

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

This Information Disclosure to the shareholders (as defined below) is made to provide an explanation to the public in connection with a loan agreement made by and between PT Merdeka Copper Gold Tbk and the Company which is a Controlled Company of PT Merdeka Copper Gold Tbk.

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

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

**IF YOU HAVE DIFFICULTIES TO 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 THE 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 BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS OF THE COMPANY DECLARE THAT THIS AFFILIATED TRANSACTION DOES NOT CONTAIN ANY CONFLICT OF INTEREST.**



**PT MERDEKA BATTERY MATERIALS TBK**

**Business Activities**

Holding company for a business group 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:**

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This Information Disclosure  
is issued in Jakarta on 29 May 2023

## DEFINITIONS

- “Affiliate”** : the parties referred to in Article 1 paragraph (1) of Capital Market Law, namely:
- a. family relationship due to marriage to the second degree, both horizontally and vertically, namely the relationship of a person with:
    1. husband or wife;
    2. parents of husband or wife and husband or wife of children;
    3. grandparents of husband or wife and husband or wife of grandchildren;
    4. a relative of the husband or wife and the husband or wife of the relative; or
    5. husband or wife of the relative of the person concerned.
  - b. family relationship by descent up to the second degree, either horizontally or vertically, which is the relationship of a person with:
    1. parents and children;
    2. grandparents and grandchildren; or
    3. the relative of the person concerned
  - c. the relationship between the party and the employee, director or commissioner of the party;
  - d. relationship between 2 (two) companies which is 1 (one) or more members of the same board of directors, management, board of commissioners or supervisors;
  - e. the relationship between the company and the party, either directly or indirectly, in any way, controls or is controlled by the company or the party in determining the management and/or policies of the company or the intended party;
  - f. relationship between 2 (two) or more controlled companies, either directly or indirectly, in any way, in determining the management and/or company policies by the same party; or
  - g. relationship between the company and the main shareholder, namely the party that directly or indirectly owns at least 20% (twenty percent) of the shares with voting rights from the company.
- “Conflict of Interest”** : The difference between the economic interest of a public company and the personal economic interest of members of the board of directors, members of the board of commissioners, principal shareholders, or Controllers that may be harmful to the public company concerned.
- “Indonesia Stock Exchange”** : Stock exchange as defined in Article 1 point 4 of Capital Market Law, in this case held by PT Bursa Efek Indonesia, domiciled in Jakarta.
- “MDKA”** : PT Merdeka Copper Gold Tbk, domiciled in South Jakarta, is a publicly listed limited liability company of which shares are listed on the Indonesian Stock Exchange, which is established and operated under the laws of the Republic of Indonesia.
- “MOLHR”** : Minister of Law and Human Rights of the Republic of Indonesia.
- “Financial Services Authority or OJK”** : The independent institution, as referred to in Law No. 21 of 2011 on Financial Services Authority as amended by Law No. 4 of 2023 on Development and Strengthening of the Financial Sector (“OJK Law”), whose duties and authorities include the regulation and supervision of financial service activities in the sectors of banking, capital market, insurance, pension funds, financial institution, and other financial institutions, whereby since 31 December 2012, OJK is an institution that replaces and accepts the rights and obligations to carry out regulatory and supervisory functions from the Capital Market and Financial Institutions Supervisory Agency with following the provisions of Article 55 OJK Law.
- “Shareholders”** : 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 Indonesia Central Securities Depository, registered in the Shareholder Register of the Company which is administered by the Securities Administration Bureau appointed by the Company.

<b>“Independent Appraiser or KJPP”</b>	:	Public Appraiser Services Office of Edi Andesta and Partners, independent appraisers 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>“Agreement”</b>	:	Loan Agreement MDKA – MBMA, made by and between PT Merdeka Battery Materials Tbk (as Borrower) and PT Merdeka Copper Gold Tbk (as Lender) which is effective on 25 May 2023 together with any amendments, additions, and substitutes, which may be subsequently made.
<b>“Company”</b>	:	PT Merdeka Battery Materials Tbk, domiciled in South Jakarta, is a publicly listed limited liability company whose shares are listed on the Indonesia Stock Exchange, which is established and operated under the laws of the Republic of Indonesia.
<b>“POJK 17/2020”</b>	:	OJK Regulation No. 17/POJK.04/2020, enacted on 20 April 2020 regarding Material Transaction and Changes in Business Activities.
<b>“POJK 35/2020”</b>	:	OJK Regulation No. 35/POJK.04/2020, enacted on 25 May 2020 regarding the Appraisal and Presentation of Business Appraisal Report in the Capital Market.
<b>“POJK 42/2020”</b>	:	OJK Regulation No. 42/POJK.04/2020, enacted on 1 July 2020 regarding Affiliated Transaction and Conflict of Interest Transaction.
<b>“Rupiah or Rp”</b>	:	Reference to Rupiah which is the legal currency of the Republic of Indonesia.
<b>“Term SOFR”</b>	:	Term Secured Overnight Financing Rate (“ <b>SOFR</b> ”) means the 3 (three) month-term reference rate as at the utilisation date of any loan, administered by CME Group Benchmark Administration Limited (or any other person which takes over the administration of that rate).
<b>“Affiliated Transaction”</b>	:	Any activity and/or transaction conducted by a public company or a controlled company with an Affiliate of a public company or an Affiliate of a member of the board of directors, a member of the board of commissioners, the principal shareholders, or the Controller, including any activity and/or transaction conducted by a public company or controlled company for the benefit of an Affiliate of a public company or an Affiliate of a member of the board of directors, member of the board of commissioners, principal shareholders or the Controller.
<b>“Conflict of Interest Transaction”</b>	:	Transactions that are carried out by public companies or controlled entities with any party, both with Affiliates and parties other than Affiliates that contain a Conflict of Interest.
<b>“USD”</b>	:	Reference to United States Dollars which is the legal currency of the United States.
<b>“Capital Market Law”</b>	:	Law No. 8 of 1995 dated 10 November 1995 on Capital Market, State Gazette of the Republic of Indonesia No. 64 Year 1995 as amended by Law Number 4 Year 2023 regarding Development and Strengthening of the Financial Sector along with all of its implementing regulations.

## INTRODUCTION

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 25 May 2023, the Company and MDKA have signed the Agreement with detail as described in the Transaction Summary below ("**Transaction**").

The Transaction carried out is an Affiliated Transaction as referred to in POJK 42/2020, in which the Company is the Controlled Company of MDKA. However, this Affiliated Transaction is not a Transaction with a Conflict of Interest as set forth in POJK 42/2020.

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

In accordance with the provisions of Article 4 Paragraph 1 of POJK 42/2020, this Transaction is an Affiliated Transaction that 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. The Company has received the fairness value for this Transaction based on Appraisal Report from KJPP Edi Andesta dan Rekan No. 00496/2.0053-00/BS/02/0095/1/V/2023 dated 24 May 2023 on the Fairness Opinion on the Planned Transaction of PT Merdeka Battery Materials Tbk Receiving Loan from PT Merdeka Copper Gold Tbk ("**Appraiser's 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 the 2<sup>nd</sup> (second) business days after the date of the Transaction as referred to Article 4 of POJK 42/2020.

## DESCRIPTION OF THE TRANSACTION

### Information Regarding the Parties Involved

#### 1. The Company

The Company, which is domiciled in South Jakarta, was initially established under the name PT Hamparan Logistik Nusantara based on the Deed of Establishment No. 66 dated 20 August 2019, drawn up before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, where the deed was approved by the MOLHR based on Decree No. 0041804.AH.01.01.TAHUN 2019 dated 22 August 2019.

According to Article 3 of the Company's Articles of Association, the purposes and objectives of the Company are to conduct business in the field of holding company activities and other management consulting activities.

To achieve the abovementioned purposes and objectives, the Company shall conduct main business activities as follows:

##### 1. Holding Company Activities

Carrying out holding company activities, including ownership and/or control of its subsidiary group; and

##### 2. Other Management Consulting Activities

Other management consulting activities where the main activity (as relevant) is providing advice, guidance, and business operational assistance and other organizational management issues, such as strategic and organizational planning; decisions related to finance; marketing objectives and policies; human resource planning, practices, and policies; scheduling planning and production control.

In executing the main business activities mentioned above, the Company may carry out the following business activities:

- (i) services provided as counselors and negotiators in designing corporate mergers and acquisitions; and
- (ii) providing services including advice, guidance, and business operational and other organizational management issues, such as strategic and organizational planning; decisions related to finance; marketing objectives and policies; human resource planning, practices and policies; scheduling planning and production control. The provision of these services includes financial assistance, advice, guidance and operation of various management functions, consulting on the management of agronomics and economic agriculture in agriculture and the like, design of accounting methods and procedures, cost accounting programs, budget control procedures,

provision of funding, advice and assistance for businesses and community services in planning, organizing, efficiency and supervision, management information and others including infrastructure investment study services.

### **Capital Structure and Shareholders' Composition of the Company**

The Company's Authorized Capital is divided into 350,000,000,000 (three hundred fifty billion) shares with a nominal value per share of IDR 100 (one hundred Rupiah).

According to the Shareholders Register of the Company dated 30 April 2023 issued by PT Datindo Entrycom as Share Registrar of the Company, the shareholders of the Company are as follows:

<b>Description</b>	<b>Number of Shares</b>	<b>Nominal Value (Rp)</b>	<b>(%)</b>
A. Authorized capital	350,000,000,000	35,000,000,000,000	
B. Issued and fully paid-up capital			
1) PT Merdeka Energi Nusantara (formerly PT Batutua Tambang Abadi)	53,275,183,200	5,327,518,320,000	49.33
2) Garibaldi Thohir	11,967,190,000	1,196,719,000,000	11.08
3) Huayong International (Hong Kong) Limited	8,149,060,000	814,906,000,000	7.55
4) Winato Kartono	6,796,280,000	679,628,000,000	6.29
5) Public (respectively under 5%)	27,807,706,700	2,780,770,670,000	25.75
<b>Total of Issued and Fully Paid up Shares</b>	<b>107,995,419,900</b>	<b>10,799,541,990,000</b>	<b>100.00</b>
C. Portofolio Shares	<b>242,004,580,100</b>	<b>24,200,458,010,000</b>	

### **Composition of the Board of Commissioners and Board of Directors of the Company**

Based on the Deed of Statement of Shareholders Resolutions on Amendments to the Articles of Association No. 60 dated 20 February 2023 drawn up by Jose Dima Satria, S.H., M.Kn., Notary in the Administrative City of South Jakarta, which has been notified to MOLHR based on Receipt of Notification on the Amendment to the Articles of Association No. AHU-AH.01.03-0029030 and Receipt of Notification on the Change of Company Data No. AHU-AH.01.09-0093759, both dated 20 February 2023, the composition of the Board of Directors and Board of Commissioners of the Company on the date of issuance of this Disclosure of Information is as follows:

#### **Board of Commissioners**

President Commissioner : Winato Kartono  
 Commissioner : Michael W. P. Soeryadjaya  
 Commissioner : Ir. Hasan Fawzi

#### **Board of Directors**

President Director : Devin Antonio Ridwan  
 Vice President Director : Jason Laurence Greive  
 Director : Titien Supeno

## **2. MDKA**

MDKA, which is domiciled in South Jakarta, was initially established under the name PT Merdeka Serasi Jaya, based on the Deed of Establishment of a Limited Liability Company No. 02 dated 5 September 2012, drawn up before Ivan Gelium Lantu, S.H., M.Kn., Notary in Depok City, where the deed was approved by the MOLHR based on Decree No. AHU-48205.AH.01.01.Tahun 2012 dated 11 September 2012 and has been announced in the State Gazette of the Republic of Indonesia No. 47 dated 11 June 2013, Supplement No. 73263.

MDKA's Articles of Association have been amended several times as last amended based on the Deed of Statement of Meeting Resolutions Amendment to the Articles of Association No. 59 dated 12 April 2023, drawn up before Jose Dima Satria, S.H., M.Kn., Notary in the Administrative City of South Jakarta, which has been approved by the MOLHR based on Decree No. AHU-0023036.AH.01.02 Year 2023 dated 17 April 2023 and has been notified to the MOLHR based on the Receipt of Company Data Change Notification No. AHU-AH.01.09-0111358 dated 17 April 2023 ("**Deed No. 59/2023**").

MDKA is headquartered at Treasury Tower, 67<sup>th</sup> – 68<sup>th</sup> Floor, District 8 SCBD Lot. 28, Jl. Jend. Sudirman Kav. 52-53, Senayan, Kebayoran Baru, South Jakarta 12190, DKI Jakarta, Indonesia.

According to Article 3 of the MDKA's Articles of Association, the purposes and objectives of the MDKA are to conduct business in the field of holding company activities and other management consulting activities.

To achieve the abovementioned purposes and objectives, MDKA shall conduct main business activities as follows:

1. holding company activities, including ownership and/or control of their group of subsidiaries; and
2. other management consulting activities, in which the main business activities (as relevant) are the provision of advisory assistance, guidance and business operations and other organizational and management issues, such as strategic and organizational planning; decisions related to finance; marketing objectives and policies; human resource planning, practices, and policies; scheduling planning and production control.

In executing the main business activities mentioned above, MDKA may carry out the following business activities as follows:

1. provision of service as counselors and negotiators in designing corporate mergers and acquisitions; and
2. provision of services including advisory assistance, guidance and business operations and other organizational and management issues, such as strategic and organizational planning, decisions related to finance, marketing objectives and policies, human resource planning, practices and policies, scheduling planning and control of production. The provision of these business services may include funding support, advisory assistance, guidance and operation of various management functions, management consulting for agronomists and agricultural economists in agriculture and such, design of accounting methods and procedures, cost accounting programs, budget monitoring procedures, funding support, providing advice and assistance for business and community services in planning, organizing, efficiency and supervision, management information and others, including but not limited to infrastructure investment study services.

### **Capital Structure and Shareholders' Composition of MDKA**

Pursuant to Deed of Statement of Meeting Resolution of the Amendment of Articles of Association No. 69 dated 25 September 2019 made before Liestiani Wang, S.H., M.Kn., Notary in South Jakarta which has been notified to the MOLHR based on Receipt of Notification of the Amendment of Articles of Association No. AHU-AH.01.03-0339775 dated 2 October 2019 *juncto* Deed of Statement of Meeting Resolutions Amendment to the Articles of Association No. 9 dated 12 May 2022, made before Jose Dima Satria, S.H., M.Kn., Notary in the Administrative City of South Jakarta, which has been notified to the MOLHR based on Receipt of Notification of Amendment to the Articles of Association No. AHU-AH.01.03-0237201 dated 13 Mei 2022, the Company's capital structure and shareholding composition as of the date of this Information Disclosure is as follows:

Authorized Capital	:	IDR1,400,000,000,000
Issued Capital	:	IDR482,217,015,420
Paid-up Capital	:	IDR482,217,015,420

The Company's authorized capital is divided into 70,000,000,000 (seventy billion) shares each with a par value of Rp20 (twenty Rupiah).

According to the Shareholders Register of the Company dated 30 April 2023 issued by PT Datindo Entrycom as Share Registrar of the Company, the shareholders of the Company are as follows:

Description	Nominal Value of Rp20 per Share		
	Number of Shares	Nominal Value (Rp)	(%)
A. Authorized Capital	70,000,000,000	1,400,000,000,000	
B. Issued and Paid up Capital			
1) PT Saratoga Investama Sedaya Tbk	4,423,174,297	88,463,485,940	18.345
2) PT Mitra Daya Mustika	2,907,302,421	58,146,048,420	12.058
3) Garibaldi Thohir	1,774,021,214	35,480,424,280	7.358
4) PT Suwarna Arta Mandiri	1,347,254,738	26,945,094,760	5.588
5) Hongkong Brunn & Catl Co., Limited	1,205,542,539	24,110,850,780	5.000
6) Gavin Arnold Caudle	80,066,431	1,601,328,620	0.332
7) Hardi Wijaya Liong	69,596,728	1,391,934,560	0.289
8) Andrew Phillip Starkey	527,000	10,540,000	0.002
9) Albert Saputro	355,600	7,112,000	0.001
10) Titien Supeno	492,400	9,848,000	0.002
11) Public (respectively under 5%)	12,236,322,703	244,726,454,060	50.750
Treasury Stock	66,194,700	1,323,894,000	0.275 <sup>(1)</sup>
Total of Issued and Fully Paid up Shares	<b>24,110,850,771</b>	<b>482,217,015,420</b>	<b>100.000</b>
C. Portofolio Shares	<b>45,889,149,229</b>	<b>917,782,984,580</b>	

Note:

<sup>(1)</sup> *treasury shares cannot be utilized to cast votes in the General Meeting of Shareholders and cannot be calculated to determine the quorum to be reached in the General Meeting of Shareholders as well as not being entitled to obtain dividend distribution.*

#### **Composition of the Board of Commissioners and Board of Directors of the Company**

Based on Deed 59/2023, the composition of the Company's Board of Directors and Board of Commissioners on the issuance date of this information disclosure is as follows:

##### **Board of Commissioners**

President Commissioner : Edwin Soeryadjaya  
Commissioner : Yoke Candra  
Commissioner : Tang Honghui  
Independent Commissioner : Budi Bowoleksono  
Independent Commissioner : Muhamad Munir

##### **Board of Directors**

President Director : Albert Saputro  
Vice President Director : Jason Laurence Greive  
Director : Andrew Phillip Starkey  
Director : Gavin Arnold Caudle  
Director : Hardi Wijaya Liong  
Director : David Thomas Fowler  
Director : Titien Supeno  
Director : Chrisanthus Supriyo

#### **Transaction Value**

Pursuant to the Agreement, the total value of the Transaction is USD175,000,000 (one hundred and seventy-five million United States Dollars) plus the interest amount arising as stipulated in the Agreement. Therefore, the Transaction is not a material transaction as referred to POJK 17/2020 considering that the value of the Transaction

does not reach 20% (twenty percent) of the Company's equity value in accordance with the Company and its subsidiaries' Interim Consolidated Financial Statements for the period ended on 31 December 2022 which was audited by Public Accounting Firm Tanubrata Sutanto Fahmi Bambang & Rekan.

### **Nature and Affiliated Relations**

The natures of the affiliation relationship between the Company and MDKA are as follows:

- a. The Company is a Controlled Company of MDKA of which shares are indirectly owned by MDKA by 49.33% (forty-nine point three three percent) through PT Merdeka Energi Nusantara; and
- b. There are members of the Board of Directors of the Company who also serve as members of the Board of Directors of MDKA.

### **Summary of Agreement**

#### **Loan Agreement MDKA - MBMA effective dated 25 May 2023**

##### Parties:

1. The Company; and
2. MDKA.

##### Scope of the Agreement:

Based on the Agreement, MDKA as the lender who is also the Controlling Company of the Company, agreed to provide loan funds to the Company in the amount of USD175,000,000 (one hundred and seventy-five million United States Dollars) plus (i) *Term SOFR*, and (ii) margin 4.60% (four-point six zero percent) per year.

Thus, after the effectiveness of the Agreement, the Company can use the financing funds provided by MDKA for the Company's general corporate needs, including but not limited to working capital, capital expenditures and operations of the Company and to support the business activities of the Company's subsidiaries by providing debt and/or down payment of capital.

##### Transaction Value:

The Transaction value is USD175,000,000 (one hundred and seventy-five million United States Dollars)

##### Applicable Law:

Law of the Republic of Indonesia

##### Dispute Resolution:

Indonesian National Arbitration Board (BANI)

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

KJPP who has been appointed by the Company's Board of Directors as the independent appraiser in accordance with the proposal letter/contract work agreement No. 171/P/Andesta/V/2023 dated 2 May 2023, has been requested to provide an assessment of and provide an opinion of the Transaction's fairness.

### **Fairness Assessment Report on Transaction**

The following is a summary of the KJPP's fairness assessment of the Transaction as stated in its report No. 00496/2.0053-00/BS/02/0095/1/V/2023 dated 24 May 2023 as follows:

#### a. Transacting Parties

The transacting parties are MDKA as the lender, and the Company as the borrower.

#### b. Appraisal Object

The object of the Transaction based on the Agreement is a transaction in which MDKA agrees to provide a loan facility to the Company in the amount of USD175,000,000 (one hundred and seventy five million United States Dollars) which will mature according to the terms whichever is later than (i) the maturity date on the 3<sup>rd</sup> anniversary of the Effective Date of this Agreement; and the date which falls on 2 (two) working days after the

Final Due Date as defined in the Senior Facility as referred to in the Agreement, with an annual interest rate of SOFR + 4.60% (four point sixty percent) per year.

c. Purpose and Objective of Appraisal

The fairness opinion report is to provide an opinion on the fairness of the Transaction Plan of the Company in receiving a loan from MDKA, and to comply with the provisions of POJK 42/2020 on the Transaction Plan as defined in this report and not for other transaction plans.

d. Assumptions and Main Limit Conditions

1. This Appraisal report is a *non-disclaimer* opinion.
2. KJPP has conducted a review of the legal status of the documents used in the Fairness Opinion but has not conducted research on the validity of the related documents, therefore KJPP does not guarantee its correctness or validity.
3. KJPP uses data and information obtained, originating from sources that may be trusted for accuracy.
4. KJPP uses adjusted financial projections that reflect the fairness of financial projections made by management through their fiduciary duties.
5. KJPP is responsible for implementing the Fairness Opinion and the fairness of financial projections and final value conclusions.
6. The results of the analysis conducted shall produce a Business Appraisal Report which is open to the public unless there is confidential information, which may affect the Company's operations.
7. KJPP has obtained information from the Company as the Assignor, that the borrowing of funds received by the Company from MDKA is up to USD 175,000,000,000.-.

e. Methods and Fairness Analysis of Proposed Transaction

In accordance with OJK Regulation No. 35/POJK.04/2020 concerning Assessment and Submission of Fairness Opinion in the Capital Market Sector, the approaches and methods used in the analysis conducted in this Fairness Opinion, are as follows:

1. Analysis of the effect of the Transaction Plan on the Company's finances.
2. Identification and relationship between parties in the Transaction Plan.
3. Analysis of agreements and terms agreed in the Transaction plan.
4. Analysis of benefits and risks of the Transaction Plan.
5. Qualitative analysis of the Transaction Plan.
6. Quantitative analysis of the Transaction Plan.
7. Analysis of other relevant factors.

f. Conclusion

Based on the fairness analysis of the Transaction Plan or this Transaction as referred to in the Appraiser's Report, in view of the considerations, benefits, risks and analysis of the fairness of the transaction, KJPP believes that overall the Transaction Plan is a "**Fair Transaction**".

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**THE IMPACT OF THE TRANSACTION  
ON THE COMPANY'S FINANCIAL CONDITION**

**The Impact of the Transaction on the Company's Financial Condition**

The table below shows an overview of the financial condition of the Company and its subsidiaries as of 31 December 2022 prior to and after carrying out the Affiliated Transaction:

Laporan Posisi Keuangan	Historis (USD)	Penyesuaian (USD)	Proforma (USD)
<b>ASET LANCAR</b>			
Kas dan Setara Kas	280,291,055	175,000,000	455,291,055
Piutang Usaha			-
- Pihak Ketiga	64,181,247	-	64,181,247
- Pihak Berelasi		-	-
Piutang Lain-lain			-
- Pihak Ketiga	3,359,534	-	3,359,534
- Pihak Berelasi	5,857	-	5,857
Persediaan	78,914,708	-	78,914,708
Biaya Dibayar Dimuka	8,929,630	-	8,929,630
Estimasi Klaim Pengembalian Pajak	13,944,061	-	13,944,061
Pajak Dibayar Dimuka	19,502,346	-	19,502,346
Jumlah Aset Lancar	<b>469,128,438</b>	<b>175,000,000</b>	<b>644,128,438</b>
<b>ASET TIDAK LANCAR</b>			
Biaya Dibayar Dimuka	137,475,881	-	137,475,881
Uang Muka Investasi	3,006,506	-	3,006,506
Investasi Pada Asosiasi	255,816	-	255,816
Aset Tetap	917,881,988	-	917,881,988
Aset Hak Guna	5,962,439	-	5,962,439
Properti Pertambangan	527,347,795	-	527,347,795
Goodwill	324,918,803	-	324,918,803
Pajak Dibayar dimuka	24,206,049	-	24,206,049
Aset Pajak Tangguhan	1,378,118	-	1,378,118
Aset Tak Berwujud	650,682	-	650,682
Aset Lain-lain	9,355,359	-	9,355,359
Jumlah Aset Tidak Lancar	<b>1,952,439,436</b>	<b>-</b>	<b>1,952,439,436</b>
<b>JUMLAH ASET</b>	<b>2,421,567,874</b>	<b>175,000,000</b>	<b>2,596,567,874</b>
<b>LIABILITAS DAN EKUITAS</b>			
<b>LIABILITAS JANGKA PENDEK</b>			
Utang Usaha	66,058,946	-	66,058,946
Utang Lain-lain	43,733,806	-	43,733,806
Beban Yang Masih Harus Dibayar	32,193,318	-	32,193,318
Utang Pajak	2,601,723	-	2,601,723
Pinjaman	17,898,111	-	17,898,111
Liabilitas Sewa	1,951,683	-	1,951,683
Jumlah Liabilitas Jangka Pendek	<b>164,437,587</b>	<b>-</b>	<b>164,437,587</b>
<b>LIABILITAS JANGKA PANJANG</b>			
Pinjaman	592,396,057	175,000,000	767,396,057
Liabilitas Sewa	3,067,236	-	3,067,236
Beban Yang Masih Harus Dibayar	2,083,333	-	2,083,333
Liabilitas Pajak Tangguhan	93,349,814	-	93,349,814
Liabilitas Imbalan Pasca Kerja	774,950	-	774,950
Provisi Rehabilitasi, Reklamasi dan Penutupan Tambang	6,068,977	-	6,068,977
Jumlah Liabilitas Jangka Panjang	<b>697,740,367</b>	<b>175,000,000</b>	<b>872,740,367</b>
<b>JUMLAH LIABILITAS</b>	<b>862,177,954</b>	<b>175,000,000</b>	<b>1,037,177,954</b>
<b>EKUITAS</b>			
Modal Disetor	605,532,557	-	605,532,557
Tambahan Modal Disetor	257,192,537	-	257,192,537
Uang Muka Atas Penyertaan Modal	(168,666)	-	(168,666)
Pinjaman Konversi Yang Dilasifikasi Sebagai Ekuitas	74,797,592	-	74,797,592
SiT telah Ditentukan Penggunaannya	(365,412)	-	(365,412)
SiT Belum Ditentukan Penggunaannya	20,001,190	-	20,001,190
Kepentingan nonpengendali	602,400,122	-	602,400,122
<b>JUMLAH EKUITAS</b>	<b>1,559,389,920</b>	<b>-</b>	<b>1,559,389,920</b>
<b>JUMLAH LIABILITAS DAN EKUITAS</b>	<b>2,421,567,874</b>	<b>175,000,000</b>	<b>2,596,567,874</b>

(\*) Expressed in US Dollar and refer to the Consolidated Financial Statements of the Company dated 31 December 2022 audited by Kantor Akuntan Publik Tanubrata Sutanto Fahmi Bambang dan Rekan.

**DESCRIPTION, CONSIDERATIONS AND REASONS FOR THE TRANSACTION COMPARED WITH OTHER SIMILAR TRANSACTIONS WHICH ARE NOT PERFORMED WITH AFFILIATED PARTIES**

With the implementation of the Transaction, the Company may utilise the funding support received from MDKA for general corporate needs, but not limited to the working capital to support the business of the MBMA's subsidiaries and operational expenses. The considerations and reasons for carrying out affiliated loan transactions compared to other similar transactions with non-affiliated parties (banks) are that the affiliate loan process is faster than that of other third parties, and does not require a long administrative process, and no material guarantees are required.

The Transaction has also been assessed by internal procedures using similar terms and conditions if the Transaction is conducted with an unaffiliated party, hence the terms and conditions of the Transaction are carried out by generally accepted business practices. Furthermore, the Transaction is also more effective and efficient if it is carried out by affiliated parties of the Company.

**STATEMENT OF THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS OF THE COMPANY**

The Board of Commissioners and Board of Directors of the Company, either individually or jointly, state that all material information related to the Transaction has been disclosed and the information is not misleading and the Transaction is not considered 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 Company and its subsidiaries' Interim Consolidated Financial Statements for the period ended on 31 December 2022 which was audited by Tanubrata Sutanto Fahmi Bambang & Rekan as Public Accountant Firm.

The Board of Directors of the Company stated that the Transaction was carried out in accordance with the procedures owned by the Company as required in POJK 42/2020 to ensure that Affiliated Transactions have been carried out in accordance with prevailing regulations 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, Senayan, Kebayoran Baru, South Jakarta 12190, DKI Jakarta, Indonesia

Telephone: +62 21 3952 5581

Facsimile: +62 21 3952 5582

Email: [corsec@merdekabattery.com](mailto:corsec@merdekabattery.com)

Website: [www.merdekabattery.com](http://www.merdekabattery.com)

Initial:

