

Press Release

KRAKATAU STEEL SIGNS CSPA WITH CHANDRA ASRI WORTH UP TO IDR3.24 TRILLION (US\$210 MILLION)

Jakarta, 3 January 2023 - PT Krakatau Sarana Infrastruktur ("PT KSI"), a subsidiary of PT Krakatau Steel (Persero) Tbk ("PTKS") has signed a Conditional Shares Sale and Purchase Agreement with PT Chandra Asri Petrochemical Tbk (Chandra Asri) on Friday 30 December 2022, followed by the signing of the Shareholders Agreement (SHA) on Tuesday, 3 January 2023 in Jakarta. Both agreements were signed by the President Director of PT KSI Agus Nizar Vidiansyah and the President Director of Chandra Asri Erwin Ciputra, witnessed by the President Director of PTKS Silmy Karim.

President Director of PT KSI, Agus Nizar Vidiansyah said that the signing of the CSPA and SHA were part of PT KSI's share divestment process in its subsidiaries, namely PT Krakatau Daya Listrik ("PT KDL") and PT Krakatau Tirta Industri ("PT KTI"). In the CSPA, it was agreed that Chandra Asri will purchase 70% of PT KSI's shares in PT KDL and 49% of PT KSI's shares in PT KTI with a total value of IDR3.24 Trillion (or US\$210 million). The divestment process was accompanied by the State Attorney from Deputy Attorney General for Civil and State Administrative Court Affairs (Jamdatun) and independent consultants to ensure that the divestment procedure was in accordance with good corporate governance.

"The purchase of these shares will be carried out after each party, both PT KSI and Chandra Asri, have fulfilled the prerequisite conditions as agreed in the CSPA. Whilst the signing of the SHA is one of several prerequisites that need to be fulfilled in the CSPA, therefore the SHA is not yet effective at this time and will only be effective after all prerequisites have been met, which is on the Closing Date later," explained Agus Nizar Vidiansyah.

Furthermore, Agus Nizar Vidiansyah said that the PT KSI Subsidiary Divestment process was carried out with the purpose of fulfilling PTKS's obligations in accordance with the Credit Restructuring Agreement with Creditors and to realize business synergy between Chandra Asri and PT KS Grup.

President Director of Chandra Asri, Erwin Ciputra, said that Chandra Asri was excited to execute "programmatic M&A" strategy to position Chandra Asri on robust footing towards achieving profitable and sustainable growth.

"This bolt-on acquisition is supported by stable and resilient business cash flows and backed by acquisition financing from our key partner bank. This strategy further enhances our business fundamentals, and unlocks many attractive synergies, by diversifying our revenue towards supporting infrastructure utilities in line with the expansion plans for our second petrochemical complex, and our development of a world-class downstream industry in Indonesia," said Erwin.

Erwin added that he hoped that the cooperation between Chandra Asri and PT KSI Group and PTKS could be better enhanced, and mutually support continuous industrial development in the future.

In addition, PT KDL is currently developing a business from renewable energy that is in line with Chandra Asri's strategy for implementing a green energy transition. PT KDL recently launched a brand that will house a renewable energy product called ERICS (Empowering Renewable Energy of Indonesia with Krakatau Solution) which during 2022 included the launch of Solar Power Plants (PLTS) in several areas in Cilegon, Banten, including in the Kerenceng Reservoir area owned by PT KTI. Chandra Asri is currently also executing a Greenhouse Gas (GHG) Road Map, to support the Nationally Determined Contribution (NDC) and the Long Term Strategy for Low Carbon and Climate Resilience 2050 (Indonesia Vision 2050 LTS- LCCR).

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About Chandra Asri

Chandra Asri Petrochemical is Indonesia's largest integrated petrochemical company producing olefins and polyolefins. With a history of 30 years and over 2000 dedicated staff, the company incorporates state-of-the art technologies and supporting facilities located strategically in the country's petrochemical hub, Cilegon and Serang. As a Growth Partner, Chandra Asri is committed on creating high-value jobs, expanding the domestic petrochemical value chain, and serving the needs of the vibrant and growing Indonesian market. For more information, visit: www.chandra-asri.com.