

**DISCLOSURE OF INFORMATION  
TO SHAREHOLDERS  
PT TBS ENERGI UTAMA TBK ("THE COMPANY")**

- 1) CAPITAL INCREASE PLAN BY GRANTING THE PRE-EMPTIVE RIGHTS ("HMETD")
- 2) CAPITAL INCREASE PLAN WITHOUT GRANTING THE PRE-EMPTIVE RIGHTS IN THE FORM OF GRANTING THE STOCK OPTION TO PURCHASE SHARES TO THE MANAGEMENT AND EMPLOYEES OF THE COMPANY ("NON-HMETD")



**PT TBS ENERGI UTAMA Tbk  
("The Company")**

Domiciled in South Jakarta

Business Activities:  
Conducting Coal Mining Business through its Subsidiaries

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**REASONS AND OBJECTIVES OF THE CAPITAL INCREASE**

In line with the Company's vision to become an integrated and sustainable energy company, the Company is committed to develop its business to energy sector. To support its business development, the Company needs to strengthen the capital structure. The strengthening of the capital structure will be primarily used to financing the Company's investments as well as for the Company's activities in general. In relation to that, the Company intends to increase its capital by granting Pre-emptive Rights ("HMETD"). In addition, the Company plans to implement capital increase without providing the HMETD in the framework of stock ownership through the Management and Employee Stock Option Plan Program ("MESOP Program").

**I. DESCRIPTION OF CAPITAL INCREASE PLAN BY GRANTING THE PRE-EMPTIVE RIGHTS ("HMETD")**

**A. Maximum Amount of Capital Increase Plan with HMETD**

The number of shares planned to be issued by the Company in order to increase the capital by providing the HMETD is up to 1,880,000,000 (*one billion eight hundred and eighty million*) shares with a nominal value Rp.50.- (*fifty* Rupiah) per share ("**Limited Public Offering**").

The shares to be offered to the shareholders in the Limited Public Offering are all new shares issued from the Company's portepel and has the same rights and equivalent in all respects with the shares that have been issued and fully paid in the Company.

**B. Estimation of Capital Inceas Plan Implementation Period with HMETD**

The implementation of capital increase will be carried out in accordance with the Regulation of the Financial Services Authority No.32/POJK.04/2015 dated December 16, 2015 concerning the Capital Increase in Public Company with Pre-emptive Rights as amended by The Financial Services Authority Regulation No. 14/POJK.04/2019 concerning The Amendment to Regulation of the Financial Services Authority Regulation No. 32/POJK.04/2015 dated December 16, 2015 concerning the Capital Increase in Public Company with Pre-emptive Rights ("**POJK**"), where the period between the date of approval of the General Meeting of Shareholders until the effectiveness of the registration statement is no later than 12 (twelve) months.

**C. Analysis on the Effect of Capital Increase with HMETD on the Company's Financial Condition and Shareholders**

The capital increase from result of the HMETD will strengthen the Company's capital structure and support the Company's business development and expansion. The Company's capital increase in the long term is expected to improve business competitiveness and increase investment value returns for the Company's shareholders.

In the terms of capital increase plan with HMETD is conducted before the Company undertake the capital increase without HMETD as referred to in Part II of this Disclosure of Information, the capital increase with HMETD will increase the issued and paid-up capital of maximum up to 23.3% (*twenty-three point three percent*) of the current issued and paid-up capital. Whereas if the capital increase with HMETD is conducted after the Company has implemented the capital increase without HMETD as referred to Part II of this Disclosure of Information ("**MESOP Program**") then the Company's capital will increase of maximum up to 25.3% (*twenty-five point three percent*).

Furthermore, the shareholders who do not exercise their HMETD will be subject to a share ownership dilution for maximum up to 20.2% (*twenty point two percent*) of the Company's share ownership percentage (*for capital increase with HMETD and MESOP Program*) and for maximum up to 18.9% (eighteen point nine percent) of the percentage of the Company's share ownership (*for capital increase with HMETD only*).

**D. Estimation of the Use of Proceeds**

All proceed obtained from the Capital Increase plan with HMETD, after deducting with the emissions costs that become the Company's obligations, will be used to strengthen the Company's capital structure and will be used entirely to finance the Company's investments as well as for the Company's general corporate purposes.

**II. CAPITAL INCREASE PLAN WITHOUT GRANTING THE PRE-EMPTIVE RIGHTS IN THE FORM OF GRANTING THE STOCK OPTION TO PURCHASE SHARES TO THE MANAGEMENT AND EMPLOYEES OF THE COMPANY ("MESOP PROGRAM")**

**A. Background and Purposes of Capital Increase without Providing Pre-emptive Rights through the MESOP Program**

As a form of appreciation from the Company to management and employees for the performance and contribution to the achievement of the Company's objectives, the Company intends to provide Stock Option to management and employees of the Company to purchase new shares to be issued by the Company (the Management and Employee Stock Option Plan Program / MESOP Program). The implementation of this MESOP Program will be conducted through the capital increase without granting pre-emptive rights (PMTHMETD).

The purpose of this MESOP Program is to motivate and reward and to increase the loyalty of management and employees of the Company who have shown the ability and willingness to participate in their respective fields of duty in improving and achieving the Company's business objectives. With this MESOP Program, it is expected that the Company's interests and the interests of the Company's management and employees will be achieved in accordance with *best practice*.

**B. Maximum Amount of Capital Increase Plan without HMETD**

The Company intends to increase capital without granting the pre-emptive rights (PMTHMETD) for the MESOP Program through the issuance of shares that are still in the portepel after obtaining the approval of the General Meeting of Shareholders in accordance with the applicable regulation.

The number of shares planned to be issued through PMTHMETD for the MESOP Program is maximum up to 160,999,280 (*one hundred sixty thousand nine hundred ninety-nine thousand two hundred and eighty*) shares with the nominal value of each share is Rp50,- (*fifty Rupiah*) per share, which is represent of 2% (*two percent*) of the issued and paid-up capital in the Company as of the date of this Disclosure of Information.

The new shares to be issued in connection with the implementation of stock option in the MESOP Program have the same rights and obligations as the Company's other shares and will be listed on the Indonesia Stock Exchange where the Company's shares have been listed.

The MESOP program will be implemented with the following limitation:

**1. The MESOP issuance period.**

The issuance of MESOP will be conducted in several stages to be determined later by the Company.

**2. Estimation of the Use of Proceeds**

All proceed from PMTHMETD for the MESOP Program after deducting the emissions cost will be used entirely to strengthen the Company's capital structure and will be used entirely to finance the Company's investments as well as for the Company's *general corporate purposes*.

**3. The Determination of Exercise Price**

The determination of exercise price will be made in accordance with the Company's articles of association and the applicable Capital Market regulation in Indonesia.

**4. Terms and Implementation of MESOP**

PMTHMETD for the MESOP Program will be conducted within 5 (*five*) years from the date of approval of the General Meeting of Shareholders that approve PMTHMETD for the MESOP Program.

**5. The Participants of MESOP**

The Participants of the MESOP Program will be determined by the Board of Directors of the Company with regard to the recommendations of the Company's Remuneration and Nomination Committee.

**C. Management Analysis and Discussion on The Company's Financial Condition before and after PMTHMETD**

The capital increase from PMTHMETD results will strengthen the Company's capital structure and support the Company's business development and expansion. The Company's capital increase in the long term is expected to improve business competitiveness and increase investment value returns for the Company's shareholders.

**D. PMTHMETD Impacts to the Shareholders**

The implementation of PMTHMETD for the MESOP Program will have impact on the share ownership dilution to the current Company's shareholders. In the event that the implementation of PMTHMETD for the MESOP Program is conducted without the Company undertake the increase capital through HMETD as referred to in Part I abovementioned, the shareholders of the Company will be subject to dilution of share ownership of maximum up to 1.9% (*one point nine percent*). If the implementation of PMTHMETD for the MESOP Program is conducted with the Company also undertake the increase capital through HMETD as referred to in Part I abovementioned, the shareholders of the Company will be subject to a dilution of share ownership of maximum up to 20.2% (*twenty point two percent*) after the implementation of PMTHMETD for the MESOP Program.

This share ownership dilution information is provided with the assumption that: (i) all of the PMTHMETD for MESOP Program are conducted with the maximum amount as referred to in section II.B. of this Disclosure of Information; and (ii) all stock option granted in the MESOP Program is exercised entirely into the Company's shares.

**E. The Capital Structure of The Company**

If the implementation of the PMTHMETD plan for MESOP Program is conducted before the Company undertakes the capital increase with HMETD (as stated in Part I abovementioned), then the Company's capital structure is as follows:

	Prior to PMTHMETD implementation for MESOP Program		After PMTHMETD Implementation for MESOP Program	
	Amount of Shares	Nominal Value (Rp)	Amount of Shares	Nominal Value (Rp)
Authorized Capital Nominal Value Rp 50.-	24.000.000.000	1.200.000.000.000	24.000.000.000	1.200.000.000.000
Total Issued and Paid-Up Capital Nominal Value Rp 50.-	8.049.964.000	402.498.200.000	8.049.964.000	402.498.200.000

The Implementation of PMTHMETD for MESOP Program			160.999.280	8.049.964.000
Total Issued and Paid-Up Capital after PMTHMETD for MESOP Program			8.210.963.280	410.548.164.000
Shares in Portepel			15.789.036.720	789.451.836.000

However, if the implementation of PMTHMETD plan for MESOP Program is conducted after the Company has undertaken the increased capital with HMETD (as stated in part I abovementioned), then the Company's capital structure is as follows:

	Prior to PMTHMETD implementation for MESOP Program		After PMTHMETD Implementation for MESOP Program	
	Amount of Shares	Nominal Value (Rp)	Amount of Shares	Nominal Value (Rp)
Authorized Capital Nominal Value Rp 50.-	24.000.000.000	1.200.000.000.000	24.000.000.000	1.200.000.000.000
Total Issued and Paid-Up Capital Nominal Value Rp 50.-	9.929.964.000	496.498.200.000	9.929.964.000	496.498.200.000
The Implementation of PMTHMETD for MESOP Program			160.999.280	8.049.964.000
Total Issued and Paid-Up Capital after PMTHMETD for MESOP Program			10.090.963.280	504.548.164.000
Shares in Portepel			13.909.036.720	695.451.836.000

The capital structure of the Company stated in the abovementioned table is made with the assumption that the increase capital through HMETD is conducted in the maximum amount.

#### F. Composition of The Shareholders

If all of stock option granted in the MESOP Program are exercised entirely into the Company's shares, then the preform of the shareholders composition on all shares of the Company that have been issued and paid-up are as follows:

If the PMTHMETD for MESOP Program is conducted before the capital increase through HMETD

Shareholders	Prior to PMTHMETD implementation for MESOP program			After PMTHMETD Implementation for MESOP Program		
	Amount of Shares	Nominal Value (Rp)	%	Amount of Shares	Nominal Value (Rp)	%
Bara Makmur Abadi, PT	503.020.000	25.151.000.000	6,25	503.020.000	25.151.000.000	6,13
Bintang Bara, B.V.	805.000.000	40.250.000.000	10	805.000.000	40.250.000.000	9,80
Highland Strategic Holdings Pte Ltd	4.983.799.956	249.189.997.800	61,91	4.983.799.956	249.189.997.800	60,70
Sinergi Sukses Utama, PT	410.800.000	20.540.000.000	5,10	410.800.000	20.540.000.000	5,00
Toba Sejahtra, PT	804.927.244	40.246.362.200	10	804.927.244	40.246.362.200	9,80
Masyarakat dengan kepemilikan di bawah 5%	542.416.800	27.120.840.000	6,74	542.416.800	27.120.840.000	6,61
Manajemen & Karyawan (MESOP)				160.999.280	8.049.964.000	1,96

If PMTHMETD for MESOP Program is conducted after the Company has undertaken the increased capital through HMETD, then the composition of shareholders will be adjusted to the composition of shareholders after the implementation of HMETD.

The composition of shareholders provided in this Disclosure of Information is based on the Register of Shareholders as of April 30, 2021. As of April 30, 2021, none of the member of the Board of Commissioners or Board of Directors has a stake in the Company.

### **III. GENERAL MEETING OF SHAREHOLDERS**

In accordance with the provisions of the applicable regulations, the implementation of capital increase with HMETD (as stated in Part I abovementioned) and the capital increase without HMETD (as stated in Part II abovementioned), will be requested an approval from the Company's shareholders in the Extraordinary General Meeting of Shareholders to be held on Thursday, June 17, 2021 ("EGMS"). The announcement of the EGMS will be made on Monday, May 10, 2021 and the EGMS Invitation will be made on Tuesday, May 25, 2021, and will be conducted through the Indonesia Stock Exchange website, the Company's website, and the website of electronic general meeting system facility provider PT Kustodian Sentral Efek Indonesia ("KSEI") (eASY.KSEI).

This Disclosure Information is made and addressed to the shareholders of the Company in order to comply with the POJK regulation.

Jakarta, May 10, 2021  
**PT TBS Energi Utama Tbk**  
Board of Directors