

Krakatau Steel and Chandra Asri Officially Signed the Deed of Sale and Purchase of Shares upon Transaction Closing

(Jakarta, 27/02) – A subsidiary of PT Krakatau Steel (Persero) Tbk, PT Krakatau Sarana Infrastruktur ("PT KSI"), has officially closed a transaction upon signing the Conditional Shares and Purchase Agreement ("CSPA") with PT Chandra Asri Petrochemical Tbk ("Chandra Asri") through its affiliate on Monday, 27 February 2023. The signing process was executed and attended by the Act. President Director of PT KSI, Anton Firdaus, and the President Director of Chandra Asri, Erwin Ciputra, also witnessed by the President Director of PT Krakatau Steel (Persero) Tbk, Purwono Widodo.

President Director of PT Krakatau Steel (Persero) Tbk Purwono Widodo explained, "With this signing, Chandra Asri becomes the shareholder of the two subsidiaries of PT KSI".

Purwono added that all terms and conditions stated on the CSPA have been fulfilled. Therefore, with this signing of Deed of Sale and Purchase of Shares, 70% shares of PT Krakatau Daya Listrik ("PT KDL") and 49% shares of PT Krakatau Tirta Industri ("PT KTI"), with a total value of Rp 3.24 Trillion, will be officially transferred from PT KSI to Chandra Asri.

Purwono Widodo also commented that post-signing of this Deed of Sale and Purchase, the proceeds will be utilised to cover Tranche B debt, which is planned to be repaid by end of 2023.

With this collaboration, there will be synergies between PT KSI and Chandra Asri which is expected to optimise the water and energy supplies for industrial needs in Cilegon area and the surrounding communities.

President Director of PT. Chandra Asri Petrochemical Tbk, Erwin Ciputra commented, "As a growth partner, we also hope that this synergy will give positive economic impact on stakeholders and improve public services such as providing electricity and clean water for industries in Cilegon area and being able to create employment opportunities along with business development."

Erwin further added that this corporate action is also carried out to optimize utilities as support for the operational, technical and financial processes, especially for the future development of Chandra Asri's second global-scaled petrochemical complex (CAP2).

Erwin explained, "The bolt-on acquisition by Chandra Asri is a strategic step to integrate all infrastructure assets, electricity and water supply, owned by PT KDL and PT KTI in fulfilling the industrial needs in Cilegon and supporting the expansion plan of CAP2."

"We are optimistic that the collaboration between the two companies will have a positive impact and added value to the business development for both parties. In addition, this transaction is a proof of the implementation of Krakatau Steel's commitment to fulfill its obligations in accordance with the restructuring agreement to settle debt payments, so that in the future, Krakatau Steel's business will be more robust and remain consistent in providing its best performance," Purwono concluded.

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