMS**

MMS, domiciled in South Jakarta, is a limited liability company established under the Deed of Establishment No. 114 dated 21 December 2017, made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been ratified by MOLHR by virtue of its Decree No. AHU-0058435.AH.01.01.TAHUN 2017 dated 22 December 2017.

Article of Association of MMS has been amended several times, as lastly amended by Deed of Statement of Circular Resolution in Lieu of Extraordinary General Meeting of Shareholder No. 36 dated 15 July 2024 made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been ratified by the MOLHR based on its Decree No. AHU-0042482.AH.01.02.TAHUN 2024 dated 15 July 2024.

Based on Article 3 of the Article of Association of MMS, the purposes and objective of are to engage in *services activities of architectural and engineering activities, building construction, construction, special construction, and civil building construction and other management consulting activities.*

To achieve the abovementioned purposes and objectives, MMS may carry out the business activities as follows:

- a. Other Mining and Quarrying Support Activities (KBLI 09900)  
This group includes support service activities on a fee basis or contract basis that are required in mining activities, such as exploration services for example by traditional methods such as taking ore samples and making geological observations, pumping and distribution services for mining products and trial excavation and drilling services for mining fields or wells;
- b. Engineering and Technical Consulting Activities Related (KBLI 71102)  
This group includes engineering design and consultancy activities such as machinery, plants and industrial processes. Projects involving civil engineering, hydraulic, traffic engineering; technical engineering advisory and consulting services, construction engineering services for residential and non-residential building, engineering services water resources civil engineering work, engineering services for mechanical work in buildings, engineering services sports facilities, environmental engineering consulting services, construction related consulting services for traffic control system, engineering services for the construction of power transmission, substations, and distribution networks and engineering services for industrial processes, production and production facilities, other engineering services, expansion and realization of projects related to electrical and electrical engineering, mining engineering, chemical engineering, mechanical engineering, industrial engineering and systems engineering and security engineering; water management projects; and project management activities and field investigation services related to construction; project expansion activities using air conditioning, refrigeration, hygiene and pollution control techniques, acoustic techniques and others; geophysical survey activities, geology and seismic or earthquake surveys including prospectus creation services and geological and geophysical interpretation services in the construction sector; geodetic survey activities include boundary and land survey activities, hydrological surveys, surveys of condition above and below the ground surface and spatial information and cartographic activities including mapping activities and map making services. Including engineering services for transportation civil engineering works, technical facilitation services for public infrastructure and facilities in the construction sector;
- c. Industrial Building Construction (KBLI 41013)  
This group includes business of construction, maintenance, and/or rebuilding of buildings used for industry, such as industrial/factory buildings, workshop /workshops buildings, factory buildings for the management and processing of nuclear materials. Including industrial building alteration and renovation;
- d. Civil Road Building Construction (KBLI 42101)  
carrying out business activities for the construction, maintenance, and/or rebuilding of road buildings (high, medium, and small), expressway/toll roads, and airstrip roads (runway, taxi, and parking), and container yards. Include supporting activities for the construction, improvement, and maintenance of fence/retaining wall construction. Does not include flyovers;
- e. Civil Building Construction of Bridges, Overpasses, Flyover, and Underpass (KBLI 42102)  
This group includes business of construction, maintenance and/or rebuilding of bridges (including rail bridges), overpasses, underpasses and flyovers. Including construction, improvements, maintenance of supporting, complementary and equipment for bridges and flyovers, such as fences/retaining walls, road drainage, road markings, and signs;
- f. Mining Civil Building Construction (KBLI 42916)  
This group includes business of construction, maintenance and/or redevelopment of mining exploration and production operations facilities, including environmental impacts control;
- g. Civil Building Prefabricated Construction Work Services (KBLI 42930)  
This group includes activities of installing factory-produced materials such as precast concrete, steel, plastic, rubber, and other factory-produced products with fabrication, erection, and/or assembly methods for civil buildings;
- h. Mechanical Installation (KBLI 43291)

This group includes activities of installation and maintenance of mechanical installation of conveyance and lifting equipment in residential and non-residential buildings and other civil buildings, such as elevators, escalators, conveyors, conveyor belts, traveller, gondolas, and automatic doors including fire safety ladder equipment work;

i. Land Preparation (KBLI 43120)

This group includes activities to prepare land for subsequent construction activities, such as the clearing and maturation of construction land, clearing shrubs; land clearing/soil stabilization, (excavating, sloping, backfilling, leveling construction land, digging trenches, moving, crushing or blasting rocks and so on); execution of earthworks and/or rocky soil, excavation, grading, land leveling by excavation and embankment for the construction of roads (high, medium and small), expressways, railways and airstrip (runways, taxiways, and parking lots), factories, power generation, transmission, substations, and distribution production facilities, as well as buildings and other civil structures; installation, removal and protection of utilities, tests/tests using sondirs and drills, boring, material extraction, and field investigations/sample taking for construction, geophysical, geological or similar purposes; and land preparation for nuclear facilities. Supporting activities for land preparation such as installation of construction equipment facilities (installation of sheet piles, project signboards, and culverts for cable installation, construction of office, basecamps, director's kit, warehouse, project workshop), re-measurement, construction/diversion of temporary roads, repair and maintenance of public roads, dewatering/drying, mobilization and demobilization, and other similar work;

j. Other Construction Installation Non-Related (KBLI 43299)

This group includes other building installation activities and installation activities, maintenance and repair activities of other civil building installations. Including installation and maintenance of mining and manufacturing facilities such as loading and discharging stations, winding shafts, chemical plants, iron foundaries, blast furnaces and coke ovens; installation of processing systems and equipment for purifying sea water, brackish water, fresh water into pure water at power plants.

k. Other Management Consulting Activities (KBLI 70209)

This group includes the provision of advice, guidance and business operational assistance and other organizational and management issues, such as strategic and organizational planning; decisions relating to finances; marketing objectives and policies; human resource planning, practices and policies; scheduling planning and production control. The provision of these business services can include advice, guidance and operational assistance for various management functions, management consultations for agronomists and agricultural economists in the agricultural and similar fields, design of accounting methods and procedures, cost accounting programs, budget monitoring procedures, providing advice and assistance to business and community services in planning, organizing, efficiency and supervision, management information and others. Including infrastructure investment study services.

**Capital Structure and Shareholder Composition of MMS**

Based on the Deed No. 60 dated 18 December 2023 made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has obtained approval from the MOLHR based on its Decree No. AHU-0079150.AH.01.02.TAHUN 2023 dated 18 December 2023 and has been notified to the MOLHR based on the Letter of Acceptance of Notification of Amendments to Articles of Association No. AHU-AH.01.03-0157689 dated 18 December 2023, the capital structure and share ownership composition of MMS is as follows:

Details	Number of Shares	Nominal Value (IDR)	%
Authorized Capital	200,000	200,000,000,000	
Issued and Paid-up Capital			
MDKA	169,369	169,369,000,000	99.99%

Details	Number of Shares	Nominal Value (IDR)	%
Authorized Capital	200,000	200,000,000,000	
Issued and Paid-up Capital			
PT Mitra Daya Mustika	3	3,000,000	0.01%
<b>Total</b>	<b>169,372</b>	<b>169,372,000,000</b>	<b>100.00%</b>
Portfolio Shares	30,628	30,628,000,000	

### **Composition of the Board of Commissioner and Board of Directors of MMS**

Based on the Deed of Statement of Circular Resolution in Lieu of Extraordinary General Meeting of Shareholders No. 58 dated 28 April 2023, made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been notified to MOLHR based on the Letter of Notification of Change of the Company's Data No. AHU-AH.01.09-0120740 dated 25 May 2023, the composition of the Board of Directors and Board of Commissioners of MMS is as follows:

#### **Board of Commissioners**

Commissioner : Adi Adriansyah Sjoekri

#### **Board of Directors**

President Director : Priyadi

Director : Cahyono Seto

## **2. SCM**

SCM, domiciled in South Jakarta, is a limited liability company established under the Deed of Article of Association No. 12 dated 27 January 2010, made before Ny. Ety Roswhita Moelia, S.H., Notary in Jakarta which has been ratified by MOLHR by its Decree No. AHU-08010.AH.01.01. Tahun 2010 dated 15 February 2010 and announced in the State Gazette of the Republic of Indonesia No. 88 dated 2 November 2010, Supplement to the State Gazette of the Republic of Indonesia No. 37099.

Article of Association of SCM has been amended several times, as lastly amended by Deed of Circular Shareholder Decision Statement No. 16 dated 5 April 2023, made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta. This change has been notified to the MOLHR as stated in the Letter of Acceptance of Notification of Changes to the Articles of Association No. AHU-AH.01.03-0049562 dated 5 April 2023.

Based on Article 3 of Article of Association of SCM, the purposes and objective of SCM are to carry out businesses in the field of Nickel Ore Mining and Specific Telecommunication Activities for Self-Purposes.

To achieve the abovementioned purposed and objectives, SCM may carry out the business activites as follows:

1. Nickel ore mining; and
2. Conduing telecommunication specifically used for self purposes for hobbies development and self practices.

### **Capital Structure and Shareholder Composition of SCM**

Based on the Deed of Statement of Shareholder Resolution No. 102 dated 26 October 2018 made before Humberg Lie, S.H., S.E., M.Kn., Notary in North Jakarta, which has been approved by the MOLHR under Decree No. AHU-0024766.AH.01.02.Tahun 2018 dated 8 November 2018 and has been notified to the MOLHR based on Receipt of Notification of the Amendment of Articles of Association No. AHU-AH.01.03-0261994 and the Receipt of Notification of the Change of Company's Data No. AHU-AH.01.03.0261995 both dated 8 November 2018 *juncto* Deed of Statement of Shareholedr Resolution No. 100 dated 26 March 2019, made before Humberg Lie, S.H., S.E., M.Kn., Notary in North Jakarta, has been notified to the MOLHR based on Receipt of Notification of the Amendment of Articles of Association No. AHU-AH.01.03-0184503 and the Receipt of Notification of the Change of Company's Data No. AHU-AH.01.03-0184505 both dated 2 April 2019, the capital structure and share ownership composition of SCM is as follows:

Details	Shares Classification	Number of Shares	Nominal Value (IDR)	(%)
Authorized Capital	Series A	143,000	1,124,752,000,000	
	Series B	857,000		
Issued and Paid-up Capital				
PT Merdeka Industri Mineral	Series A	72,930	262,253,475,000	51%
	Series B	168,300		
HT Asia Industry Limited	Series A	70,070	251,969,025,000	49%
	Series B	161,700		
<b>Total</b>		<b>473,000</b>	<b>514,222,500,000</b>	<b>100%</b>
Portofolio Shares		527,000	610,529,500,000	

### **Capital Structure and Shareholder Composition of SCM**

Based on the Deed of Statement of Circular Resolutions of Shareholders in Lieu of the Extraordinary General Meeting of Shareholders No. 95 dated 30 September 2024, made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been notified to the MOLHR based on Receipt of Notification of the Change of Company's Data No. AHU-AH.01.09-0257610 dated 30 September 2024, the composition of the Board of Commissioners and Board of Directors of SCM as of the date of the issuance of this Information Disclosure is as follows:

#### **Board of Commissioners**

President Commissioner : Xiang Jinyu  
Commissioner : Lin Jiqun  
Commissioner : Wang Renhui  
Commissioner : I Ketut Pradipta Wirabud  
Commissioner : Andrew Phillip Starkey

#### **Board of Directors**

President Director : Adi Adriansyah Sjoekri  
Director : Boyke Poerbaya Abidin  
Director : Shi, Hongchao  
Director : Wu Huadi  
Director : Zhang, Fan

### **Transaction Value and Scope of the Agreement**

Pursuant to the Agreement, MMS as a service provider of construction services and/or mining services to SCM with a total value of Rp79,615,509,117 (seventy-nine billion six hundred fifteen million five hundred nine thousand one hundred and seventeen rupiah) of the total project amount Rp506,633,696,088 (five hundred six billion six hundred thirty-three million six hundred ninety-six thousand eighty-eight rupiah)

The scope of work of MMS service providers to SCM includes but is not limited to:

1. Services and Project Implementation Management Support;
2. Comercial;
3. Operasional;
4. Construction;
5. Services Quality Standard;
6. Work Schedule;
7. Drawings; and
8. the consulting, planning, and/or implementation activities of mining services.

The Transaction is not a material transaction as referred in POJK 17/2020 considering that the value of Transaction does not reach 20% (twenty percent) of the Company's equity value in accordance with the Financial Statements of the Company and its subsidiaries for the three-month period ended 31 March 2024 audited by KAP Tanubrata Sutanto Fahmi Bambang & Rekan



## **Nature and Affiliated Relationships**

The nature of the affiliation relationship between MMS and SCM with the Company is as follows:

- a. MMS is a controlled entity of MDKA which shares are directly owned by MDKA in the amount of 99.99% (ninety-nine point nine nine percent);
- b. MDKA is the Controlling Entity of the Company where the Company's shares, indirectly, are owned by MDKA amounting to 50.04% (fifty point zero four percent); and
- c. SCM is a controlled entity of MDKA, which shares are owned by the Company through PT Merdeka Industri Mineral in the amount of 51% (fifty one percent).

## **SUMMARY OF APPRAISER'S REPORT**

KJPP who has been appointed by the Board of Directors of the Company as the independent appraiser in accordance with approval No. 019/FDI/PB-FO/II/2024 dated 22 February 2024 and addendum No. 018/FDI/PB-ADD/IX/2024 dated 18 September 2024, has been requested to provide an assessment of and provide an opinion of the Transaction's fairness.

### **Fairness Opinion Report on Transaction**

The following is a summary of the KJPP's fairness opinion report on the Transaction as stated in its report No. 00109/2.0176-00/BS/02/0453/1/IX/2024 dated 26 September 2024

a. Transacting Parties

The transacting parties are MMS and SCM, which MMS is a company that provides services and SCM is a company that uses professional services.

b. Appraisal Object

The object of the Transaction is a transaction providing construction services and/or mining services to SCM by MMS.

c. Purpose and Objective of Appraisal

The purpose of the assessment is to provide a fairness opinion on the Affiliated Transaction Plan and in order to fulfill POJK 42/2020, not for taxation, banking and not for other forms of Transaction Plan.

d. Principal Limiting Assumptions and Conditions

1. This appraisal report is a non-disclaimer opinion.
2. The appraiser reviews the legal status of the documents used in the fairness assessment/opinion process.
3. Data and information come from sources whose accuracy can be trusted.
4. KJPP uses financial projections made by management based on their achievement capabilities (fiduciary duty).
5. KJPP is responsible for carrying out the fairness opinion assessment.
6. The business assessment report is open to the public.
7. KJPP has obtained information on the legal status (Service Provision Agreement) of the Assessment Object/Transaction Plan from the Assignor.
8. KJPP is responsible for all contents of this fairness assessment report.

e. Methodology and Fairness Analysis of Transaction Plans

In accordance with POJK 35/2020, the Transaction fairness assessment analysis is carried out through an analysis that includes the following:

1. Analysis of the Transaction;
2. Qualitative and quantitative analysis of the Transaction;
3. Analysis of the fairness of the Transaction value; and
4. Analysis of the other relevant factors.

f. Conclusion

Based on the transaction analysis, qualitative analysis, quantitative analysis and fairness analysis of the Transaction Plan, KJPP is of the opinion that the Transaction Plan is in the form of Providing Construction Services and/or Mining Services with an estimated project budget of Rp506,633,696,088 (five hundred and six billion six hundred thirty-three million six hundred ninety-six thousand eighty-eight Rupiah) which is equivalent to US\$31,958,222 (thirty-one million nine hundred fifty-eight thousand two hundred and

twenty-two US Dollars) (BI middle rate as at 28 March 2024 USD 1 = Rp15,853, source: [www.bi.go.id](http://www.bi.go.id)). The total value of the project includes service fees that will be paid by SCM to MMS amounting to Rp79,615,509,117 (seventy nine billion six hundred fifteen million five hundred nine thousand one hundred and seventeen Rupiah) which is equivalent to US\$5,022,110 (five million two hundred and ten US Dollars) (BI middle rate as of 28 March 2024 USD 1 = Rp15,853, source: [www.bi.go.id](http://www.bi.go.id)) and the remainder is costs to sub-contractors/other service providers. Transactions between SCM and MMS as affiliated parties as of 31 March 2024, is "**Fair**".

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## THE EFFECT OF THE TRANSACTION ON THE FINANCIAL CONDITION OF THE COMPANY

### The Effect of the Transaction on the Financial Condition of the Company

The table below shows an overview of the financial condition of the Company and its subsidiaries as of 31 March 2024 before and after carrying out the Affiliated Transaction.

DESCRIPTION	CURRENCY	BEFORE TRANSACTION	ADJUSTMENT*	AFTER TRANSACTION
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	USD	285,648,196	(31,958,222)	253,689,974
Trade receivables - third parties	USD	139,079,786		139,079,786
Other receivables - third parties	USD	1,551,862		1,551,862
Inventories	USD	200,846,111		200,846,111
Advances and prepayments - current portion	USD	17,889,618		17,889,618
Prepaid taxes - current portion	USD	69,725,096		69,725,096
Estimated claims for tax refund	USD	63,825,520		63,825,520
Assets of disposal group classified as held for sale	USD	104,765,655		104,765,655
<b>Total current assets</b>	USD	<b>883,331,844</b>	<b>(31,958,222)</b>	<b>851,373,622</b>
<b>NON-CURRENT ASSETS</b>				
Advances and prepayments - non-current portion	USD	53,616,479		53,616,479
Advances of investments	USD	8,769,706		8,769,706
Investment in associates	USD	224,284		224,284
Right-of-use assets	USD	7,495,694		7,495,694
Property, plant and equipment	USD	1,462,032,086	31,958,222	1,493,990,308
Mining properties	USD	519,304,322		519,304,322
Goodwill	USD	358,694,581		358,694,581
Prepaid taxes - non-current portion	USD	4,116,215		4,116,215
Deferred tax assets	USD	3,702,236		3,702,236
Intangible assets	USD	755,281		755,281
Other non-current assets	USD	514,148		514,148
<b>Total non-current assets</b>	USD	<b>2,419,225,032</b>	<b>31,958,222</b>	<b>2,451,183,254</b>
<b>TOTAL ASSETS</b>	USD	<b>3,302,556,876</b>	<b>-</b>	<b>3,302,556,876</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Trade payables				
- third parties	USD	233,711,636		233,711,636
- related parties	USD	7,922,845		7,922,845
Accrued expenses - current portion	USD	51,926,360		51,926,360
Taxes payable	USD	7,083,347		7,083,347

Contract liabilities	USD	1,372,606		1,372,606
Borrowings - current portion:	USD			
- Bank loans and credit facility	USD	79,632,111		79,632,111
- Lease liabilities	USD	2,260,166		2,260,166
Liabilities of disposal group classified as held for sale	USD	3,029,005		3,029,005
<b>Total current liabilities</b>	USD	<b>386,938,076</b>	-	<b>386,938,076</b>
<b>NON-CURRENT LIABILITIES</b>				
Accrued expenses - non-current portion	USD	5,213,056		5,213,056
Borrowings - net of current portion:				
- Bank loans and credit facility	USD	282,802,905		282,802,905
- Loans from shareholder	USD	160,000,000		160,000,000
- Loans from shareholder of subsidiary	USD	20,271,300		20,271,300
- Lease liabilities	USD	3,093,063		3,093,063
Deferred tax liabilities	USD	92,859,856		92,859,856
Post-employment benefits liabilities	USD	1,956,220		1,956,220
Provision for rehabilitation, reclamation and mine closure	USD	7,019,837		7,019,837
<b>Total non-current liabilities</b>	USD	<b>573,216,237</b>	-	<b>573,216,237</b>
<b>TOTAL LIABILITIES</b>	USD	<b>960,154,313</b>	-	<b>960,154,313</b>
<b>EQUITY</b>				
Equity attributable to owners of the parent entity				
Share capital	USD	739,792,644		739,792,644
Additional paid-in capital - net	USD	765,552,075		765,552,075
Difference in value from transactions with non-controlling interest	USD	(151,301)		(151,301)
Other comprehensive loss	USD	(365,412)		(365,412)
Retained earnings	USD	30,625,815		30,625,815
<b>Total equity attributable to owners of the parent entity</b>	USD	<b>1,535,453,821</b>	-	<b>1,535,453,821</b>
Non-controlling interests	USD	806,948,742		806,948,742
<b>TOTAL EQUITY</b>	USD	<b>2,342,402,563</b>	-	<b>2,342,402,563</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	USD	<b>3,302,556,876</b>	-	<b>3,302,556,876</b>

Expressed in US Dollar and refer to Financial Statements of the Company and subsidiaries for the three-month period ended 31 March 2024 which was audited by KAP Tanubrata Sutanto Fahmi Bambang & Rekan.

\* The estimated project budget is Rp506,633,696,088 which is equivalent to US\$31,958,222. The total value of the project includes service fees that will be paid by SCM to MMS amounting to Rp79,615,509,117 which is equivalent to US\$5,022,110 and the remainder is fees to sub-contractors/other service providers.

#### **DESCRIPTION, CONSIDERATION, AND REASON FOR THE AFFILIATED TRANSACTION COMPARED WITH OTHER SIMILAR TRANSACTION WHICH ARE NOT PERFORMED WITH AFFILIATED PARTIES**

By implementing the Transaction, SCM can utilize the services of MMS which already have a good and long track record in providing similar services as described in the Transaction Value and Scope of Agreement to the other subsidiaries of the Company. Furthermore, it is expected that the Transaction can provide support and

assistance to SCM in the successful development of its business, which ultimately creates added value for Shareholders.

Transactions have also been assessed by internal procedures with using similar terms and conditions as if the Transaction were conducted with a non-affiliated party, hence the terms and conditions of the Transaction are carried out by commonly accepted business practices. Furthermore, the Transactions is also more effective and efficient if it is carried out between parties affiliated of the Company.

#### **STATEMENTT OF THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS OF THE COMPANY**

The Board of Commissioners and Board of Directors of the Company, individually and jointly, state that all material information related to the Transaction has been disclosed and the information is not misleading and the Transaction is not a Conflict of Interest Transaction as referred to POJK 42/2020 and is not a material transaction as referred to POJK 17/2020 considering that the Transaction value does not reach 20% (twenty percent) of the Company's equity value in accordance with the Financial Statements of the Company and its subsidiaries for the three-month period ended 31 March 2024 which was audited by KAP Tanubrata Sutanto Fahmi Bambang & Rekan.

The Board of Directors of the Company stated that the Transaction was carried out in accordance with the procedures as required by POJK 42/2020 to ensure that Affiliated Transactions have been carried out in accordance with prevailing regulation and generally accepted business practices.

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## ADDITIONAL INFORMATION

For further information, you can contact the Company at the following address:

**PT Merdeka Battery Materials Tbk**  
**Corporate Secretary**

Treasury Tower, 69<sup>th</sup> Floor, District 8 SCBD Lot. 28  
Jl. Jend. Sudirman Kav. 52-53, South Jakarta 12190  
Telephone: +62 21 3952 5581  
Facsimile: +62 21 3952 5582  
E-mail: [corsec@merdekabattery.com](mailto:corsec@merdekabattery.com)  
Website: [www.merdekabattery.com](http://www.merdekabattery.com)

Initial:

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