

**DISCLOSURE OF INFORMATION IN CONNECTION WITH AFFILIATED
TRANSACTION
PT XL AXIATA TBK**

This Disclosure of Information is made and provided for the purpose of compliance with the Financial Service Authority Regulation No. 42/POJK.04/2020 of 2020 on Affiliated Transactions and Conflict of Interest ("POJK 42/2020").

This Disclosure of Information is important and must be read and requires the attention of the Company's shareholders in connection with Affiliated Transaction.

If you have difficulties to understand this Disclosure of Information or in doubt in making decision, you should consult with a legal counsel, a public accountant, financial advisor or any other professional.



PT XL Axiata Tbk

Domiciled in Jakarta Selatan, Indonesia

Business Activity

Telecommunication Service Provider
and/or Network Provider and/or
Multimedia

Head Office

XL Axiata Tower
Jl. H.R. Rasuna Said X-5 Kav. 11-12,
Kuningan Timur, Setiabudi, Jakarta Selatan
12950, Indonesia.

Website: www.xlaxiata.co.id/en

This Disclosure of Information is issued on 25 February 2022

DISCLOSURE OF INFORMATION OF PT XL AXIATA TBK

To comply with POJK 42/2020, PT XL Axiata Tbk (the "Company") hereby conveys disclosure of information on the Company's affiliated transaction.

DEFINITIONS

| | | |
|---------------------------|---|--|
| Affiliate | : | Affiliate has the meaning as defined in Article 1 point (1) of the Law No. 8 of 1995 on Capital Market. |
| Conflict of Interest | : | means as defined under Article 1 point (4) of POJK 42/2020. |
| EII | : | PT Edotco Infrastruktur Indonesia, a company incorporated under the laws of the Republic of Indonesia, having its address at XL Axiata Tower 19 th floor, Jl. HR. Rasuna Said X5 Kav. 11-12, Kuningan Timur, Setiabudi, Jakarta 12950. |
| Disclosure of Information | : | Information as provided in this Disclosure of Information in order to comply with POJK 42/2020. |
| KJPP ASR | : | Kantor Jasa Penilai Publik Antonius Setiady & Rekan, having its address at Jl. Yusuf Adiwinata SH No. 41, Gondangdia, Menteng, Jakarta Pusat 10340, Indonesia. |
| Company | : | PT XL Axiata Tbk, a public limited liability company duly established under the law of Republic of Indonesia, having its address at XL Axiata Tower, Jl. H.R. Rasuna Said X-5 Kav. 11-12, Kuningan Timur, Setiabudi, South Jakarta 12950, Indonesia. |
| POJK 17/2020 | : | means Financial Services Authority Regulation No. 17/POJK.04/2020 concerning Material Transactions and Changes in Business Activities. |
| Closing Date | : | The effective date of the Transaction's completion. |
| Affiliated Transaction | : | means as defined under Article 1 paragraph (3) of POJK 42/2020. |

PREFACE

This Disclosure of Information is made to comply with POJK 42/2020, which obliges the Company to make a Disclosure of Information regarding the Affiliated Transaction conducted by the Company, where the Company is obliged to announce this Affiliated Transaction to the public by no later than the second business day after the occurrence of such Affiliated Transaction.

Through this Disclosure of Information, the Company will provide the explanation, consideration and reason for conducting the Affiliated Transaction. In this Disclosure of Information, the object of the Affiliated Transaction will be elaborated on, including the value of the Affiliated Transaction, the parties to the Affiliated Transaction and the nature of the affiliation with respect to the Affiliated Transaction.

INFORMATION ON THE AFFILIATED TRANSACTION

A. REASON AND BACKGROUND

The Parties have signed an Asset Purchase Agreement and Master Tower Lease Agreement on February 25, 2022, between the Company with EII, where the Company sells 859 telecommunication towers to EII with total sale and purchase value of Rp. 750,000,000,000, and lease back 791 telecommunication towers by the Company from EII for a 12-year leaseback period of Rp. 1,195,992,000,000 ("Transaction").

The Company is a company that provides telecommunications services and/or telecommunications and/or multimedia networks as part of its business. In accordance with these business activities, the Company's main focus is to develop and expand the Company's main business, particularly in the field of cellular services and mobile internet.

The Company decided to enter into this Transaction in order to increase its focus on its core business and optimize costs associated with the management and maintenance of telecommunication towers and other operational supporting infrastructure.

B. THE PURPOSE AND BENEFIT FOR THE COMPANY

The Company will gain the following benefits upon completion of the Transaction:

1. Increasing the Company's focus on its core business particularly in the field of mobile internet and cellular in order to improve the quality and effectiveness of operational costs as well as costs associated with supporting facilities and infrastructure.
2. This Transaction adds long-term value to the Company by strengthening its capital structure and securing the most competitive lease terms on towers through a sale and leaseback transaction.

C. OBJECT AND VALUE

1. The object of the Affiliated Transaction:
 - a. 859 towers sold to EII by the Company; and
 - b. 791 towers leased back to EII by the Company.
2. The Value of the Affiliated Transaction:
 - a. The total Value of the Affiliated Transaction for the sale of 859 towers is Rp. 750,000,000,000, which will be paid by Edotco in the following schedule:
 - a) Rp. 500,000,000,000 will be paid at the time of Closing Date; and
 - b) Rp. 250,000,000,000 will be paid 3 (three) years after the Closing Date.
 - b. The total Value of the Affiliated Transaction for the leaseback of 791 towers is Rp. 1,195,992,000,000 with a 12-year leaseback period.

D. PARTIES INVOLVED IN THE AFFILIATED TRANSACTION AND THE NATURE OF THE AFFILIATED RELATIONSHIP

The parties having an Affiliated relationship are the Company and EII.

The nature of Affiliated relationship between the Company and All is as described in Point D.3 of this Disclosure of Information.

1. The Company

The Company, domiciled in South Jakarta, is established pursuant to Deed of Establishment No. 55 dated 6 October 1989 as amended by Deed No. 79 dated 17 January 1991, both made before Rachmat Santoso Notary in Jakarta, that has been approved pursuant to the Minister of Justice Decree No. C2-515.HT.01.01.Th.91 and has been announced in State Gazette of Republic of Indonesia No. 99 dated 8 November 1991, Supplement No. 4070.

The Articles of Association of the Company have been amended several times lastly pursuant to Deed No. 51 dated 23 April 2021 made before Aulia Taufani, S.H., Notary in South Jakarta, which has been approved by the Minister of Law and Human Rights based on Decree No. AHU-0027862.AH.01.02.Tahun 2021 dated 6 May 2021 that has been registered in the Company register No. AHU-00844321.AH.01.11.Tahun 2021 dated 6 May 2021.

The Company's address is at Jl. H.R. Rasuna Said X-5 Kav. 11-12, Kuningan Timur, Setiabudi, South Jakarta 12950, listed in Indonesia Stock Exchange with "EXCL" as the stock code.

The purpose and objectives of the Company are to carry out business activities in the field of telecommunications operations, computer programming and consulting activities, information service activities, wholesale trade, management consulting activities and financial activities as well as other purposes in accordance with the Company's Articles of Association.

As of the date of this Disclosure of Information, the capital structure of the Company is as follows:

| | | |
|--------------------|---|---------------------|
| Authorized Capital | : | Rp2.265.000.000.000 |
| Issued Capital | : | Rp1.072.467.477.600 |

Authorized Capital of the Company is divided into 22,650,000,000 shares, each with a nominal value of Rp100,00. The Company's shareholding structure based on (i) Shareholders Register as at 31 January 2022 and (ii) Register of Board of Directors and Board of Commissioner Share Ownership as at 31 January 2022, both issued by the Securities Administration Bureau is as follows:

| Information | Percentage (%) |
|---|----------------|
| Axiata Investments (Indonesia) Sdn Bhd | 61,160 |
| Masyarakat | 38,31 |
| Saham Treasuri | 0,53 |
| Total | 100,00 |
| Where the percentage of public shares include: | |
| Yessie Dianty Yosetya | 0,0281572 |
| Abhijit Jayant Navalekar | 0,0445936 |
| David Arcelus Oses | 0,0299223 |
| Dian Siswarini | 0,0942320 |
| I Gede Darmayusa | 0,0033001 |

Board of Commissioners

| Title | Name |
|--------------------------|---|
| President Commissioner | : Doktor Muhamad Chatib Basri |
| Commissioner | : Vivek Sood |
| Commissioner | : Doktorandus David Robert Dean |
| Commissioner | : Dato' Mohd Izzaddin Bin Idris |
| Commissioner | : Doktorandus Hans Wijayasuriya (Shridhir Sariputta Hansa Wijayasuriya) |
| Independent Commissioner | : Yasmin Stamboel Wirjawan |
| Independent Commissioner | : Muliadi Rahardja |
| Independent Commissioner | : Julianto Sidarto |

Board of Directors

| Title | Name |
|--------------------|----------------------------|
| President Director | : Dian Siswarini |
| Director | : Yessie Dianty Yosetya |
| Director | : Abhijit Jayant Navalekar |
| Director | : David Arcelus Oses |
| Director | : Budi Pramantika |
| Director | : I Gede Darmayusa |

2. EII

EII, domiciled in South Jakarta, is established pursuant to Deed of Establishment No. 47 dated 8 September 2021, is made before Jimmy Tanal, Notary in Jakarta, that has been approved pursuant to the Minister of Law and Human Rights Decree No AHU-0056053.AH.01.01.TAHUN 2021 on the Ratification of the Limited Liability Company PT Edotco Infrastruktur Indonesia's Legal Entity Establishment, which was established in Jakarta on September 9, 2021 ("SK Pengesahan Badan Hukum EII").

The purpose and objectives of EII is to do business in the field of Owned or Leased Real Estate. EII may conduct business activities in such as purchasing, selling, renting, and operating real estate that it owns or leases in connection with the operation of telecommunication infrastructure, such as towers, poles, or road equipment, as well as leasing telecommunication infrastructure to telecommunications service providers in Indonesia.

As of the date of this Disclosure of Information, the capital structure of EII is as follows:

| | |
|--------------------|---------------------|
| Authorized Capital | : Rp 40.000.000.000 |
| Issued Capital | : Rp 10.000.000.000 |

Authorized Capital of EII is divided into 40,000 shares, each with a nominal value of Rp 1,000,000. The composition of EII shareholders as of September 9, 2021, according to the Attachment SK Pengesahan Badan Hukum EII is as follows:

| Information | Percentage (%) |
|---------------------------|----------------|
| Edotco Group Sdn. Bhd. | 99.9 |
| Edotco Malaysia Sdn. Bhd. | 0.1 |
| Total | 100.00 |

Board of Commissioners

| Title | Name |
|----------------|--------------------|
| Commissioner : | Azrin Bin Tajuddin |

Board of Directors

| Title | Name |
|------------|-----------------------|
| Director : | Muhammad Fauzi Irawan |

3. Nature of Affiliated Relation

The Company and EII have an Affiliated relationship where both are indirectly controlled by the same party, Axiata Group Berhad (AGB). Axiata Investments (Indonesia) Sdn. Bhd. is the controlling shareholder of the Company, with the AGB indirectly owning 100 % of its shares also AGB indirectly owns the majority shares in EII through Edotco Group Sdn. Bhd.

SUMMARY OF THE INDEPENDENT VALUER REPORT

As regulated in OJK Regulation No. 42/POJK.04/2020 concerning "Affiliate Transactions and Conflicts of Interest" Decision of the Chairman of the OJK Board of Commissioners of the Republic of Indonesia dated July 2, 2020 ("POJK 42"), to ensure the fairness of the Transaction, the Company has appointed KJPP Antonius Setiady & Rekan (ASR) as Public Appraisal Service Office based on the Business License of the Public Appraisal Office No. No.380/KM.1/2009 and Public Appraiser Permit No. P-1.08.00007 issued by the Minister of Finance of the Republic of Indonesia and Capital Market Supporting Professional Registration Certificate No. No. STTD.PPB-17/PM.2/2018 issued by BAPEPAM-LK, in accordance with the Work Agreement No. KJPP ASR-130/PR.072/VII/2021 for:

1. Assessing fixed assets of 859 telecommunication towers.

The valuation of fixed assets has been stated in the Asset Valuation Report File No. 00051/2.0029-00/PI/06/0007/1/II/2022.

| No | Appraisal Approach | Market-Value Indication | Weight | Market Value |
|---------------------|--------------------|-------------------------|--------|---------------------------|
| 1 | Income Approach | Rp 865,101,000,000 | 68.00% | Rp 585,904,000,000 |
| 2 | Cost Approach | Rp 412,240,000,000 | 32.00% | Rp 133,043,000,000 |
| Market Value | | | | Rp 718,947,000,000 |

Thus, in the opinion of KJPP ASR, the amount of Rp. 718,947,000,000 represents the market value of 859 telecommunication towers as of June 30, 2021.

2. Provide an opinion on the fairness of the transaction.

The fairness opinion has been stated in the Fairness Opinion Report No. 00053/2.0029-00/BS/06/2008/1/II/2022 February 25, 2022.

The summary of the Fairness Opinion is as follows:

1) Identity of the parties

- a. PT XL Axiata Tbk (the "**Company**") as Seller; and
- b. PT Edotco Infrastructure Indonesia. ("**EII**") as Purchaser.

2) Object of Appraisal

The sale of 859 telecommunication towers by the Company to EII with a total sale and purchase value of Rp.750,000,000,000,000 (seven hundred and fifty billion Rupiah) and the leaseback of 791 Telecommunication Towers by the Company from EII with a rental value for 12 years of Rp. 1,195,992,000,000 (one trillion one hundred ninety five billion nine hundred and ninety two million Rupiah). Hereinafter referred to as **Transaction**.

3) The purpose of the assessment

Giving fairness opinion on the Transaction above in order to comply with the provisions in OJK Regulation Number: 42/POJK.04/2020 ("POJK 42") regarding Affiliated Transactions and conflict of interest because the Transaction is the sale of telecommunication towers by the Company to EII, which is an affiliated company from the Company. The affiliation relationship is due to Company and EII have an Affiliated relationship where both are indirectly controlled by the same party, Axiata Group Berhad (AGB). Axiata Investments (Indonesia) Sdn. Bhd. is the controlling shareholder of the Company, with the AGB indirectly owning 100 % of its shares also AGB indirectly owns the majority shares in EII through Edotco Group Sdn. Bhd.

Therefore, the Transaction must be announced to the public and submit proof of the announcement and supporting documents to OJK no later than the end of the 2nd (second) working day after the date of signing the agreement that caused the affiliated transaction to occur.

4) Assumptions and limiting conditions

Assumptions

In preparing the fairness opinion on the Transaction, KJPP ASR used several assumptions, including:

- (1) The Fairness Opinion Report produced by the business appraiser is a non-disclaimer opinion.
- (2) KJPP ASR has reviewed the documents used in the assessment process.
- (3) The data and information obtained by KJPP ASR come from sources that can be trusted for accuracy.

- (4) Adjustments to financial projections made by management reflect the reasonableness and ability to achieve them.
- (5) KJPP ASR is responsible for the implementation of the assessment and fairness of financial projections, as long as there are no deviations in its implementation.
- (6) This Fairness Opinion Report is open to the public, unless there is confidential information, which may affect the Company's operations.
- (7) KJPP ASR is responsible for the Fairness Opinion Report and the Fairness Opinion Conclusion
- (8) Information on the legal status of the object of assessment from the assignor is considered correct and trustworthy.
- (9) The results listed in this report as well as any other values in the Report that are part of the Transaction being assessed are only valid in accordance with the aims and objectives of the assessment. The results of this Fairness Opinion may not be used for other assessment purposes which may result in errors.
- (10) KJPP ASR as the Appraiser has conducted research on documents related to the assessment, therefore we consider that the truth or validity of these documents has been guaranteed.
- (11) This Fairness Opinion Report must be used as an inseparable whole and its use is limited to the purposes and objectives of this assessment only. This report will not apply to different intents and purposes.
- (12) KJPP ASR assumes that the data provided to KJPP ASR is correct and related to the object of the assessment.
- (13) KJPP ASR is released from all claims and obligations related to the use of reports that are not in accordance with the aims and objectives of the report.

Limiting Condition

This fairness opinion is based on the principle of integrity of information and data. In compiling this Fairness Opinion, we base and are based on the information and data provided by the Company's Management. In addition, the preparation of this fairness opinion is also based on the assumption that the management of the Company and the parties to the transaction will carry out the Transaction based on assumptions as disclosed by the management of the Company to us.

KJPP ASR considers that all information and data from the Management mentioned above are true, complete and reliable and nothing is not disclosed which will affect the opinion on fairness.

KJPP ASR also considers that since the issuance date of the Fairness Opinion on the Transaction until the effective date of the Transaction, there has been no change whatsoever that will materially affect the assumptions used in the preparation of this Opinion.

KJPP ASR also adheres to a management representation letter that management has submitted all important and relevant information to the Transaction and to the knowledge of the Company's management there are no material factors that have not been disclosed and could be misleading.

The opinion on the Fairness of this Transaction is prepared based on considerations of the economy, general business and financial conditions as well as the Company's business conditions, provisions of laws and government regulations including Bapepam and LK as of the date of this letter. Changes in certain conditions that are beyond the control of the Company will have an unpredictable impact and may affect this Fairness Opinion.

Information on the legal status of the object of assessment (Transactions) from the assignor is considered correct and trustworthy.

The Fairness Opinion on this Transaction must be viewed as a single entity and the use of some analysis and information without considering the entire information and this analysis may lead to misleading views.

This Fairness Opinion Report on the Transaction is not intended to provide recommendations to the Shareholders of the Company to approve or disapprove of the Transaction or to take certain actions on the Transaction.

The assessor is not responsible for reaffirming or completing our opinion due to events that occurred after the date of this report.

5) Assessment Approach and Methodology

Transaction fairness analysis covers several aspects as a methodology for preparing Fairness Opinion reports including (i) transaction analysis, (ii) qualitative analysis, (iii) quantitative analysis, and (iv) transaction fairness analysis.

Transaction Analysis, including analysis of the background of the Transaction and the parties to the transaction, agreements and terms agreed upon from the Transaction, and an assessment of the benefits and risks of the Transaction for the Company.

Qualitative analysis includes the history and business activities of the Company, analysis of the Company's operations and the reasons for the need for the Transaction to be carried out for the Company.

Quantitative analysis, including analysis of the historical and projected performance of the Company, the effect of the Transaction on the financial condition and prospects of the Company as well as incremental analysis.

The fairness analysis of the Transaction includes a comparison of the value of the Transaction with an assessment of the Transaction that the Transaction provides added value for the Company.

6) Fairness Opinion on Transaction

Based on the transaction analysis, qualitative analysis, quantitative analysis and fairness analysis above, KJPP ASR is of the opinion that the Transaction is in the form of selling 859 Telecommunication Towers and leasing back 791 Telecommunication Towers with a total sales value of Rp.750,000 million and leasing back with a total rental value of 12 years. amounting to Rp. 1,195,992 million is **fair**.

EXPLANATION, CONSIDERATIONS, AND REASONS FOR AFFILIATED TRANSACTION, COMPARED WITH OTHER SIMILAR TRANSACTIONS THAT ARE NOT PERFORMED WITH AFFILIATED PARTIES

The Company has conducted open and transparent tenders to all tender participants, including EII and several non-affiliated parties, where all tender participants are subject to the same terms and conditions for sale and leaseback towers ("Terms & Conditions").

Only two (two) participants indicated an interest in participating in the tender process, including EII. However, the two participants could not fulfill the required Terms and Conditions, hence the tender process was discontinued. Following that, the Company conducted the clarification separately with the two participants who previously showed their interest. Based on the result from the clarification and Company's considerations, the Company continued the direct negotiation process with EII. The Company was able to reach such an agreement with EII as a result of the direct negotiation process.

STATEMENT OF BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS

The Board of Directors and Board of Commissioners of the Company stated that in accordance with the provisions of Article 3 of POJK 42/2020, the Affiliated Transaction has gone through adequate procedures to ensure that the Affiliated Transaction is carried out in accordance with generally accepted business practices.

Furthermore, in accordance with the provisions of Article 10 letter (i) POJK 42/2020, the Board of Directors and Board of Commissioners of the Company state that: (i) the Affiliated Transaction does not contain a Conflict of Interest; and (ii) all material information has been disclosed in this document and the information is not misleading.

ADDITIONAL INFORMATION

For further information related with Company's Transaction as disclosed in this Disclosure of Information, please contact:

**Corporate Secretary
PT XL Axiata Tbk**

Head Office
XL Axiata Tower,
Jl. H.R. Rasuna Said X-5 Kav. 11-12, Kuningan Timur,
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Telepon: (021) 576 1881 / 576 1880

Website: www.xlaxiata.co.id
Email: CORPSEC@xl.co.id

Attn. Corporate Secretary

Jakarta, 25 February 2022