

**DISCLOSURE OF INFORMATION TO SHAREHOLDERS IN CONNECTION WITH  
THE COMPANY'S PLAN TO CONDUCT BUYBACK OF ITS SHARES IN SIGNIFICANTLY  
FLUCTUATING MARKET CONDITIONS  
ACCORDING TO OJK REGULATION NO. 2/POJK.04/2013 AND  
OJK CIRCULAR LETTER NO. 3/SEOJK.04/2020**



**PT XL Axiata Tbk. [EXCL]**

Domiciled in South Jakarta, Indonesia

**Main Business Activities:**

Provide telecommunications services and/or  
telecommunications networks and/or multimedia

**Headquarter:**

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**DISCLOSURE OF INFORMATION TO SHAREHOLDERS ON THE COMPANY'S SHARE BUYBACK PLAN IN  
SIGNIFICANTLY FLUCTUATING MARKET CONDITIONS**

PT XL Axiata Tbk. (“Company”) plans to conduct buyback of its shares that are currently listed on the Indonesia Stock Exchange (“IDX”) in accordance with the Financial Services Authority (“Otoritas Jasa Keuangan or OJK”) Regulation No. 2/POJK.04/2013 on Shares Buyback Issued by Issuers or Public Companies in Significantly Fluctuating Market Conditions (“OJK Regulation 2/2013”) and OJK Circular Letter No. 3/SEOJK.04/2020 on Other Conditions as Significantly Fluctuating Market Conditions in the Implementation of Shares Buyback by Issuers or Public Companies dated 9 March 2020 (“SEOJK 3/2020”), with total up to Rp500,000,000,000.- (five hundred billion Rupiah) (“Share Buyback”). Based on SEOJK 3/2020, the Company can buy back a maximum 20% (twenty percent) of its issued and paid-up capital, provided that at least 7.5% (seven point five percent) of its issued and paid-up capital continue to be held by the public. The Share Buyback in significantly fluctuating market conditions will be conducted in stages within 3 (three) months from the date of this Disclosure of Information. The Share Buyback will be executed based on consideration of the Company’s Board of Directors through the IDX.

This Disclosure of Information is published in Jakarta on 6 April 2020.

## INDICATIVE SCHEDULE OF THE SHARE BUYBACK

The following are dates relating to the implementation of the Share Buyback:

| No. | Description  | Date                        |
|-----|--|-----------------------------|
| 1.  | Notification to the OJK and the IDX regarding the Share Buyback plan of the Company  | 20 March 2020               |
| 2.  | Announcement of the Disclosure of Information regarding the Share Buyback plan of the Company in the IDX website and the Company's website | 6 April 2020                |
| 3.  | Share Buyback period   | 7 April 2020 to 6 July 2020 |

## BACKGROUND

The current global economic condition is experiencing a pressure and slowdown, including but not limited to the Indonesia's capital markets condition. The trading condition in the IDX has experienced significant pressure as evidenced by the decline in the Composite Stock Price Index (IHSG) by 18.46% (eighteen point forty six percent) since the beginning of 2020 until the issuance date of SEOJK 3/2020. The economy is also slowing down due to regional and national pressure, including as a result of the COVID-19 outbreak.

In the context of providing economic stimulus to the market and reducing the adverse impact from the current market condition, OJK issued SEOJK 3/2020. This opens up opportunities for the Company to conduct a buyback of shares without obtaining a prior approval of the shareholders in the general meeting of shareholders by taking into account the Company's capability and applicable regulations.

Based on the Company data, there was a decrease of share price from 1 January 2020 to 3 April 2020 by 33.0% (thirty three point zero percent), from Rp3,210 (three thousand two hundred and ten Rupiah) down to Rp2,150 (two thousand one hundred fifty Rupiah) per share. The significant decline in the Company's shares price does not reflect the Company's positive performance, so that the Company intends to show its commitment in order to increase shareholders' value by returning excess free cash flow to its shareholders through the Share Buyback of the Company.

## INDICATIVE EXPENSES AND TOTAL NOMINAL VALUE OF SHARE BUYBACK

The source of the Share Buyback will be from the Company's internal cash. The Company will maintain its minimum net worth higher than the total issued and fully paid-up capital plus the required reserve. The Company has provided compulsory allowance for reserves as stipulated in Law No. 40 of 2007 concerning Limited Liability Companies.

The number of Share buyback will not exceed 2,137,592,085 (two billion one hundred thirty seven million five hundred ninety two thousand eighty five) shares or 20% (twenty percent) of the total issued and paid-up capital of the Company. Estimated costs in the context of the Share Buyback as referred to above are as

much as Rp500,000,000,000.- (five hundred billion Rupiah). These funds include transaction costs, brokerage commission and other costs associated with the Company's Share Buyback.

#### **THE COMPANY'S PLAN ON THE TREASURY SHARES**

The Company plans to allocate its treasury shares as treasury stocks for a period of not more than 3 (three) years. The Company can sell its treasury shares if the share price is equal to or higher than the purchase price provided that the sale of shares can only be done with the following conditions: (i) 30 (thirty) days after the completion of the relevant Share Buyback or (ii) after the end of the relevant Share buyback period in accordance with Article 6 (3) OJK Regulation 2/2013.

Therefore, the Company could gain profit out of its treasury shares sale. The treasury shares may be transferred by way of sale through the IDX or outside the IDX in accordance OJK Regulation 2/2013.

Shares that have been repurchased by the Company cannot be used to cast votes at the general meeting of shareholders and are not taken into account in determining the amount of quorum that must be achieved in accordance with the applicable laws and regulations. In addition, the treasury shares are not entitled to receive dividends.

#### **ESTIMATED DECLINE IN THE COMPANY'S REVENUE AS A RESULT OF THE SHARE BUYBACK AND THE IMPACT OF THE COMPANY'S FINANCING COSTS**

Assuming the Share Buyback amount is Rp500,000,000,000.- (five hundred billion Rupiah) then the Company's total assets and equity will be decreased by Rp500,000,000,000.- (five hundred billion Rupiah). We consider that the reduction will not have a material impact on the Company's profit and loss.

In addition, the Company believes that the implementation of the Share Buyback will not have a material adverse effect on the business activities of the Company's operations, bearing in mind that the Company has sufficient cash flow.

#### **PROJECTION OF THE COMPANY'S EARNING PER SHARE AFTER THE IMPLEMENTATION OF THE SHARE BUYBACK**

The following table is the projection of the Consolidated Financial Statements as of 31 December 2019, assuming the Company's Share Buyback amounting Rp 500,000,000,000.- (five hundred billion Rupiah) exclude any transaction costs (brokerage commission and any other costs) in accordance to the planned Company's shares repurchase by assuming all the cash payment are from the Company's internal cash:

In Rupiah million

| Description                      | Audited Financial Statements as of<br>31 December 2019 |           |               |
|----------------------------------|--|-----------|---------------|
|                                  | Before<br>Buyback                                      | Impact    | After Buyback |
| Total Asset                      | 62,725,242   | (500,000) | 62,225,242    |
| Net Profit*                      | 712,579  | 0         | 712,579       |
| Total Equity                     | 19,121,966   | (500,000) | 18,621,966    |
| Earnings per Share<br>(Rp/Share) | 67   | 2         | 69            |

Assumption:

With assumption of Company's deposit interest rate of 7.3% p.a

### THE SHARE PRICE FOR THE SHARE BUYBACK

The Company will conduct the Share Buyback at fair and reasonable price in accordance with applicable regulations.

### THE SHARE BUYBACK PERIOD

The Share Buyback will be conducted after the Company submits this Disclosure of Information. In accordance with OJK Regulation 2/2013, the Share Buyback period of is a maximum of 3 (three) months from the date of this Disclosure of Information.

### THE TERMS OF SHARE BUYBACK IMPLEMENTATION

1. The Share Buyback transaction will be executed through IDX.
2. The Company has appointed PT Mandiri Sekuritas to conduct the Share Buyback in accordance with the Share Buyback period mentioned above, taking into account the applicable laws and regulations.
3. There is no volume limitation of the Share Buyback within 1 (one) trading day.
4. Every party whoever:
  - a. Board of Commissioners, Board of Directors, employees, and ultimate shareholders of the Company;
  - b. Any person who are able to obtain inside information due to their positions or professions or business relations with the Company; or
  - c. Parties that were defined as any of the parties outlined in point (a) or (b) above during the previous 6 (six) months but which are no longer defined as such;are prohibited to purchase and/or sell the Company's shares during the Share Buyback period or on the same day with the transfer of treasury shares by the Company through IDX.

## MANAGEMENT DISCUSSION AND ANALYSIS OF THE EFFECT OF THE SHARE BUYBACK ON THE COMPANY'S BUSINESS ACTIVITIES AND FUTURE GROWTH

1. The Company's revenue is not expected to decrease due to the implementation of the Share Buyback.
2. The Share Buyback is estimated to have a minimal impact on the Company's financing costs.
3. The Share Buyback will reduce the Company's total Assets and total Equity by the number of shares repurchased. If the Company uses all of the reserved budget for Share Buyback, then the total Assets and total Equity would reduce by a maximum of Rp500,000,000,000,- (five hundred billion Rupiah).
4. The Company believes that the implementation of the Share Buyback will not have a material negative impacts on the Company's business activities and growth, because currently the Company has sufficient capital and cash flow to conduct and finance all business activities, business development activities, operational activities and the Share Buyback.
5. The implementation of the Share Buyback will not have a material negative impacts on the Company's business activities because the allocated funds for the Share Buyback is from internal cash.

## ADDITIONAL INFORMATION

For further information regarding the Share Buyback, please contact the Company during business hours at:

**PT XL Axiata Tbk. [EXCL]**

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Jakarta, 6 April 2020

**PT XL Axiata Tbk.**

**Board of Directors**