

**INFORMATION DISCLOSURE TO SHAREHOLDERS OF
PT SMARTFREN TELECOM TBK
("Information Disclosure")
Regarding the plan for
Capital Addition with Preemptive Rights ("Rights")**

This Information Disclosure is important for the Shareholders of the Company to be able to form a decision for the upcoming Extraordinary General Meeting of Shareholders ("EGMS") scheduled to be held at 2nd of March 2021 in compliance to the provisions set out in the Regulation of Indonesia's Financial Service Authority (Otoritas Jasa Keuangan/"OJK") No. 32/POJK.04/2015 dated 30 December 2014, regarding Capital Additions of Public Company with Preemptive Rights jo. OJK Regulation No. 14/POJK.04/2019 dated 29 April 2019 regarding Changes on OJK Regulation No. 32/POJK.04/2015 regarding Capital Additions of Public Company with Preemptive Rights ("**POJK on Rights Issue**").

Should you experience difficulties in understanding the information contained in this Information Disclosure or hesitate in forming decision, it is advised for you to seek consultancy with securities trader offices, investment managers, law consultants, public accountant or other professional advisors.



PT Smartfren Telecom Tbk
(the "**Company**")
Domiciled in Central Jakarta, Indonesia

Business Activity:
The Company is Operator of Network and Telecommunication Services

Headquarter:
Jl. H. Agus Salim No. 45
Menteng, Jakarta Pusat - 10340, Indonesia
Tel. (62-21) 5053 8888
Website: www.smartfren.com
Email: corpsec.division@smartfren.com

All the information contained in this Information Disclosure are merely suggestions and abides to the approval from EGMS, effective statement from OJK on the Rights Issue IV registration statement and the Prospectus that will be issued in relation to the capital additions with preemptive rights ("**Rights Issue**").

This Information Disclosure serves as information only and is not intended as an offering document of the securities of the Company in any jurisdiction where such offering or purchase of securities is considered as violation to the prevailing laws and regulation in said countries or jurisdiction outside Indonesia's territory. No parties shall obtain the Rights or new shares except on the basis of the information contained in the Prospectus that will be issued in relation to the capital additions with preemptive rights.

This Information Disclosure is announced on 22 January 2021

I. INFORMATION REGARDING THE CAPITAL ADDITIONS WITH RIGHTS

The Company is planning to conduct the Limited Public Offering IV to the Company's shareholders of up to 7.000.000.000 (seven billion) Series C common shares with a nominal value Rp100 per share ("**Shares from the Exercise of Rights**") by way of issuing the Rights ("**RI IV**"). The Rights issued in RI IV will give the Company's shareholders the right to purchase the Shares from the Exercise of Rights.

In RI IV, the Company will also issue warrant attached to the Shares from the Exercise of Rights, under the provision that the warrant to be issued amounting up to 91.990.000.000 (ninety one billion nine hundred ninety million) warrants or approximately 34.9% of all the issued and paid-up shares at the time the RI IV registration statement is submitted to OJK. The Warrant shall give its holders the rights to subscribe for the Company's shares at a certain price after 6 (six) months since the issuance of such warrant. The shares to be issued by the Company for the exercise of warrants are Series C shares with nominal value Rp100 per share and taken from the Company's shares portfolio ("**Shares from Warrant Exercise**").

The Shares from the Exercise of Rights and Shares from Warrant Exercise (collectively referred to as "**New Shares**") will be taken out from the Company's portfolio and will be listed on PT Bursa Efek Indonesia (the Indonesia Stock Exchange/"**IDX**") in accordance to the prevailing laws and regulations, including the Amendment to Regulation of IDX No. I-A regarding the Listing of Shares and Other Equity Instruments Issued by Listed Companies, Attachment to Decree of Directors of IDX No. Kep-00183/BEI/12-2018 issued on 26th of December 2018. The New Shares shall have equal rights to other shares of the Company issued before RI IV, including rights for dividend.

In compliance to OJK Regulations on Rights Issue, RI IV issuance can proceed after the following:

1. The Company obtains the approval from EGMS concerning RI IV;
2. The Company submits the registration statement of RI IV and its supporting documents to OJK; and
3. Registration statement of RI IV is declared effective by OJK.

The exercise of Rights can only be done in the form of cash using Indonesian Rupiah or its equivalent amount in foreign currencies. If foreign currencies are used, the payment should be made with compliance to the prevailing provisions including the Regulations of Bank Indonesia No. 17/3/PBI/2015 regarding the Obligation to Use Rupiah in the Territory Republic of Indonesia and Circular Letter of Bank Indonesia No. 17/11/DKSP Regarding the Obligation to Use Rupiah in the Territory of Republic of Indonesia, with regards to the Article 8 Number 3 of Indonesian Law No. 25 Year 2007 on Capital Investment, where potential investors are given the rights to transfer funds in foreign currency among others for:

- i. Capital.
- ii. Additional funds required for capital investment funding.

For the avoidance of doubt, the Company reserves the right to offer and issue in part or in whole the maximum amount of shares approved to be issued based on the decision of EGMS. The provisions of RI IV, including final execution price of the Rights Issue and the final amount of New Shares from the Exercise of Rights to be issued, will be disclosed in the Prospectus which will be issued in relation to RI IV, and will be available to the eligible shareholders in timely manner, in accordance to the prevailing laws and regulations.

II. ESTIMATED TIMELINE OF EXECUTION OF CAPITAL ADDITIONS WITH RIGHTS

The Company intends to execute and complete the capital additions with issuing Rights within the period that the Company deems acceptable, in compliance to the provisions of POJK on Rights Issue that the term between the EGMS approval to the effective date of RI IV registration statement shall not exceed 12 (twelve) months.

The Company's EGMS to obtain approval for the execution of RI IV is planned to be held on 2nd of March 2021.

III. OUTLINED ESTIMATION OF USE OF PROCEED

The Company intends to use all the proceed from RI IV, from the exercise of Rights and warrants, after being deducted with issuance costs, for payment of loans and/or for working capital of the Company and/or its subsidiaries.

Final information regarding the use of proceed will be disclosed in the Prospectus which will be issued in relation to RI IV, and will be available to the eligible shareholders of the Company in timely manner, in accordance to the prevailing laws and regulations.

IV. IMPACT OF CAPITAL ADDITIONS TO THE COMPANY'S FINANCIAL CONDITIONS AND TO THE SHAREHOLDERS

IV.1. Impact to the Company's Financial Conditions

The Company estimates that the plan for capital additions with issuance of Rights will positively impact the consolidated financial conditions of the Company and its subsidiaries, among others improving the capital structure and increasing cash for working capital.

IV.2. Impact to Shareholders

In this RI IV, the Company expects the maximum participation from the shareholders to exercise the Rights and warrants that the shareholders will obtain. In the event that the shareholders do not exercise the Rights and warrants obtained, then the shareholders's ownership percentage over the Company's shares will be diluted at most by 37.6%.

V. ADDITIONAL INFORMATION

For more informations related to the plan of capital additions with issuance of Rights as described above, the Company's shareholders can contact the Company's Corporate Secretary during business days and office hours, which is during 08.30 – 17.30 Western Indonesian Time, on the address below:

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Jakarta, 22 January 2021
Directors of the Company