



NEWS RELEASE

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Adaro Energy Indonesia reported record 9M22 Operational EBITDA and Core Earnings increases of 231% and 262% y-o-y to \$3.80 billion and \$2.33 billion, respectively; FY22 production target remains on track at 58-60 Mt

- ADRO's operational EBITDA increased by 231% to \$3,798 million from \$1,149 million year on year as pricing and production increased by 106% and 14% respectively. Our ASP in 3Q22 increased by 87% year on year.
- Royalties to the Government of Indonesia combined with income tax expense increased by 302% to \$2,047 million from \$510 million in the same period last year.
- Core earnings in 9M22 reached \$2,331 million, reflecting a 262% increase y-o-y from a continuation of historically strong pricing and sales volume increasing 14% y-o-y.
- The Company generated \$2,071 million of free cash flow in 9M22, representing a 223% increase y-o-y despite capex increasing by 123% to \$277 million.
- ADRO's balance sheet remains healthy with a net cash position of \$1,845 million, and total cash position increasing by 122% y-o-y to \$3,353 billion from \$1,511 billion.

Key Highlights	3Q22	3Q21	Change	9M22	9M21	Change
			YoY			YoY
Production	17.36	13.15	29.7%	45.37	39.64	14.5%
OB Removal	71.46	57.81	23.6%	173.52	173.03	0.3%
Strip Ratio	4.12	4.40	-4.8%	3.82	4.36	-12.4%

Jakarta, November 1, 2022 – PT Adaro Energy Indonesia Tbk (IDX: ADRO) today released its financial performance for the nine-month period ended September 30, 2022 (9M22). Overall, results remain at historically high levels of profitability supported by a continuation of the high coal price environment, leading to operational EBITDA increasing by 231% to \$3,798 million from \$1,149 million year on year. Adaro expanded operational EBITDA margins y-o-y by 1,950bps to 64.2% from 44.7% as average selling price increased by 106% and sales volume rose by 14%.

Adaro Energy Indonesia's President Director and Chief Executive Officer, Mr. Garibaldi Thohir, said:

“In the first nine months of 2022 Adaro has continued to execute our strategy to increase production and sales, as we remain on pace to see both rise by more than 10% year on year. Our revenues, EBITDA and net profit reached all-time highs for any first nine months since the Company was founded 30 years ago. Our operational EBITDA of \$3.8 billion, and core earnings of \$2.3 billion were 231% higher and 262% higher y-o-y, respectively, reflecting the quality of our earnings. Recently, we celebrated our 30th birthday, a time to reflect on the past, and focus on our future. I am excited for the green initiatives at Adaro, as we evolve and innovate over the next 30 years, we will build the new Adaro. I can assure our shareholders we will continue to focus on execution, people and culture as we further invest in renewables, build the world's largest green industrial park and invest in the EV battery value chain.”

Financial Performance

<i>(\$ Millions, except otherwise stated)</i>	9M22	9M21	% Change
Revenue	5,913	2,569	130%
Cost of Revenue	(2,548)	(1,598)	59%
Gross Profit	3,365	971	247%
Operating Income	3,152	765	312%
Core Earnings ⁽¹⁾	2,331	644	262%
Operational EBITDA ⁽²⁾	3,798	1,149	231%
Total Assets	10,032	7,118	41%
Total Liabilities	3,743	2,794	34%
Total Equity	6,289	4,324	45%
Interest Bearing Debt	1,643	1,690	-3%
Cash and Cash Equivalent	3,353	1,511	122%
Net Debt (Cash) ⁽³⁾	(1,843)	10	-18530%
Capital Expenditure ⁽⁴⁾	277	131	111%
Free Cash Flow ⁽⁵⁾	2,071	641	223%
Basic Earnings Per Share (EPS) in US\$	0.061	0.013	369%

Financial Ratios

	9M22	9M21	Change (bps)
Gross Profit Margin (%)	56.9	37.8	1,910
Operating Margin (%)	53.3	29.8	2,350
Operational EBITDA Margin (%)	64.2	44.7	1,950
Net Debt (Cash) to Equity (x)	(0.29)	-	-2,900
Net Debt (Cash) to last 12 months Operational EBITDA (x)	(0.54)	0.01	-5,300
Cash from Operations to Capex (x)	11.39	6.82	457

¹ Profit for the period, excluding non-operational items net of tax (amortization of mining properties, prior year tax assessment, loss on derivative financial instruments, loss on impairment of loan to related parties, recoverable of allowance uncollectible receivables, loss on impairment of fixed assets, loss on impairment of investments in JV and provision decommissioning costs).

² EBITDA excluding prior year tax assessment, loss on derivative financial instrument, loss on impairment of loan to related parties, recoverable of allowance for uncollectible receivables, loss on impairment of fixed assets, and loss on impairment of investments in JV, provision for decommissioning costs.

³ After deduction of cash and cash equivalent and current portion of other investments.

⁴ Capex spending defined as: purchase of fixed assets – proceed from disposal of fixed assets + payment for addition of mining properties + addition of lease liabilities.

⁵ Operational EBITDA – taxes – change in net working capital – capital expenditure excluding lease liabilities.

FINANCIAL PERFORMANCE ANALYSIS FOR THE FIRST NINE MONTHS OF 2022 (9M22)

Revenue, Average Selling Price and Production

Adaro Energy Indonesia's 9M22 reported revenue increased by 130% to \$5,913 million from \$2,569 million y-o-y, mainly due to a 106% higher average selling price (ASP) y-o-y. Inclement weather, supply constraints and geopolitical events have maintained prices near historically high levels seen in 2Q22, and thereby supporting the year-on-year ASP increase for Adaro. Despite significant rainfall and challenges in procuring heavy equipment, ADRO was able to increase production by 14% to 45.4 mt from 39.6 mt y-o-y in 9M22. The increase in production helped coal sales rise by an equal 14% to 44.2 mt in 9M22 from 38.9 mt in the year ago period. Additionally, Adaro recorded overburden removal improved in the quarter and is now flat year on year at 173.5 Mbcm in 9M22 from 173.0 Mbcm and the strip ratio declined by 12% y-o-y to 3.82x from 4.36x. Weather permitting we anticipate the strip ratio will increase further in 4Q22, but we expect full year 2022 strip ratio will be below our target of 4.1x.

Segment (\$ Millions)	Revenue			Net Profit		
	9M22	9M21	% Change	9M22	9M21	% Change
Coal mining & trading	5,796	2,472	135%	1,786	411	334%
Mining services	627	487	29%	37	43	-15%
Others	382	313	22%	353	2	-2,487%
Elimination	-892	-703	27%	-8	9	-188%
Total	5,913	2,569	130%	2,169	465	612%

Cost of Revenue

The cost of revenues increased by 59% y-o-y to \$2,548 million mainly due to increased royalty payments due to the higher ASP and higher mining costs as a result of the increase in global oil prices. The strip ratio of 3.82x decreased by 54bp in 9M22, as 173.5 mBcm of overburden was removed, representing the same level of overburden removal compared to 9M21. The lower strip ratio remains below our guidance, but we anticipate the gap will continue to decline in 4Q22, but we will likely be below our strip ratio target in 2022. This can be made up in subsequent years as we follow our mining plan and mining sequence. Overall, cash costs (ex-Royalty) increased by 17% year on year.

Cost of Revenue	3Q22	3Q21	Change YoY	9M22	9M21	Change YoY
Mining	1,002	510	96.6%	2,447	1,518	61.2%
Mining Services	27	20	38.3%	83	66	26.7%
Logistics	1	5	-81.3%	13	12	9.3%
Other	2	0	1600.0%	5	3	51.6%
Total	1,032	534	93.1%	2,548	1,598	59.4%

Operating Expenses

Our operating expenses in 9M22 increased by 78% y-o-y to \$232 million, as we recorded a 300% increase in sales commission expenses. The higher sales commission expenses contributed 67% of the y-o-y increase in operating expenses and is attributed to the higher coal prices in the period.

Royalties to Government and Income Tax Expense

Royalties to the Government of Indonesia combined with income tax expense increased by 302% to \$2,047 million from \$510 million in the period resulting from higher coal revenue given the higher average selling price. To note on the royalties, Adaro Indonesia's contract of work has been officially transitioned to a Special Mining Business License as the Continuation of Contract/Agreement of Work Operation ("IUPK-KOP"). The IUPK-KOP has been granted for a period expiring on October 1, 2032, which can be extended in accordance with the prevailing regulations.

Based on the terms of an IUPK-KOP, the royalties paid by Adaro Indonesia (Adaro Indonesia's mine represents 79% of our 9M22 production) will increase progressively based on coal selling prices to between 14% and 28% (note: we fulfill the Domestic Market Obligation to power plants and the cement industry at a set price of \$70/\$90, respectively) from the current 13.5% level and the tax rate will decline to 22% from 45% among other changes to profit sharing, legal jurisdiction, and concession size. The provisions on taxation and/or Non-Tax State Revenue ("PNBP") are implemented in accordance with the provisions as stipulated in Government Regulation No. 15 of 2022 and will take effect on 1 January 2023.

		CCOW	IUPK
1	Royalty rate	13.5%	14% - 28%
2	CIT	45%	22%
3	Profit Sharing (from net income)		
	- Central Gov't	-	4%
	- Regional Gov't	-	6%

Operational EBITDA

ADRO's operational EBITDA grew by 231% y-o-y to \$3,798 million from \$1,149 million in the year ago period. The strong operational EBITDA generation is reflective of volatile weather patterns,

demand for coal from the global reopening post pandemic and geopolitical dynamics driving prices.

Operational EBITDA margin remains near historically high levels and stood at 64% in 9M22, an increase of more than 1950 bps y-o-y as demand remains strong and operating leverage remains positive.

In calculating Operational EBITDA, Adaro adjusts for one-time non-operational items such as provision for decommissioning costs, allowances, derivatives and impairment expenses. In 9M22 the Company reported \$1.0 million in adjustments that impacted our EBITDA.

Core Earnings

ADRO's underlying core earnings in 9M22 increased by 262% to \$2,331 million from \$644 million in the year-ago period, a result of the current pricing environment and continued operational excellence. On an as reported basis, net profit totaled \$2,169 million, an increase of 366% year on year.

Total Assets

Total assets increased by 41% to \$10,032 million from \$7,118 million in the previous year driven by a 122% increase in cash to \$3,353 billion. Current assets increased by 96% to \$4,548 million from \$2,326 million y-o-y, while non-current assets increased by 14% to \$5,484 from \$4,793 million y-o-y. The most significant contribution to the increase in non-current assets was through joint venture investments and available for sale financial assets.

Fixed Assets

Fixed assets at 9M22 declined by 3% y-o-y to \$1,380 million from \$1,417 million and accounted for 14% of total assets as accumulated depreciation increased to \$2,761 million from \$2,536 million year to date.

Mining Properties

At the end of 9M22, mining properties declined by 17% y-o-y to \$1,045 from \$1,254 million and accounted for 10% of total assets.

Total Liabilities

Total liabilities increased by 34% to \$3,743 from \$2,795 million due to the sizable increase in taxes payable given the strong coal price. In 9M22, taxes payable increased by 296% to \$1,109 million from \$280 million y-o-y. This led to current liabilities rising by 79% to \$1,853 from \$1,032 million y-o-y. Non-current liabilities increased by 7% to \$1,890 million from \$1,762 in the year ago period as the refinanced bank loan by SIS has a longer maturity date.

Borrowings

The current portion of long-term borrowings in 9M22 decreased by 49% y-o-y to \$175 million due to SIS's refinancing of its loan in the quarter. The non-current portion of long-term borrowings increased 9% y-o-y to \$1,476 from \$1,355 as SIS's new refinancing moved to long term.

Debt Management and Liquidity

ADRO's cash balance at the end of 9M22 increased by 122% to \$3,353 million from \$1,511 million y-o-y. Furthermore, Adaro has access to US\$133 million in the current portion of other investments and a total of \$161 million in undrawn committed loan facilities from various outstanding loans at 9M22, increasing total liquidity to \$3,647 million at the end of the quarter.

Interest bearing debts declined by 3% to \$1,643 million from \$1,690 million y-o-y. The Company continues to strengthen its balance sheet and prudently manage debt. Currently, ADRO stands in a net cash position of \$1,843 million.

Total Equity

At 9M22, total equity stood at \$6,289 million, representing an increase of 45% from \$4,324 million in the year ago period. In 3Q22 the Company did not repurchase any shares under its existing buyback program.

Cash Flow from Operating Activities

During 9M22, ADRO's cash flows from operating activities increased by 243% to \$2,907 from \$847 million y-o-y as receipts from customers increased by 134% to \$5,610 from \$2,398. The increase in cash receipts was significant enough to more than offset higher royalty and tax payments which increased by 177% combined to \$1,292 million in the period.

Cash Flow from Investing Activities

The Company reported \$559 million in net cash outflows used in investing activities, as a result of the purchase of other investments, loans to our Kaltara project and fixed assets.

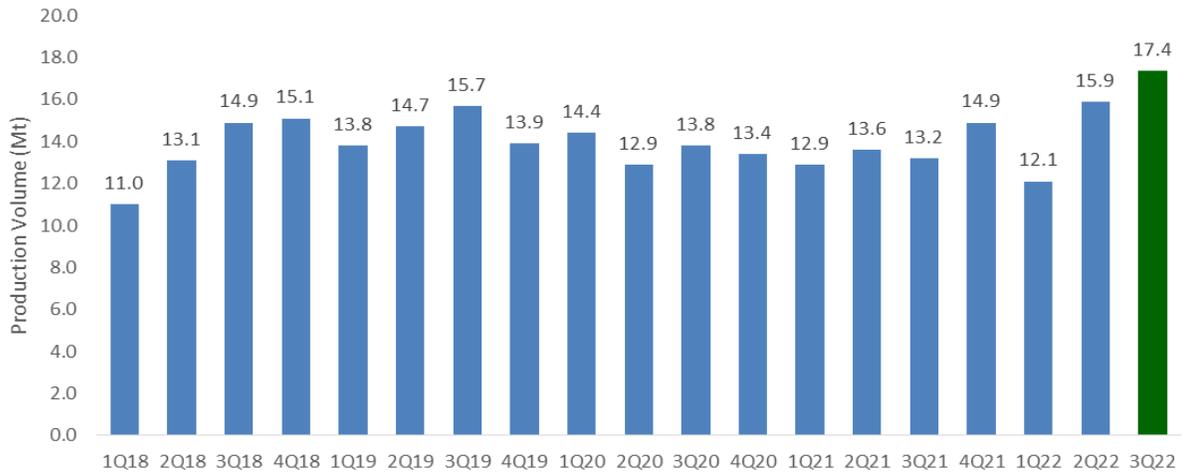
Capital Expenditure and Free Cash Flow

Net capital expenditure in 9M22 increased by 111% to \$277 million from \$131 million in the year ago period. The capital expenditure spending in the period was mainly for purchase of new capacity and replacement of heavy equipment. Free cash flow increased by 223% to \$2,071 million from \$641 million y-o-y as a result of higher operational EBITDA.

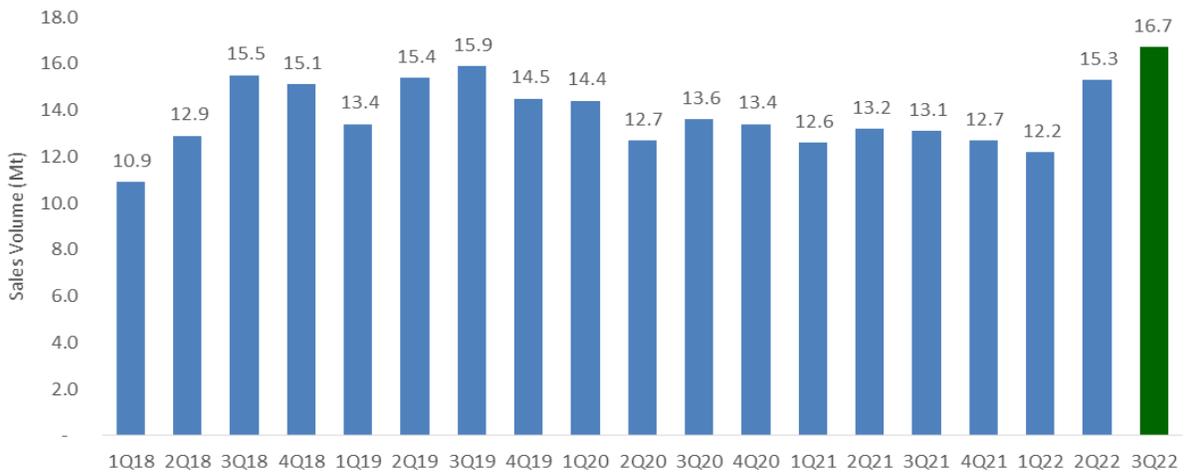
Cash Flow from Financing Activities

Net cash outflow from financing activities in 9M22 was \$782 million. Adaro drew down \$393 million of bank loans and made repayments on bank loans totalling \$307 million. Our subsidiary SIS refinanced its bank loan in the quarter with a longer tenor. In addition, earlier in the year the Company distributed \$650 million in cash dividend to shareholders. As of 9M22, Adaro has repurchased 1,000,000,000 shares and spent \$140 million on the share buyback that is extended through FY22. No shares were repurchased in 3Q22.

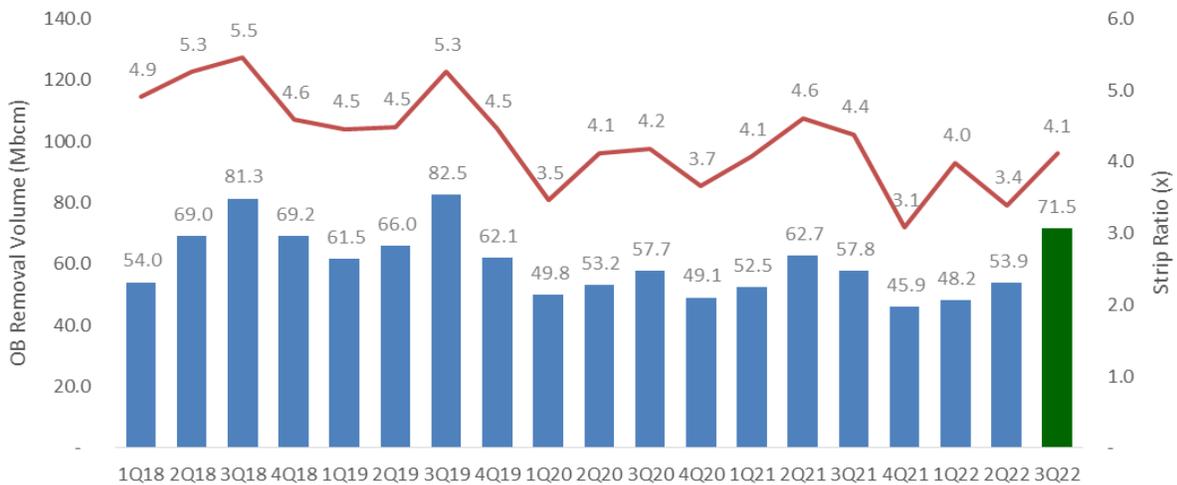
Historical Quarterly Production Volume



Historical Quarterly Sales Volume



Historical Quarterly Overburden Removal Volume and Strip Ratio



REVIEW OF THE THERMAL COAL MARKET IN 3Q22

The sub-bituminous thermal coal market in 3Q22 saw a mixed demand appetite between China and India while Indonesian supply hit the highest volume on record. In China, demand increased as coastal regions were hit by a severe heatwave, leading to drought conditions, lowering water levels, and declining hydropower output. These events caused electricity demand to increase from previous years and supported strong coal demand. In the northern part of China, inclement weather and COVID-19 outbreaks decreased activity in mining regions, resulting in tightening supply. Restocking activities continued into late September ahead of the Daqin railway maintenance, Golden Week holiday and the congress meeting, further boosting demand for seaborne coal. On the supply side, Indonesian coal exports broke another record in 3Q22, reaching an average of 43 Mt per month.

India's coal stocks at their power plants increased throughout the quarter supported by strong domestic coal supply and elevated imported coal. Furthermore, increased monsoon rainfall provided a boost to hydropower generation, and lower demand for coal.

Competitions between Indonesian coal and Russian coal prices continued, limiting the upside in Indonesian sub-bituminous coal prices. The Indonesian coal prices for 5000 GAR and 4200 GAR decreased by \$21 Mt and \$7 Mt respectively, averaging \$121 Mt and \$82 Mt respectively. In the high CV coal market, prices of 6000 NAR products remained high throughout the quarter, as the maintenance of Nord Stream 1 became an indefinite closure, the ban on Russian coal starting August 10, leading to power prices in Europe reaching historically high levels. As these events unfolded, the price of 6000 NAR in Europe surpassed \$400 Mt.

In Australia, temporary closure of rail infrastructure and supply backlogs, led to increased delays for vessels. The July export volume only reached 12 Mt (-37% y-o-y). Exports eventually recovered in August and September from July's extensive wet weather disruption. Furthermore, the tightening of the high CV coal supply-demand balance impacted by countries avoiding Russian coal. As a result, Newcastle coal prices of 6000 NAR increased to a record high of above \$450 Mt in the second week of September. In 3Q22, the Newcastle coal prices of 6000 NAR was up by 15% q-o-q, reaching around \$421 Mt.

REVIEW OF THE METALLURGICAL COAL MARKET IN 3Q22

In early 3Q22 a prolonged heatwave in many regions of China lowered end-user demand, combined with macro headwinds pressuring global steel demand, inclement weather and China's zero COVID-19 policy. The prices of Premium Low Vol CFR China began to increase in September as construction activities picked up following the end of the heat wave. Despite government stimulus, China's steel demand remained weak as the property market remained under pressure. The decrease in investment in real estate, negative steel mill margins, combined to weaken coke production and led to a decrease in metcoal consumption. Coke production was 5.7 Mt below the previous quarter and domestic metallurgical coal inventories were ample, supported by strong Mongolian inflows totalling 8.85 Mt in 3Q22, up 5.39 Mt q-o-q. Low cargo availability helped to support pricing.

Despite the increase of the coking coal index, macro conditions were weak in most ex-China countries. The Eurozone construction PMI contracted in 3Q22, underscoring a contraction in house building, commercial and civil engineering activities. In Canada, multiple strikes by employees placed pressure on production, and selling metallurgical coal as thermal coal, combined with the seasonal construction period, contributed to the PLV CFR China index increasing mildly throughout the month of September.

In Asia, Japanese steel producers reduced steel output, with July production down 8% y-o-y and some end-users resold cargoes due to having excess inventories. Supply from Australia has weakened year over year, with poor weather conditions and potential union strikes a concern heading into 4Q22. These factors boosted sentiment and supported higher price levels, and eventually stabilized PLV FOB Australia prices towards the end of the quarter.

The HCC PLV prices for basis FOB Australia averaged \$254 Mt, down by 45% q-o-q. In addition, the PLV CFR China declined by 31% q-o-q, averaging \$316 Mt.

REVIEW OF PT ADARO ENERGY INDONESIA TBK (ADRO) OPERATIONS

Adaro Energy Indonesia produced 45.37 million tonnes (Mt) of coal in 9M22, corresponding to a 14% increase from 39.64 Mt in 9M21. The Company remains on target to meet the FY22 production target of 58 – 60 Mt as current production is 78% of the lower end of the target range.

Coal sales volume in 9M22 increased by 14% to 44.17 Mt from 38.86 Mt in the year ago period. Sales of our medium CV coal product (4700 and higher) increased by 16% to 32.98 Mt in 9M22 compared with 28.37 Mt in the same period in 2021. The medium CV product accounted for 75% of our sales in 9M22.

Overburden removal volume in 9M22 reached 173.52 million bank cubic meter (Mbcm), flat compared with 9M21 as Balangan Coal Companies (BCC), PT Mustika Indah Permai (MIP), and PT Adaro Minerals Indonesia Tbk (ADMR) increased overburden removal in the period, while overburden removal at PT Adaro Indonesia (AI) in the period declined 8% to 142.93 Mbcm from 154.74 Mbcm in 9M21. Flat overburden removal volume and higher production volume led to ADRO's strip ratio in 9M22 declining to 3.82x from 4.36x in 9M21.

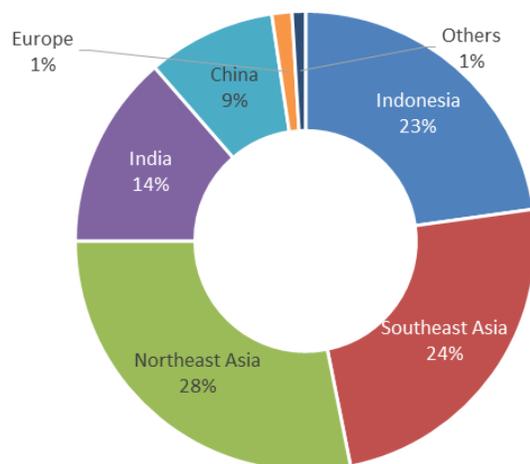
The new sub-contractor, PT Putra Perkasa Abadi (PPA), which works under PT Saptaindra Sejati (SIS) has been in full operation since July and is supporting SIS's operations at the mine site. The operations of PPA in overburden removal volume is evident in the increase in strip ratio in 3Q22.

Coal production in 3Q22 increased by 32% year on year to 17.36 Mt from 13.15 Mt in 3Q21, which led to coal sales volume increasing by 28% to 16.68 Mt in 3Q22 from 13.08 Mt in 3Q21. In the quarter, sales of our medium CV product accounted for 72% of sales, a slight decline from 73% in 3Q21. Total overburden removal volume in 3Q22 increased by 24% to 71.46 Mbcm from 57.81 Mbcm in 3Q21. Strip ratio for the quarter reached 4.12x, 6% lower compared with 4.40x in 3Q21.

	Units	3Q22	2Q22	3Q22 vs. 2Q22	3Q21	3Q22 vs. 3Q21	9M22	9M21	9M22 vs. 9M21
Coal Production	Mt	17.36	15.87	9%	13.15	32%	45.37	39.64	14%
AI	Mt	12.97	13.06	-1%	10.97	18%	35.85	32.70	10%
Balangan Coal Companies	Mt	2.36	1.37	72%	1.35	75%	4.85	3.80	28%
ADMR	Mt	1.04	0.91	14%	0.30	249%	2.56	1.73	48%
MIP	Mt	1.00	0.53	87%	0.54	85%	2.10	1.41	49%
Sales Volume	Mt	16.68	15.29	9%	13.08	28%	44.17	38.86	14%
Thermal - Medium CV	Mt	11.82	11.88	28%	9.56	26%	32.98	28.37	16%
Thermal - E4200	Mt	3.96	2.72	46%	2.94	35%	9.00	8.34	8%
Met Coal	Mt	0.90	0.69	30%	0.38	138%	2.19	1.55	41%
Overburden Removal	Mbcm	71.46	53.84	33%	57.81	24%	173.52	173.03	0%
AI	Mbcm	57.55	44.53	29%	51.41	12%	142.93	154.74	-8%
Balangan Coal Companies	Mbcm	7.61	6.52	17%	4.69	62%	19.53	12.42	57%
ADMR	Mbcm	2.55	2.03	26%	0.88	191%	6.05	3.93	54%
MIP	Mbcm	3.75	0.76	390%	0.83	351%	5.01	1.94	159%
Strip Ratio	x	4.12	3.39	21%	4.40	-6%	3.82	4.36	-12%

The medium CV product composed 75% of Adaro's coal sales in 9M22, compared to 73% in 9M21. Indonesia remains a primary sales destination for Adaro. For PT Adaro Indonesia (AI), the domestic market accounted for 23% of its sales in 9M22. Coal sales to the domestic market can fluctuate from quarter to quarter, but given AI's annual volume-based contracts, it remains on target to meet the required sales to the domestic market in FY22 as we expect more domestic sales in 4Q22. The chart below shows AI's sales by destination in 9M22.

Adaro Indonesia Sales by Destination in 9M22



ADARO MINING

PT Adaro Indonesia (AI)

Adaro Indonesia, the Company's main coal asset, produced 35.85 Mt of coal in 9M22, 10% higher than 32.70 Mt in the same period last year. AI's coal sales volume in 9M22 increased 12% to 40.37 Mt from 36.09 Mt in 9M21. In 9M22, AI recorded total overburden removal of 142.93 Mbcm, which was 8% lower than 154.74 Mbcm in 9M21. The lower overburden removal volume resulted in a strip ratio of 3.99x for 9M22 compared with 4.73x in 9M21.

In 3Q22, AI produced 12.97 Mt of coal, 18% higher compared to 10.97 Mt in 3Q21. AI's coal sales in 3Q22 of 15.10 Mt were 24% higher than 12.18 Mt in 3Q21. Total overburden removal volume in 3Q22 was 57.55 Mbcm, 12% increase from 51.41 Mbcm in 3Q21. AI was able to increase its overburden removal despite the unusual wet weather in 3Q22 as the new subcontractor under SIS successfully ramped up activities. AI's strip ratio for the quarter was 4.44x, lower than 4.69x in 3Q21.

	Units	3Q22	2Q22	3Q22 vs. 2Q22	3Q21	3Q22 vs. 3Q21	9M22	9M21	9M22 vs. 9M21
Overburden Removal	Mbcm	57.55	44.53	29%	51.41	12%	142.93	154.74	-8%
Coal Transported	Mt	15.11	14.45	5%	12.33	23%	40.48	36.52	11%
Coal Production	Mt	12.97	13.06	-1%	10.97	18%	35.85	32.70	10%
Coal Sales	Mt	15.10	14.23	6%	12.18	24%	40.37	36.02	12%

Balangan Coal Companies (BCC)

Balangan Coal Companies transported 4.86 Mt of coal in 9M22, a 28% increase from 3.80 Mt in the same period last year. BCC recorded total overburden removal of 19.53 Mbcm in 9M22, 57% higher y-o-y from 12.42 Mbcm in 9M21. BCC's higher overburden removal in 9M22 increased its strip ratio to 4.02x in 9M22 from 3.27x in 9M21.

In 3Q22, BCC produced 2.14 Mt of coal, 53% higher than 1.36 Mt in 3Q21. Overburden removal by Balangan Coal Companies in 3Q22 reached 7.61 Mbcm, 62% higher than 4.69 Mbcm in 3Q21. The higher increase in coal production versus the overburden removal volume brought down BCC's strip ratio for 3Q22 to 3.23x compared to 3.45x in 3Q21.

	Units	3Q22	2Q22	3Q22 vs. 2Q22	3Q21	3Q22 vs. 3Q21	9M22	9M21	9M22 vs. 9M21
Overburden Removal	Mbcm	7.61	6.52	17%	4.69	62%	19.53	12.42	57%
Coal Transported	Mt	2.36	1.37	72%	1.35	75%	4.86	3.80	28%

PT Adaro Minerals Indonesia Tbk (IDX: ADMR)

ADMR reported a 48% increase in coal production to 2.56 Mt in 9M22 from 1.73 Mt in 9M21 and is on track to deliver its full year production target of 2.8-3.3 Mt. Coal sales in the 9M22 period reached 2.19 Mt, or 41% higher than 1.55 Mt in the same period last year. Overburden removal in 9M22 was 6.05 Mbcm, a 54% increase from 3.93 Mbcm in 9M21. ADMR recorded a strip ratio of 2.36x in 9M22, 4% increase from 2.27x in 9M21. In 9M22, ADMR sold 83% of its coal to customers in Japan, China and India.

ADMR's coal production in 3Q22 was 1.04 Mt, a 249% increase from 0.30 Mt in 3Q21, and coal sales in the quarter reached 0.90 Mt, 138% higher than 0.38 Mt in 3Q21. Overburden removal in 3Q22 was 2.55 Mbcm, up by 191% from 0.88 Mbcm in 3Q21. Adaro Minerals booked a strip ratio of 2.47x for the quarter, lower compared with 2.96x in 3Q21.

	Units	3Q22	2Q22	3Q22 vs. 2Q22	3Q21	3Q22 vs. 3Q21	9M22	9M21	9M22 vs. 9M21
Overburden Removal	Mbcm	2.55	2.03	26%	0.88	191%	6.05	3.93	54%
Coal Transported	Mt	0.94	0.80	17%	0.45	107%	2.43	1.61	51%
Coal Production	Mt	1.04	0.91	14%	0.30	249%	2.56	1.73	48%
Coal Sales	Mt	0.90	0.69	30%	0.38	138%	2.19	1.55	41%

Mustika Indah Permai (MIP)

In 9M22, MIP recorded a 49% increase in coal production to 2.1 Mt, compared to 1.41 Mt in 9M21. MIP's coal sales for the period were 1.62 Mt, 26% higher than 1.28 Mt in 9M21. Total overburden

removal from MIP in 9M22 was 5.01 Mbcm, 159% higher than 1.94 Mbcm in 9M21. MIP's strip ratio for 9M22 was 2.38x a significant increase of 74% from 1.37x in 9M21. In 9M22, MIP's coal was sold to the domestic and export market with China being MIP's largest export destination in the period, followed by India.

MIP's coal production in 3Q22 reached 1.00 Mt, 85% higher than 0.54 Mt in 3Q21. MIP sold 0.68 Mt of coal in 3Q22, a 33% increase compared to 3Q21's sales of 0.51 Mt. Overburden removal in 3Q22 of 3.75 Mbcm, was over 3.5x greater than the 0.83 Mbcm in 3Q21. Hence MIP booked a strip ratio of 3.73x in the quarter, an increase from 1.55x in 3Q21.

	Units	3Q22	2Q22	3Q22 vs. 2Q22	3Q21	3Q22 vs. 3Q21	9M22	9M21	9M22 vs. 9M21
Overburden Removal	Mbcm	3.75	0.76	390%	0.83	351%	5.01	1.94	159%
Coal Production	Mt	1.00	0.53	87%	0.54	85%	2.10	1.41	49%
Coal Sales	Mt	0.68	0.37	85%	0.51	33%	1.62	1.28	26%

Kestrel Coal Mine (Kestrel)

In 9M22, Kestrel recorded saleable coal production of 4.44 Mt, a 11% increase from 4 Mt in 9M21. Kestrel's coal sales in 9M22 were 4.40 Mt, or 13% higher than 3.91 Mt in the same period last year. Kestrel's ROM Production is aligned with its 2022 budget and forecasted to be 9.2 Mt. Saleable production in 2022 is estimated at 6.2Mt, below initial guidance of 7 Mt due to a period of soft floor conditions at the mine and high clay content impacting throughput at the CHPP. Kestrel will have higher than expected ROM inventory levels at the end of 2022 with additional saleable product being available in 2023.

In 3Q22, Kestrel's saleable coal production was 1.26 Mt, 10% higher than 1.14 Mt in 3Q21, and its coal sales volume for the period of 1.22 Mt was 1% lower than 1.24 Mt in 3Q21. Kestrel's sales destinations are dominated by customers in major Asian markets. India was Kestrel's largest sales destination in 9M22 followed by Japan and Korea. Adaro Capital Ltd (48%), a subsidiary of AEI, and EMR Capital Ltd (52%) own 80% of Kestrel.

	Units	3Q22	2Q22	3Q22 vs. 2Q22	3Q21	3Q22 vs. 3Q21	9M22	9M21	9M22 vs. 9M21
Saleable Coal Production	Mt	1.26	1.44	-13%	1.14	10%	4.44	4.00	11%
Coal Sales	Mt	1.22	1.51	-19%	1.24	-1%	4.40	3.91	13%

ADARO SERVICES

PT Saptaindra Sejati (SIS)

In 9M22, SIS overburden removal volume increased 12% to 137.72 Mbcm from 122.59 Mbcm in 9M21. SIS's coal transport to port volume in 9M22 reached 42.89 Mt, a 39% increase from 30.78 Mt in 9M21 driven by higher volume from the Adaro Group, in-line with the group's plan to increase coal production.

In 3Q22, SIS recorded overburden removal volume of 53.17 Mbcm, 26% higher compared to 42.13 Mbcm in 3Q21. SIS's coal transport to port volume in 3Q22 increased 36% to 16.04 Mt from 11.76 Mt in 3Q21. Heavy equipment delivery during 3Q22 and the appointment of PPA as its sub-contractor supported SIS's operations, and SIS is on track to meet its FY22 coal getting target.

	Units	3Q22	2Q22	3Q22 vs. 2Q22	3Q21	3Q22 vs. 3Q21	9M22	9M21	9M22 vs. 9M21
Overburden Removal	M bcm	53.17	44.45	20%	42.13	26%	137.72	122.59	12%
Coal Transport to Port	Mt	16.04	15.24	5%	11.76	36%	42.89	30.78	39%

ADARO LOGISTICS

PT Maritim Barito Perkasa

MBP's coal barging volume in 9M22 increased by 13% to 41.63 Mt from 36.93 Mt in 9M21. Its coal barging volume in 3Q22 reached 15.67 Mt, 27% increase from 12.38 Mt in 3Q21. Adaro Group accounted for all MBP's total coal barging volume in 9M22. In 3Q22 MBP has started providing coal barging service for MIP in South Sumatra and plans to increase its barging volume for MIP going forward. MBP plays a vital role in the Adaro Group's integrated supply chain.

	Units	3Q22	2Q22	3Q22 vs. 2Q22	3Q21	3Q22 vs. 3Q21	9M22	9M21	9M22 vs. 9M21
Coal barging	Mt	15.67	14.74	6%	12.38	27%	41.63	36.93	13%

ADARO POWER

Our power plants reported solid performance in 3Q22. PT Bhimasena Power Indonesia (BPI) reached Commercial Operation Date (COD) by the end of August 2022, in its first month of operation, BPI's availability factor reached 94.86%. PT Makmur Sejahtera Wisesa (MSW) reached actual availability factors (AF) of 99.87% during the quarter, representing an increase of 46.20% from 3Q21.

Aligned with Adaro Power's carbon emission reduction initiatives, MSW has started co-firing of biomass 5 tons or about 2% of coal consumption in October 2022.

In 3Q22, PT Tanjung Power Indonesia (TPI) conducted its annual inspection which lasted for 19 days. Subsequently, TPI's availability factor during 3Q22 stood at 89.19%.

Adaro Power's Solar PV in Kelanis which started electricity production in 1Q22, produced 200.2 MWh in 3Q22, bringing year-to-date September electricity production to 593.1 MWh.

ADARO WATER

Adaro Water continues to focus on business activities that bring added value to the Adaro Group. In water treatment business, our operating water treatment plants maintained their operational and financial performance as forecasted, ready for installation of District Meter Areas (DMA) at our NRW Project in Bandung City, start the construction of Water Treatment Plant 200 litre/second in Bekasi regency, and finalizing Cooperation Agreement for Project in Medan City. In the mine water business, our slurry and dewatering pump operation has performed well and achieved its operational and financial performance.

HEALTH, SAFETY AND ENVIRONMENT (HSE)

In 9M22, we experienced nine lost-time injuries (LTI) throughout Adaro Group's operations. We recorded a lost-time injury frequency rate (LTIFR) of 0.12 and severity rate (SR) of 75.99 in 9M22, lower compared to LTIFR of 0.14 and SR of 236.64 in 9M21. Total man-hours worked in the period was 83,171,437, representing an 8% increase from 76,891,663 in 9M21. Regrettably, we experienced one fatality in September. We have conducted thorough analysis of the accident and

further emphasize the implementation of Adaro Zero Accident Mindset (AZAM) to strengthen the safety culture in Adaro Group.

In July 2022, MSCI reiterated AEI's ESG rating of BBB. MSCI upgraded AEI's rating to BBB in November 2021 citing the significant improvements in our environmental management practices as the key driver.

CORPORATE ACTIVITIES AND AWARD

July 2022

- PT Adaro Energy Indonesia Tbk won the Top Performing Listed Companies 2022 in the Best Listed Companies 2022 Award for the Market Capitalization Above Rp 25 Trillion Category held by Investor Magazine
- PT Adaro Minerals Indonesia Tbk also won the Best IPO 2022 Award from Investor Magazine
- PT Adaro Indonesia was awarded the Platinum Award for the Istana Kalulut Program, under the Sustainability Program category from The Energy and Mining Editor Society.
- Adaro Foundation Chairman and management conducted a site visit to the South Kalimantan Natural Resources Conservation Centre to learn of the progress of proboscis monkey conservation program under the Foundation's collaboration.
- ADRO's HRGA/IT Director attended the Press Conference of the 2022 President's Cup with the General Chairman of The Central Management of PBSI, the Daily Chairman of The PBSI Central Management and representatives of national badminton athletes.
- PT Adaro Indonesia will take part in rehabilitating critical land in the West Java Watershed.

August 2022

- PT Adaro Energy Indonesia Tbk received the Best Public Company Award 2022 from Warta Ekonomi.
- Adaro Group, represented by ADRO's President Director, signed a Memorandum of Understanding to build a Nursery Centre in South Kalimantan. This initiative is to support the government's program for nursery development throughout Indonesia.

Sept 2022

- PT Adaro Indonesia was granted a Special Mining Business License as the Continuation of Contract / Agreement of Work Operation ("IUPK-KOP") by the Minister of Investment / Chairman of the Investment Coordinating Board of the Republic of Indonesia on behalf of the Minister of Energy and Mineral Resources.
- PT Adaro Energy Indonesia Tbk (ADRO) receives 3 awards during the Wealth Creators 2022 Event held by SWA Media
 - Under Indonesia Best Public Companies SWA100 Category:
 - 10th Ranking For Indonesia, The Best Public Companies Based On Wealth Added Index (Overall) 2022
 - 7th Ranking For Asean, The Best Public Companies Based On Wealth Added Index (Overall) 2022
 - 3rd Ranking of Indonesia, the Best Public Companies based on Wealth Added Index 2022 Industry Category: Energy
 - Top 10 Companies as the Largest Dividend Payers

- Top 10 Companies in Net Profit Generator 2022

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