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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Form 20-F

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2021

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report

Commission file number 1-14406

Perusahaan Perseroan (Persero)

PT Telekomunikasi Indonesia Tbk

(Exact name of Registrant as specified in its charter)

Telecommunications Indonesia

(a state-owned public limited liability company)

(Translation of Registrant's name into English)

Republic of Indonesia

(Jurisdiction of incorporation or organization)

Jl. Japati No. 1, Bandung 40133, Indonesia

(Address of principal executive offices)

Investor Relations Unit

Telkom Landmark Tower, Jl. Jend. Gatot Subroto No. 52, 39th Floor, Jakarta 12710, Indonesia

(62) (22) 452-7101

(62) (21) 521-5109

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of Each class	Trading Symbol(s)	Name of each exchange on which registered
American Depositary Share representing 100 Series B Shares, par value 50 Rupiah per share	TLK	New York Stock Exchange
Series B Shares, par value 50 Rupiah per share		New York Stock Exchange*

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the Annual Report:

Series A Dwiwarna Share, par value 50 Rupiah per share	1
Series B Shares, par value 50 Rupiah per share	99,062,216,599

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☑ No ☐

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes **R** No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.:

Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐

Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to the extended transition period for complying with any new or revised financial accounting standard provided pursuant to Section 13(a) of the Exchange Act. ☐

The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

Indicate by checkmark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☐ International Financial Reporting Standards as issued by the International Accounting Standards Board ☑ Other ☐

If "Other" has been checked in response to the previous question, indicate by checkmark which financial statement item the registrant has elected to follow.

Item 17 ☐ Item 18 ☐

If this is an Annual Report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☑

*The Series B Shares were registered in connection with the registration of American Depositary Shares ("ADSs"). The Series B Shares are not listed for trading on the New York Stock Exchange

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DEFINITIONS

3G

The generic term for third generation mobile telecommunications technology. 3G offers high speed connections to cellular phones and other mobile devices, enabling video conference and other applications requiring broadband connectivity to the internet.

3.5G

A grouping of disparate mobile telephony and data technologies designed to provide better performance than 3G systems, as an interim step towards deployment of full 4G/LTE capability.

4G/LTE

A fourth generation super-fast internet network technology based on IP that makes the process of data transfer much faster and more stable.

5G

A fifth generation of cellular mobile communications which targets high data rate, reduced latency, energy saving, cost reduction, higher system capacity and massive device connectivity.

ADRs

American depositary receipts which, if issued, represents our ADSs.

ADSs

Our American depositary shares, certificates traded on the New York Stock Exchange. Each of our ADSs represents 100 shares of common stock.

APMK

Alat Pembayaran Menggunakan Kartu or card-based payment instruments, a payment instrument in the form of credit cards, ATM and/or debit cards.

ARPU

Average Revenue per User, a measure used primarily by telecommunications and networking companies which states how much revenue is generated by the user on average. It is defined as the total revenue from specified services divided by the number of users of such services.

ATM

Automated Teller Machine.

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A2P SMS messaging

Application-to-Person SMS messaging is a process in which an SMS message is produced from an application and is sent to a mobile subscriber. Businesses can use it for communicating with consumers, authenticating users of online services, or delivering time-sensitive alerts. A2P SMS can be used for sending marketing and promotional messages, confirmation and alerts (e.g., appointment reminders, notifications, banking notifications (anti-fraud alerts or withdrawal notifications, for example)), and Two-Factor Authentication (2FA) (one-time passwords (OTPs) or PIN codes).

Typical examples of A2P SMS include banking notifications, critical alerts, SMS-based two factor authentication, automatic booking confirmations, loyalty programs and marketing notifications etc. Online reservation systems, different corporate platforms and support services have deployed A2P SMS to increase efficiency and improve communication. Financial institutions have been using A2P SMS for over 15 years, by delivering automated, event-based SMS notifications to their clients' mobile phones. Examples include anti-fraud alerts, balance statements, payment reminders, withdrawal notifications.

B2B

Business-to-business refers to arrangements and transactions between businesses.

Backbone

The main telecommunications network consisting of transmission and switching facilities connecting several network access nodes. The transmission links between nodes and switching facilities include microwave, submarine cable, satellite, fiber optic and other transmission technology.

Bandwidth

The capacity of a communication link.

Bapepam-LK

Badan Pengawas Pasar Modal dan Lembaga Keuangan or the Indonesian Capital Market and Financial Institution Supervisory Agency, the predecessor to the OJK.

BRAS

Broadband Remote Access Server, a network element that routes Internet Protocol traffic to and from broadband remote access devices through an Internet Access Provider's network to the internet and that facilitates the convergence of multiple internet traffic sources.

Brexit

On June 23, 2016, the UK held a referendum in which a majority of voters voted in favor of the UK leaving the EU, which officially happened on January 31, 2020 (commonly referred to as "Brexit"), following a UK-EU Withdrawal Agreement signed in October 2019.

The UK government and the European Commission announced on December 24, 2020 that they had reached an agreement on a draft EU-UK Trade and Cooperation Agreement ("TCA"). The UK Parliament ratified the UK's entry into, and implementation of, the TCA on December 30, 2020 pursuant to the EU (Future Relationship) Act 2020. The TCA has been agreed by the European Commission and the European Parliament but remains subject to the final approval from the Council of Europe.

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Broadband

A signaling method that includes or handles a relatively wide range (or band) of frequencies.

BTS

Base Transceiver Station, equipment that transmits and receives radio telephony signals to and from other telecommunications systems.

Business process as-a-service

Business process as-a-service is the delivery of business process outsourcing services employing a cloud computing service model built to serve various tenants simultaneously.

BWA

Broadband Wireless Access, a technology that provides high speed wireless internet access or computer networking access over a wide area.

Common stock

Our Series B Shares having a par value of Rp50 per share.

CPaaS

Communications Platform-as-a-Service refers to a cloud-based platform that provides the ability to customers to add real-time communication features to their business applications. SMS, voice or other messaging capabilities are features that can be added to such business applications.

CPE

Customer Premises Equipment, any handset, receiver, set-top box or other equipment used by the consumer of wireless, fixed line or broadband services, which is the property of the network operator and located on the customer's premises.

Customer Facing Unit (or "CFU")

Similar to a strategic business unit, it is an organizational unit that interacts with specific customer segments, with responsibility for their respective profit and loss, and which regroup subsidiaries and business portfolios relevant to the specific business segments they are in charge of interacting with.

DCS

Digital Communication System, a cellular system using GSM technology operating in the 1.8 GHz frequency.

Defined Benefit Pension Plan or DBPP

A type of pension plan in which an employer promises a specified monthly benefit on retirement that is predetermined by a formula based on the employee's earnings history, tenure of service and age, rather than depending on investment returns. It is considered 'defined' in the sense that the formula for computing the retirement benefits is known in advance.

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Defined Contribution Pension Plan or DCPP

A type of retirement plan in which the amount of the employer's annual contribution is specified. Individual accounts are set up for participants and benefits are based on the amounts credited to these accounts (through the employer's contributions and, if applicable, the employee's contributions) plus any investment earnings on the money in the account. Only the employer's contributions to the account are guaranteed, not future benefits. In defined contribution plans, future benefits fluctuate on the basis of investment earnings.

Deposit Agreement

The deposit agreement entered by and among our Company, the Depositary for our ADSs and all owners and beneficial owners, from time to time, of ADRs issued under that agreement, dated November 21, 1995, as amended and supplemented, from time to time.

Depositary

Bank of New York Mellon Corporation which serves as the depositary for our ADSs under the terms of the Deposit Agreement.

DLD

Domestic Long Distance, a long distance call service designed for customers who live in different areas within one country. These areas generally have different area codes.

DTH

Direct-to-Home satellite broadcasting, the distribution of television signals from high-powered geostationary satellites to small dish antennas and satellite receivers in homes across the country.

Dwiwarna Share

The Series A Dwiwarna Share having a par value of Rp50 per share. The Dwiwarna Share is held by the Government and provides special voting rights and veto rights over certain matters related to our corporate governance. For more information, see "Item 7. Major Shareholders and Related Party Transactions — Major Shareholders — Relationship with the Government and Government Agencies."

E-Commerce

Electronic Commerce, the buying and selling of products or services over electronic systems such as the internet and other computer networks.

e-Money

Electronic Money, money or script that is only exchanged electronically.

Earth Station

The antenna and associated equipment used to receive or transmit telecommunications signals via satellite.

EDGE

Enhanced Data rates for GSM Evolution, a digital mobile phone technology that allows improved data transmission rates as a backward-compatible extension of GSM.

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Edutainment

Education and entertainment.

EU

The European Union.

Fiber Optic

Cables using optical fiber and laser technology through which modulating light beams representing data are transmitted through thin filaments of glass.

Fixed Line

Fixed wireline and fixed wireless.

Fixed Wireless

The local wireless transmission link using a cellular, microwave, or radio technology to connect customers at a fixed location to the local telephone exchange.

Fixed Wireline

A fixed wire or cable path linking a subscriber at a fixed location to a local exchange, usually with an individual phone number.

Gateway

A peripheral that bridges a packet based network (IP) and a circuit based network (PSTN).

Gb

Gigabit, a unit of information used, for example, to quantify computer memory or storage capacity.

Gbps

Gigabit per second, the average number of bits, characters, or blocks per unit time passing between equipment in a data transmission system. This is typically measured in multiples of the unit bit per second.

GHz

Gigahertz. The hertz (symbol Hz), is the international standard unit of frequency defined as the number of cycles per second of a periodic phenomenon.

GMS

General Meeting of Shareholders, which may be an annual general meeting of shareholders ("AGMS") or an extraordinary general meeting of shareholders ("EGMS").

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GPON

Gigabyte-Passive Optical Network, the most widely deployed type of passive optical network system that brings fiber optic cabling and signals all or most of the way to end users.

GPRS

General Packet Radio Service, a data packet switching technology that allows information to be sent and received across a mobile network and only utilizes the network when there is data to be sent.

GSM

Global System for Mobile Telecommunication, a European standard for digital cellular telephone.

ICT

Information and communications technology.

IDD

International Direct Dialing, a service that allows a subscriber to make an international call without the assistance or intervention of an operator from any telephone terminal.

IMS

IP multimedia subsystem, a service which combines wireless and fixed line technologies for voice and data communications.

Installed Lines

Complete lines fully built-out to the distribution point and ready to be connected to subscribers.

Interconnection

The physical linking of a carrier's network with equipment or facilities not belonging to that network.

Internet Access Provider

Provider of equipment and telecommunications line access for points of presence on the internet for the geographical area served, to enable individuals and other internet service providers to access the internet.

Internet of Things (or "IoT")

Infrastructure which interconnects physical and virtual things using interoperable information and communication technologies.

Internet Protocol (or "IP")

The method or protocol by which data is sent from one computer to another on the internet.

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IP Core

A block of logic data that is used in making a field-programmable gate array or application-specific integrated circuit for a product.

IPTV

Internet Protocol Television, a system through which television services are delivered using the Internet Protocol suite over a packet-switched network such as the internet, instead of being delivered through traditional terrestrial, satellite signal, and cable television formats.

ISP

Internet Services Provider**,** an organization that provides access to the internet.

Job Creation Law

Law of the Republic of Indonesia No.11 of 2020 on Job Creation, commonly known as the "Omnibus Law."

KPPU

Komisi Pengawasan Persaingan Usaha or Commission for the Supervision of Business Competition.

Leased Line

A dedicated telecommunications transmissions line linking one fixed point to another, rented from an operator for exclusive use.

Mbps

Megabytes per second, a measure of speed for digital signal transmission expressed in millions of bits per second.

Metro Ethernet

Bridge or relationship between locations that are apart geographically, this network connects LAN customers at several different locations.

MHz

Megahertz, a unit of measure of frequency equal to one million cycles per second.

Mobile Broadband

The marketing term for wireless internet access through a portable modem, mobile phone, USB Wireless Modem or other mobile devices.

MoCI

The Ministry of Communication and Informatics of the Republic of Indonesia, to which regulatory responsibility over telecommunications was transferred from the Ministry of Communication and Information in February 2005.

MoF

The Ministry of Finance of the Republic of Indonesia.

MSOE

Kementerian Badan Usaha Milik Negara or the Ministry of State-Owned Enterprises of the Republic of Indonesia.

Network Access Point

A public network exchange facility where ISPs connect with one another in peering arrangements.

Next Generation Network

A packet-based network able to provide multiple services, including telecommunications services, and to make use of multiple broadband and quality-of-service-enabled technologies, in which service-related functions are independent from underlying transport-related technologies. Such a network is able to handle multiple types of traffic (such as voice, data, and multimedia) by encapsulating these into packets, similar to how packets are transmitted over the internet.

OJK

Otoritas Jasa Keuangan or the Indonesian Financial Services Authority, the successor of Bapepam-LK, an independent institution with authority to regulate and supervise financial services activities in the banking sector, capital market sector as well as non-bank financial industry sector.

OTN

Optical Transport Network, a technology for sending various types of data traffic over optical fiber networks based on optical wavelengths that enables more efficient transmission for multi-service traffic by relying on multiplexing capability.

Over The Top (or "OTT")

A generic term commonly used to refer to the delivery of audio, video and other media over the internet without the involvement of a multiple-system operator in the control or distribution of the content.

Payment switching service

A payment switching service is a service that allows members of a particular network to make payments through cards, digital money (for example through the use of digital applications that allow money transfers), and/or fund transfers between different financial institutions. Such payments can be made between members of the same network or between members and non-members.

Pay TV

Pay Television, premium television, or premium channels, subscription-based television services, usually provided by both analog and digital cable and satellite, but also increasingly via digital terrestrial and internet television.

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PKLN Team

Tim Pinjaman Komersial Luar Negeri, or Foreign Commercial Loan Coordinating Team.

Point of presence

An access point, location or facility that connects to and helps other devices establish a connection with the internet, which may consist of a router, switches, servers and other data communication devices. We operate two layers of points of presence, namely main and primary points of presence. A "main point of presence" is the transport backbone that aggregates national traffic. A "primary point of presence" is the aggregate regional transport backbone which has the capability of creating services.

PCEF

Policy and Charging Enforcement Function, provides user traffic handling and quality of service (QoS) at the gateway and responsible for providing service data flow detection and counting, along with online and offline charging interactions. PCRF and PCEF are closely related functional entities, which include policy control decision making and flow based charging control functionalities.

PCRF

Policy and Charging Rules Function, a node which operates in real time in order to determine policy rules in multimedia network. It operates at the core of the network and has access to subscriber databases and other specialized functions, *e.g.* charging system, so that to allocate broadband network resources and manage flow-based charges for subscribers and services.

PSTN

Public Switched Telephone Network, a telephone network operated and maintained by us that provides infrastructure and services for public telecommunication. Originally only an analog system, the PSTN is now almost entirely digital, even though most subscribers are connected via analog circuits. It now includes mobile phones in addition to fixed-line phones.

Radio Frequency Spectrum

The part of the electromagnetic spectrum corresponding to radio frequencies, i.e. frequencies lower than around 300 GHz (or, equivalently, wavelengths longer than about 1 mm).

RIO

Reference Interconnection Offer, a regulatory term covering all facilities, including interconnection tariffs, technical facilities and administrative issues offered by one telecommunications operator to other telecommunications operator for interconnection access.

RMJ

Regional Metro Junction, an inter-city cable network installation service in one region (region/province).

Roaming

A general term referring to the extension of connectivity service in a location that is different from the home location where the service was registered.

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Satellite Transponder

Radio relay equipment embedded in a satellite that receives signals from Earth and amplifies and transmits the signal back to the Earth.

SCCS

Submarine Communications Cable System, a cable laid on the seabed between land-based stations to carry telecommunications signals across the ocean.

SD-WAN

Software-defined Wide Area Network, an approach that uses software to deploy, operate and manage WAN architectures more easily and with increased connectivity.

SIM Card

Subscriber Identity Module, a microchip in a mobile phone that connects it to a particular phone network.

SME

Small and Medium Enterprise.

SMS

Short Messaging Service, a technology allowing the exchange of text messages between mobile phones and between fixed wireless phones.

SOE

State-Owned Enterprise, a Government-owned corporation, state-owned company, state-owned entity, state enterprise, publicly owned corporation, Government business enterprise, or parastatal, a legal entity created by a Government to undertake commercial activities on behalf of a Government owner.

Softswitch

A central device in a telephone network that connects calls from one phone line to another, entirely by means of software running on a computer system. This work was formerly carried out by hardware, with physical switchboards to route the calls.

Switch

A mechanical, electrical or electronic device that opens or closes circuits, completes or breaks an electrical path, or selects paths or circuits, used to route traffic in a telecommunications network.

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TIMES

Telecommunication, Information, Media, Edutainment and Service.

TPE

A normalized way to refer to transponder bandwidth, which means how many transponders would be used if the same total bandwidths used only 36 MHz transponder (1 TPE = 36 MHz).

UK

The United Kingdom.

USO

Universal Service Obligation, the service obligation imposed by the Government on all telecommunications services providers for the purpose of providing public services in Indonesia.

VoIP

Voice over Internet Protocol, a means of sending voice information using the IP.

VPN

Virtual Private Network, a secure private network connection, built on top of publicly-accessible infrastructure, such as the internet or the public telephone network. VPNs typically employ some combination of encryption, digital certificates, strong user authentication and access control to secure the traffic they carry. VPNs provide connectivity to many machines behind a gateway or firewall.

VSAT

Very Small Aperture Terminal, a relatively small antenna, typically 1.5 to 3.0 meters in diameter, placed in the user's premises and used for two-way communications by satellite.

WAN

Wide Area Network, a collection of local-area networks (LANs) or other networks that communicate with one another.

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CERTAIN DEFINITIONS, CONVENTIONS AND GENERAL INFORMATION

Unless the context otherwise requires, the terms "Company," "Telkom," "Group," "Telkom Group," "we," "us," and "our" refers to Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia Tbk and its subsidiaries. "Indonesia" refers to the Republic of Indonesia. "Government", except if stated otherwise, refers to the Government of the Republic of Indonesia. "United States," "U.S." or "US" refers to the United States of America. "United Kingdom" or the "UK" refers to the United Kingdom of Great Britain and Northern Ireland. "HK$" refers to the Hong Kong Dollar, the lawful currency of Hong Kong. "MYR" refers to the Malaysian Ringgit, the lawful currency of Malaysia. "Rupiah," "Indonesian Rupiah" or "Rp" refers to the lawful currency of Indonesia. "SG$" refers to the Singapore Dollar, the lawful currency of Singapore. "U.S. Dollar" or "US$" refers to the lawful currency of the United States. "TW$" refers to the Taiwan Dollar, the lawful currency of Taiwan.

Our audited consolidated financial statements as of December 31, 2020 and 2021 and for the years ended December 31, 2019, 2020 and 2021 included in this Form 20-F (the "Consolidated Financial Statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Solely for the convenience of the reader, certain Indonesian Rupiah amounts have been converted into U.S. Dollars at specified rates. Unless otherwise indicated, the U.S. Dollar equivalent information for amounts in Indonesian Rupiah are converted at the Reuters Rate for December 31, 2021 at 04.00 PM Jakarta time, which was Rp14,252.5 to US$1.00. The exchange rate of Indonesian Rupiah for U.S. Dollar on December 31, 2021 was Rp14,269 to US$1.00 based on the middle exchange which is calculated based on the Bank Indonesia buying and selling rate. The Federal Reserve Bank of New York does not certify for customs purposes a noon buying rate for cable transfers in Indonesian Rupiah. No representation is made that the Indonesian Rupiah or U.S. Dollar amounts shown herein could have been or could be converted into U.S. Dollars or Indonesian Rupiah, as the case may be, at any particular rate or at all. See "Item 3. Key Information — Selected Financial Data — Exchange Controls" for further information regarding rates of exchange between the Indonesian Rupiah and the U.S. Dollar.

Certain numerical figures set out herein, including financial data, have been subject to rounding adjustments and, as a result, the totals of the data disclosed herein may vary slightly from the actual arithmetic totals of such information. Percentages and amounts reflecting changes over time periods relating to financial and other data under "Item 5. — Operating and Financial Review and Prospects" are calculated using the rounded numerical data in the narrative description under "Item 5. — Operating and Financial Review and Prospects" and not the numerical data in our Consolidated Financial Statements.

FORWARD-LOOKING STATEMENTS

This Form 20-F contains "forward-looking statements" as defined in Section 27A of the U.S. Securities Act of 1933, as amended ("Securities Act") and Section 21E of the U.S. Securities Exchange Act of 1934, as amended ("Exchange Act"), within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our current expectations and projections for our future operating performance, business prospects and events. The words "may," "will," "believe," "expect," "anticipate," "aim," "seek," "intend," "plan," "likely to," "potential," "estimate," "project," "continue" and similar words or expressions identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections of future events that we believe may affect our financial condition, results of operations, business strategy and financial needs.

These forward-looking statements include, but are not limited to, statements about:

- our goals and strategy;
- our expectations regarding demand for our products and services;
- growth of the telecommunications sector in Indonesia and of the Indonesian economy in general;

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- our prospects, projects, results of operations and financial condition;
- trends and competition in the telecommunications industry in Indonesia;
- expected technological trends and changes in our industry;
- relevant government policies and regulations governing our business and industry;
- general economic and business conditions in Indonesia and the countries where we carry out our business;
- impact of the COVID-19 pandemic; and
- assumptions underlying or related to any of the foregoing.

In addition, all statements other than statements of historical facts included in this Form 20-F are forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements herein are reasonable, we can give no assurance that such expectations will prove to be correct. These forward-looking statements are subject to a number of risks and uncertainties, including changes in the economic, social and political environments in Indonesia. This Form 20-F discloses, under "Item 3. Key Information — Risk Factors" and elsewhere, important factors that could cause actual results to differ materially from our expectations.

The forward-looking statements made in this Form 20-F relate only to events or information as of the date on which the statements are made herein. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. You should read this Form 20-F and the documents that we refer to herein completely and with the understanding that our actual future results may be materially different from what we expect.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

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ITEM 3. KEY INFORMATION

A. SELECTED FINANCIAL DATA

The following tables present our selected consolidated financial information and operating statistics as of the dates and for each of the periods indicated. The selected financial information as of and for the years ended December 31, 2017, 2018, 2019, 2020, and 2021 presented below is based upon our Consolidated Financial Statements prepared in conformity with IFRS as issued by the IASB. The selected financial information as of and for the years ended December 31, 2017, 2018, 2019, 2020, and 2021 should be read in conjunction with and is qualified in its entirety by reference to, our Consolidated Financial Statements, including the notes thereto, and the other information included elsewhere in this Form 20-F and in our previous Form 20-F filed with the SEC on April 30, 2021.

The Public Accountant Firm ("KAP") Purwantono, Sungkoro & Surja (formerly Purwantono, Suherman & Surja) (a member firm of Ernst & Young Global Limited) ("Purwantono, Sungkoro & Surja") audited our Consolidated Financial Statements, prepared as of and for the years ended December 31, 2017, 2018, 2019, 2020, and 2021.

KEY CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME DATA

IFRS

	Years Ended December 31,					
	2017	2018	2019	2020	2021	
	(Rp billion)	(Rp billion)	(Rp billion)	(Rp billion)	(Rp billion)	(US$ million)
	except for per share and per ADS amount					
Revenues	128,256	130,788	135,557	136,447	143,210	10,048
Expenses[1]	84,293	92,202	92,901	93,498	95,635	6,709
Operating Profit	43,902	38,533	43,994	43,958	47,653	3,344
Profit before Income Tax	42,628	36,077	38,299	39,147	43,739	3,070
Net Income Tax Expense	(9,958)	(9,366)	(10,439)	(9,257)	(9,640)	(677)
Profit for the Year	32,670	26,711	27,860	29,890	34,099	2,393
Attributable to owners of the parent company	22,120	17,802	19,068	21,052	24,877	1,746
Attributable to non-controlling interests	10,550	8,909	8,792	8,838	9,222	647
Other Comprehensive Income (Losses) - Net	(2,332)	4,954	(2,189)	(3,581)	1,980	138
Total Comprehensive Income for the Year	30,338	31,665	25,671	26,309	36,079	2,531
Attributable to owners of the parent company	19,927	22,631	17,029	17,840	26,884	1,886
Attributable to non-controlling interests	10,411	9,034	8,642	8,469	9,195	645
Weighted average number of shares outstanding (in millions after stock split)	99,062	99,062	99,062	99,062	99,062	—
Basic and Diluted Earnings per Share (in full amount)						
Profit per share[2]	223.30	179.71	192.49	212.51	251.13	0.02
Profit per ADS (100 series B shares per ADS)	22,329.40	17,970.52	19,248.51	21,251.29	25,112.50	1.76
Dividend relating to the period (accrual basis, in full amount)						
Dividends declared per share	167.66	163.82	154.07	168.01	—	—
Dividends declared per ADS	16,766	16,382	15,407	16,801	—	—
Dividend paid in the period (cash basis, in full amount)[3]						
Dividends declared per share	136.75	167.66	163.82	154.07	168.01	0.01
Dividends declared per ADS	13,675	16,766	16,382	15,407	16,801	1.18

Notes:

(1) Expenses are calculated as the sum of the following expenses: operation, maintenance, and telecommunications services, depreciation and amortization, personnel, general and administrative, interconnection, marketing, unrealized gain on changes in fair value of investments, other income - net, gain (losses) on foreign exchange - net, share of loss of long-term investment in associates, and impairment of long-term investment in associates.

(2) Using Indonesian Financial Accounting Standards ("IFAS") results, our profit for the year attributable to owners of the parent company was Rp22,145 billion, Rp18,032 billion, Rp18,663 billion, Rp20,804 billion and Rp24,760 billion for 2017, 2018, 2019, 2020 and 2021, and our net income per share would be Rp223.55, Rp182.03, Rp188.4, Rp210.01 and Rp249.94 for 2017, 2018, 2019, 2020 and 2021. We distribute dividends based on profit attributable to owners of the parent company and net income per share determined in reliance on IFAS.

(3) In 2017, we paid a cash dividend for 2016 of Rp136.75 per share. In 2018, we paid a cash dividend for 2017 of Rp167.66 per share. In 2019, we paid a cash dividend for 2018 of Rp163.82 per share. In 2020, we paid a cash dividend for 2019 of Rp154.07 per share. In 2021, we paid a cash dividend for 2020 of Rp168.01 per share.

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KEY CONSOLIDATED STATEMENTS OF FINANCIAL POSITION DATA

IFRS

	As of December 31,					
	2017	2018	2019	2020	2021	
	(Rp billion)	(Rp billion)	(Rp billion)	(Rp billion)	(Rp billion)	(US$ million)
	except for per share and per ADS amount					
Cash and cash equivalents	25,145	17,435	18,241	20,589	38,311	2,688
Trade and other receivables	9,564	9,928	11,272	11,554	8,705	611
Prepaid other taxes	2,833	3,325	3,251	2,945	2,537	178
Other current assets	7,183	7,280	5,541	6,547	6,362	446
Total Current Assets	**47,561**	**42,843**	**40,917**	**46,529**	**61,288**	**4,300**
Property and equipment	129,872	142,912	153,174	159,123	163,205	11,451
Right-of-use assets	—	—	20,893	19,104	19,253	1,351
Intangible assets	3,530	5,032	6,446	6,846	7,506	527
Deferred tax assets - net	2,804	2,477	2,779	3,743	3,824	268
Total Non-Current Assets	**150,624**	**163,057**	**194,140**	**199,344**	**214,870**	**15,077**
Total Assets	**198,185**	**205,900**	**235,057**	**245,873**	**276,158**	**19,377**
Trade and other payables	15,791	15,214	14,324	17,577	17,779	1,247
Current income tax liabilities	801	404	1,545	1,291	1,609	113
Accrued expenses	12,630	12,769	12,761	14,265	15,885	1,115
Contract liabilities	5,427	5,252	7,430	7,832	6,795	477
Short-term bank loans and current maturities of long-term borrowings	6,704	9,532	17,451	19,284	16,372	1,149
Current maturities of lease liabilities	794	807	4,663	4,805	5,525	388
Total Current Liabilities	**45,376**	**46,322**	**61,349**	**68,500**	**68,695**	**4,820**
Deferred tax liabilities - net	933	1,197	1,204	607	858	60
Pension benefits and other post-employment benefit obligations	10,195	5,555	8,078	12,976	11,563	811
Long-term loans and other borrowings	24,964	31,405	32,289	30,561	36,319	2,548
Lease liabilities	3,010	2,338	12,554	10,072	10,363	727
Total Non-Current Liabilities	**40,978**	**42,572**	**56,484**	**56,859**	**62,291**	**4,369**
Total Liabilities	**86,354**	**88,894**	**117,833**	**125,359**	**130,986**	**9,189**
Capital stock(1)	5,040	4,953	4,953	4,953	4,953	348
Net equity attributable to owners of the parent company	92,467	98,739	99,796	102,374	121,631	8,536
Non-controlling interests	19,364	18,267	17,428	18,140	23,541	1,652
Total Equity	**111,831**	**117,006**	**117,224**	**120,514**	**145,172**	**10,188**
Total Liabilities and Equity	**198,185**	**205,900**	**235,057**	**245,873**	**276,158**	**19,377**
Net Debt	10,327	26,647	48,716	44,113	30,268	2,124
Net Working Capital	2,185	(3,479)	(20,432)	(21,971)	(7,407)	(520)
Issued and fully paid shares (in shares)	100,799,996,400	99,062,216,600	99,062,216,600	99,062,216,600	99,062,216,600	—

Note:
(1) As of December 31, 2021, our issued and fully paid-up capital consisted of one Dwiwarna Share and 99,062,216,599 shares of common stock and our authorized capital stock consisted of one Dwiwarna Share and 399,999,999,999 shares of common stock.

Exchange Controls

The Consolidated Financial Statements are stated in Indonesian Rupiah. The conversion of Indonesian Rupiah amounts into U.S. Dollars are included solely for the convenience of the readers and have been made using the average of the market bid and offer rates of Rp14,252.50 to US$1.00 published by Reuters on December 31, 2021.

On March 31, 2022, the Reuters bid and offer rates were Rp14,369.88 to US$1.00 and Rp14,371.95 to US$1.00, respectively.

Foreign Exchange Controls

Indonesia has limited foreign exchange controls. The Indonesian Rupiah has been, and in general is, freely convertible. A number of regulations, however, have an impact on the exchange system. For example, only banks are authorized to deal in foreign exchange and execute exchange transactions related to the import and export of goods. In addition, Indonesian banks (including branches of foreign banks in Indonesia) are required to report to Bank Indonesia any fund transfers exceeding US$10,000.

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Following the disbanding of the PKLN Team in accordance with Presidential Regulation No.82 of 2020, we are no longer required to obtain the PKLN Team's approval to enter foreign commercial loans. Based on Presidential Regulation No.59 of 1972, however, we are still required to obtain an approval from the MoF prior to entering foreign commercial loans. We are also required to submit periodic reports to MoF during the term of such foreign commercial loans. Following the disbanding of the PKLN Team and pending the issuance of the relevant implementing regulations, there is uncertainty as to the MoF's approval process and how periodic reports on foreign commercial loans will be handled.

B. CAPITALIZATION AND INDEBTEDNESS

Not applicable.

C. REASON FOR THE OFFER AND USE OF PROCEEDS

Not applicable.

D. RISK FACTORS

An investment in our ADSs or shares involves risks. You should carefully consider the risks described below, as well as the other information included or incorporated by reference in this Form 20-F, before making an investment decision. Our business, financial condition or results of operations could be materially adversely affected by any of these risks. The market or trading price of our ADSs could decline due to any of these risks, and you may lose all or part of your investment. In addition, the risks discussed below also include forward-looking statements and our actual results may differ substantially from those discussed in these forward-looking statements. You should also review the section of this Form 20-F captioned "Item 5. Operating and Financial Review and Prospects—G. Safe Harbor on Forward-Looking Statements." Please note that additional risks not presently known to us, that we currently deem immaterial or that we have not anticipated may also impair our business and operations.

Risks Factor Summary

Risks Related to Our Business

Operational Risks

- A material failure in the continuing operations of our network, certain key systems, gateways to our network or the networks of other network operators could adversely affect our business, financial condition, results of operations and prospects.
- We may, in the future, be required to share our network infrastructure and capacity with our competitors.
- The ongoing global 2019 novel coronavirus and its variants ("COVID-19") pandemic and the economic disruption caused by various measures to reduce its spread have had and may continue to have adverse consequences of uncertain magnitude and duration on our operations.
- Our networks face both potential physical and cyber security threats, such as theft, vandalism and acts intended to disrupt our operations, which could adversely affect our operating results.
- We face a number of risks relating to our internet-related services.
- A revenue leakage might occur due to internal weaknesses or external factors and if this risk were to materialize, it could have an adverse effect on our operating results.
- New technologies may adversely affect our ability to remain competitive.
- Expected benefits from investment in new networks and technologies may not be realized.

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- Our satellites have limited operational life and they may be damaged or destroyed during in-orbit operation or suffer launch delays or failures. The loss or reduced performance of a satellite, whether caused by equipment failure or its license being revoked, may adversely affect our financial condition, results of operations and ability to provide certain services.

Risks Related to our Fixed and Cellular Telecommunications Business

- Competition from existing cellular service providers may adversely affect our cellular services business.

- We may further lose wireline telephone subscribers and revenues derived from our wireline voice services may continue to decline, which may materially adversely affect our results of operations, financial condition and prospects.

- Our data and internet services are facing increasing competition, and we may experience declining margins and/or market share from such services as such competition intensifies.

- Cellular network congestion and limited spectrum availability could limit our cellular subscriber growth and cause reductions in our cellular service quality.

- Continuing growth in and the converging nature of wireless and broadband services will require us to deploy increasing amounts of capital and require ongoing access to spectrum in order to provide attractive services to customers.

- Our continued investments in the construction of our infrastructure network may not adequately address the issues resulting from the substantial increases in data traffic or otherwise achieve the desired economic returns.

- We are subject to the control of the Government.

Financial Risks

- We are exposed to interest rate risk and risks inherent to potential changes in relevant benchmarks and indices, including changes to the administration of certain benchmarks or their future discontinuation, such as the potential phasing out of LIBOR after 2021.

- We may be unable to fund the capital expenditures needed for us to remain competitive in the telecommunications industry in Indonesia.

Legal and Compliance Risks

- If we are found liable for anti-competitive practices, we may be subjected to substantial liability which could have an adverse effect on our reputation, business, financial condition, results of operations and prospects.

Regulatory Risks

- We operate in a legal and regulatory environment that is undergoing significant change. These changes may result in increased competition, which may result in reduced margins and operating revenue, among other things. These changes may also directly reduce our margins or reduce the costs of our competitors. These adverse changes resulting from regulation may have a material adverse effect on us.

- Enactment of the Job Creation Law and its implementing regulations.

- Regulatory changes may adversely affect our business and results of operations.

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- Applicable regulations on tariffs and their implementation as supervised by the MoCI may affect our revenues and earnings.

- Regulations for the configuration of BTS towers may delay the installation of new BTS towers or changes in the placement of existing towers, and may erode our leadership position by requiring us to share our towers with our competitors.

- We may experience local community opposition to some of our tower sites.

- We are subject to numerous non-tax state revenue payments and a Universal Service Obligation Contribution ("USO Contribution").

- The interpretation and application of the anticipated enactment of a new consumer data protection regulation are uncertain and may adversely affect our business, financial condition, results of operations and prospects.

- Our electronic money business activity is highly regulated.

Risks Related to Development of New Businesses and Acquisitions

- We may not succeed in our efforts to develop new businesses.

- Our acquisition activities expose us to various risks.

Risks Related to our Corporate Structure

- We are dependent on our subsidiary, Telkomsel, a cellular telecommunications services and cellular telecommunications networks company.

- Our controlling shareholder's interest may differ from those of our other shareholders.

- Our Articles of Association contain certain anti-takeover provisions that could adversely affect the rights of holders of our ordinary shares and ADSs.

Risks Related to Indonesia

Political and Social Risks

- Current political and social events in Indonesia may adversely affect our business.

- Terrorist activities in Indonesia could destabilize Indonesia, which would adversely affect our business, financial condition and results of operations, and the market price of our securities.

Macro-Economic Risks

- Negative changes in global, regional or Indonesian economic activity could adversely affect our business.

- Fluctuations in the value of the Indonesian Rupiah may materially and adversely affect us.

- Downgrades of credit ratings of the Government or Indonesian companies could adversely affect our business.

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Risks relating to Natural Disasters

- Indonesia is vulnerable to natural disasters and events beyond our control, which could adversely affect our business and operating results.
- We may be affected by uncertainty in the balance of power between local governments and the central government in Indonesia.

Risks related to our ADSs

- The trading price of our ADSs may be volatile, which could result in substantial losses to you.
- If securities or industry analysts do not publish research reports about us or our business, or if they adversely change their recommendations regarding our ADSs, the market price for our ADSs and trading volume could decline.
- The different characteristics of the capital markets in Indonesia and the U.S. may negatively affect the trading prices of our ADSs and shares.
- Our financial results are reported to the OJK in conformity with IFAS, which differs in certain respects from IFRS, and we distribute dividends based on profit for the year attributable to owners of the parent company and net income per share determined in reliance on IFAS.
- As a foreign private issuer in the U.S., we are permitted to, and we have relied and will rely on exemptions from certain NYSE corporate governance standards applicable to domestic U.S. issuers. This may afford less protection to holders of our ADSs.
- As a foreign private issuer in the U.S., we are exempt from certain disclosure requirements under the Exchange Act, which may afford less protection to holders of our ADSs than they would enjoy if we were a domestic U.S. company.
- The voting rights of holders of our ADSs are limited by the terms of the Deposit Agreement.
- Holders of our ADSs may be subject to limitations on transfer of their ADSs.
- Holders of our ADSs may not receive distributions on our ordinary shares or any value for them if it is illegal or impractical to make them available to them.
- Holders of our ADSs may experience dilution of their holdings due to their inability to participate in rights offerings.
- The time required for the exchange between ADSs and shares might be longer than expected and investors might not be able to settle or effect any sale of their securities during this period.
- We are established in Indonesia and it may not be possible for investors to effect service of process or enforce judgments, on us, our Commissioners, Directors or officers within the United States, or to enforce judgments of a foreign court against us or any of these persons in Indonesia.

Risks Related to Our Business

Operational Risks

A material failure in the continuing operations of our network, certain key systems, gateways to our network or the networks of other network operators could adversely affect our business, financial condition, results of operations and prospects

We depend to a significant degree on the uninterrupted operation of our network to provide our services. For example, we depend on access to our fixed wireline network for the operation of our fixed line network and the termination and origination of cellular telephone calls to and from fixed line telephones, and a significant portion of our cellular and international long distance call traffic is routed through the PSTN. We also depend on access to an internet and broadband network and a cellular network. Our integrated network includes a copper access network, fiber optic access network, BTSs, switching equipment, optical and radio transmission equipment, an IP Core network, satellites, and application servers.

In addition, we also rely on interconnection to the networks of other telecommunications operators to carry calls and data from our subscribers to the subscribers of operators both within Indonesia and overseas. We also depend on certain technologically sophisticated management information systems and other systems, such as our customer billing system, to enable us to conduct our operations. Our network, including our information systems, IT and infrastructure and the networks of other operators with whom our subscribers are interconnected, are vulnerable to damage or interruptions in operation from a variety of sources including earthquake, fire, flood, power loss, equipment failure, network software flaws, transmission cable disruption or similar events. For example, in 2018 and 2019, a number of submarine cables that we rely on to provide services across the Indonesian archipelago were damaged mostly as a result of earthquakes. In 2020, a few submarine cables were damaged due to shunt faults (*i.e.*, existence of a current leakage path between the power conductor and seawater without a break in the power conductor) and cuts. As a result, services in east Indonesia faced slowdowns and disruptions as we had to redirect affected traffic through satellites until the submarine cables could be restored. One of our buildings in Pekanbaru suffered fire damage in August 2020 and certain of our infrastructures and equipment were damaged by flood in Jakarta, Sulawesi and Kalimantan in 2020, without any such damages causing material interruption to our operations. In 2021, a flood in Kalimantan Selatan area, Seroja and cyclone in Nusa Tenggara Timor area damaged our Telkom-Cloud infrastructure, and some submarine cables were cut in SMPCS (Sorong-Jayapura), IGG (BU2-BU3), Jasuka (Batam-Pontianak). As a result, services in east Indonesia were disrupted as we had to redirect affected traffic through satellites until the submarine cables could be restored.

Although we have implemented a business continuity plan and a disaster recovery plan, which we test regularly, we cannot guarantee that the implementation of such plans will be completely or partially successful should any portion of our network be severely damaged or interrupted. Any failure that results in an interruption of our operations or of the provision of any service, whether from operational disruption, natural disaster or otherwise, could adversely affect our business, financial condition, results of operations and prospects.

We may be required to share our network infrastructure and capacity with our competitors

Under the Job Creation Law and Government Regulation No. 46 of 2021 on Post, Telecommunication and Broadcasting ("GR No.46/2021"), telecommunication service providers with passive telecommunication infrastructure (*e.g.*, ducts, towers, poles, or communication manholes, among others) has to give access to its passive telecommunication infrastructure to other telecommunication providers. GR No.46/2021 states that such use of passive telecommunication infrastructure must be based on cooperation and mutual agreement between the parties involved in a fair, reasonable and non-discriminative manner.

Further, a telecommunication service provider with active telecommunication and/or broadcasting infrastructure may give access to such active infrastructure to other telecommunication provider as agreed mutually and in furtherance of fair business competition. This may be achieved by leasing of network capacity to other telecommunication providers.

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It remains to be seen how these new provisions will affect our business and our relations with other telecommunication players in Indonesia. We cannot assure you that the Government will adopt final terms which we will consider to be commercially reasonable. For example, we cannot assure you that any subsequent or implementing regulations will allow us to charge competitors who lease our network capacity fees at rates which we will consider to be commercially acceptable. If such regulations were to be implemented, it could have a material adverse effect on our revenue, financial condition, results of operations and prospects.

The ongoing global 2019 novel coronavirus and its variants ("COVID-19") pandemic and the economic disruption caused by various measures to reduce its spread have had and may continue to have adverse consequences of uncertain magnitude and duration on our operations

COVID-19 was declared by the World Health Organization (“WHO”) as a pandemic on March 11, 2020 and has since spread globally. In January 2022 World Economic Outlook Update, the International Monetary Fund (“IMF”) stated that the global economy contracted by 3.1% in 2020, which is more severe than that observed during the “Global Financial Crisis” in 2008-2009. While the global economies grew at a faster pace than expected in 2021, the expected rate of growth has had to be adjusted to reflect the effect of COVID-19 variants such as the Delta variant ("Delta variant") and Omicron variant ("Omicron variant"). The IMF projected that the global economy will grow 4.4% in 2022, though noting that the global economy enters in a weaker position than previously expected, due to, among other things, the reintroduction of mobility restrictions as a result of the Omicron variant and supply chain disruptions which have continued to affect not only supply but causing greater broad-based inflation than anticipated.

Various measures have been implemented to contain the outbreak in certain regions and countries, resulting in extensive government-imposed restrictions and containment measures, including restrictions on domestic and international travel, restrictions on public gatherings, social distancing, office and school closures, and local or general "stay at home" or quarantine orders. Such measures have resulted in a period of business disruptions, including prolonged disruptions to manufacturing and global supply chains as well as restrictions on business activities and the movement of people comprising a significant portion of the world’s population, and a decrease in economic activities in several countries, including Indonesia. In response to the COVID-19 outbreak (including the Delta variant, Omicron variant and other variants) or other epidemics or outbreak of infectious diseases, similar or more stringent measures could be taken that may further worsen the Indonesian economy and the global economy.

In Indonesia, President Joko Widodo declared a public health emergency by virtue of Presidential Decree No. 11 of 2020 and issued Government Regulation No. 21/2020 on large-scale social distancing on March 31, 2020, and further issued Presidential Decree No. 12/2020 on April 13, 2020, declaring the COVID-19 pandemic as a national disaster. The Government implemented various protective measures, including the large-scale social restriction (Pembatasan Sosial Berskala Besar) through the Minister of Health Regulation No. 9 of 2020 on the Large-Scale Social Restriction Guidelines for the Acceleration of COVID-19 Handling. The scope of restrictions includes closing of certain schools and workplaces, restrictions on religious activities, social-cultural activities and activities in public places or facilities. The Government also imposed temporary travel restrictions in certain regions during the large-scale social restriction period. In Jakarta, the local government enacted the DKI Jakarta Province Regional Regulation No. 2 of 2020 on COVID-19 Mitigation, which regulates the technical provision on the large-scale social restriction, including the fines for any violations of the large-scale social restriction. Meanwhile, in Surabaya, on April 24, 2020, the Mayor of Surabaya issued his Regulation No. 16 of 2020 on the Guidelines to Large-Scale Social Restrictions for COVID-19 Handling in Surabaya City as amended by Mayor of Surabaya Regulation No. 19 of 2020 to implement various measures in an effort to curb the spread of the COVID-19 pandemic. As an effort to further implement various protective measures, the Minister of Home Affairs are instructing the local governments (including cities and regencies) in, among others, DKI Jakarta, West Java, Banten, Central Java, Yogyakarta, East Java, and Bali, to implement strict micro-scale activity restrictions Level 4 (Pembatasan Kegiatan Masyarakat Level 4 – “Level 4 PPKM”) which will be implemented, reviewed and extended as needed on a local level based on the spread of COVID-19 in the region during a particular period. The continuation of such restrictions may result in a material adverse effect on our results of operations.

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If the current COVID-19 outbreak (including the Delta variant, Omicron variant and other variants) or other epidemics or outbreaks of infectious diseases were to develop and persist, customers may delay, suspend, or decrease orders for our products and services, and demand for certain of our products and services may decrease. Our distribution network and retail outlets may also experience significant disruption due to physical distancing measures and other containment measures. Our ability to provide services to our clients that require our teams to access their homes or offices may also be negatively impacted. For example, our technician's ability to access customers' premises may affect our customer service levels which may adversely affect customer satisfaction. Such disruptions occurred in the years ended December 31, 2020, and 2021 though as we adapted to the new environment, in 2021, they did not significantly affect our operations, business and results of operations. Regardless of enhanced hygiene and precautionary measures to safeguard the safety and health of our employees and customers, we could be subject to labor shortages or suspension of work if certain of our personnel, in Indonesia or elsewhere, were to become infected with the disease or restrictions and containment measures described above were to affect their ability to reach our offices and outlets. Our operations may also be significantly and adversely affected if government-imposed restrictions or other containment measures require us to suspend our operations, partially or entirely. Finally, the negative impact of the outbreak on the global economy may increase counterparty risks or increase difficulties in collecting fees, which may negatively impact our cash flows, delay certain of our projects, and reduce our ability to access capital or increase financing costs.

When the COVID-19 pandemic emerged in early 2020, almost all industries including the telecommunications industry were negatively affected. This was mainly caused by a decline of purchasing power, especially for the lower-middle class. The economic difficulties caused by COVID-19 and its variants has required us to bolster our allowance for doubtful accounts as some our customers are unable to pay amount that they owe us.

There is still substantial medical uncertainty regarding the COVID-19 pandemic, and policies surrounding vaccines are still subject to ongoing discussions and considerations in Indonesia and various parts of the world. Countries worldwide have experienced an increased number of new patients infected by COVID-19 and its variants, and the COVID-19 outbreak and various measures to contain the COVID-19 pandemic have had a significant impact on national economies and globally. Although certain economies have experienced a recovery, in particular, where vaccination programs have been implemented, any similar or more stringent measures may further worsen national economies and the global economy. In addition, there have been numerous recent reports of mutations in the virus observed in various countries, and there is no assurance that the vaccinations developed and used will be effective in protecting against different strains of the virus as has been observed with the Delta variant and Omicron variant. As at the date hereof, the COVID-19 pandemic is having an adverse impact on the global economy, the severity and duration of which is difficult to predict. There is no assurance that the outbreak of COVID-19 in Indonesia or elsewhere can be effectively controlled, or that another disease outbreak will not happen in the future. Whereas we are closely monitoring the current situation and potential developments, there is still uncertainty as to the full extent of the above-described potential delays and disruptions on our business, operations, prospects and results of operations.

Our networks face both potential physical and cyber security threats, such as theft, vandalism and acts intended to disrupt our operations, which could adversely affect our operating results

Our networks and equipment, particularly our wireline access network, face both potential physical and cyber security threats. Physical threats include theft and vandalism of our equipment and organized attacks against key infrastructure intended to disrupt operations. In addition, telecommunications companies worldwide face increasing cyber security threats as businesses become increasingly dependent on telecommunications and computer networks, and adopt cloud technologies. Cyber security threats include gaining unauthorized access to our systems or inserting computer viruses or malicious software in our systems to misappropriate consumer data and other sensitive information, corrupt our data or disrupt our operations. Unauthorized access may also be gained through traditional means such as the theft of computers, portable data devices or mobile phones and intelligence gathering on employees with access to our systems.

Although we have not experienced any material successful cyberattacks to date that have affected our operations, our network and website are frequently targeted by cyberattacks. For example, in October 2018, PT Telkom Satelit Indonesia's ("Telkomsat") corporate website was defaced. The content on the homepage was altered, which left customers unable to access the site for part of one day, before the site was restored. In 2021, as our employees continued to work from home due to the COVID-19 pandemic, we detected 53.9 million an unprecedented level of cyber threats to our servers. Almost all of those threats were non-disruptive and only 14 of them raised to the level of issues we needed to specifically address, which we did successfully and promptly. In addition, we cannot guarantee that safety procedures we have in place and our intrusion detection systems may always prove efficient against illegal access to our internal data and databases, customers', suppliers and other parties' data hosted on our systems. If we are unable to prevent such attacks or successfully detect such intrusions in a timely manner or at all, such data could be misappropriated and illegally used or disseminated. While none of these cyberattacks have caused significant losses to date, a successful cyberattack may lead us to incur substantial costs to repair damage or restore data, implement substantial organizational changes and training to prevent future similar attacks and lost revenues and litigation costs due to misused sensitive information, liabilities for information loss, breach of confidentiality of private information, and cause substantial reputational damage. Cyberattacks may also cause equipment failures, loss of information, including sensitive information or information stored in our customers' computer systems and mobile phone systems, failure or perceived failure to comply with applicable privacy, security or data protection laws, as well as disruption to our operations or our customers' operations. Furthermore, it might be difficult to calculate the economic costs caused by potential cyber security incidents and maintain sufficient insurance coverage relating to them at commercially reasonable rates and terms. Eliminating computer viruses and other security problems may also require interruptions, delays or suspension of our services, reduce our customer satisfaction and cause us to incur additional costs. Due to the evolving nature of cyber security threats, the scope and impact of any future incident cannot be precisely predicted. We take preventive and remedial measures with respect to our systems, including enhanced cooperation with the police, particularly in areas prone to criminal activity and regular updates of our information system security measures. While we believe that we have taken appropriate measures to protect our network, there is no assurance that these physical and cyber security measures will be successful. Damage to our network, equipment or data and the need to repair such damage resulting from a physical or cyberattack may materially and adversely affect our business, financial condition and operating results.

We face a number of risks relating to our internet-related services

In addition to cyber security threats, since we provide connections to the internet and host websites for customers and develop internet content and applications, we may be perceived as being associated with the content carried over our network or displayed on websites that we host. For example, in the past, due to an escalation in spam messages generated from email addresses on the Telkom network, Telkom was placed on certain DNS blacklists which blocked all email generated from Telkom addresses for almost a week until remedial measures could be put into place. While we have made certain administrative and technical adjustments to identify and combat spam, we cannot assure you that such measures will always be effective and that we would not be placed on certain DNS blacklists again in the future. In addition, the content carried over our network or the websites that we host may contain materials or information which may be illegal, defamatory, impermissible or infringe on third party copyrights. We cannot and do not screen all of this content and may face litigation claims due to a perceived association with such content. These types of claims can be costly to defend, divert management resources and attention, and may damage our reputation.

A revenue leakage might occur due to internal weaknesses or external factors and if this risk were to materialize, it could have an adverse effect on our operating results

We may face revenue leakage or problems with collecting all the revenues to which we may be entitled, due to the possibility of inaccurate billing, delays in transaction processing, dishonest customers or other factors. Further, our services might be susceptible to piracy and unauthorized usage. Such piracy and unauthorized usage may lead to a loss of revenue for our Group which may affect our financial conditions and results of operations. For example, in recent years the use of simboxes, which are electronic boxes that use cell phone antennae or a BTS on which local operator SIM cards are installed so that international calls can be fraudulently terminated through local numbers so that the fraudster can bypass interconnection rates in the destination country, have led to a loss of revenue for our Group.

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We have taken certain preventive measures to mitigate the possibility of revenue leakage by increasing control functions in all of our existing business processes, increasing cooperation and information sharing between operational units to detect potential fraud, implementing revenue assurance methods, employing adequate policies and procedures as well as implementing information systems applications to minimize revenue leakages. Nonetheless, there is no assurance that in the future there will be no significant revenue leakages or that any such leakages will not have a material adverse effect on our operating results.

New technologies may adversely affect our ability to remain competitive

The telecommunications industry is characterized by rapid and significant changes in technology. We may face increasing competition due to technologies under development or which may be developed in the future. Future development or application of new or alternative technologies, services or standards could require significant changes to our business model, the development of new products, the provision of additional services and substantial new investments by us. New products and services may be expensive to develop and may result in the introduction of additional competitors into the marketplace. We cannot accurately predict how emerging and future technological changes will affect our operations or the competitiveness of our services. Furthermore, we cannot guarantee that we will be able to effectively integrate new technologies into our existing business model.

For example, Telkomsel officially launched 5G service in May 2021, becoming the first cellular operator to offer 5G in Indonesia. Initially, 5G will be available at selected points across nine cities (Jakarta, Surabaya, Makassar, Denpasar, Batam, Medan, Solo, Balikpapan and Bandung) as part of our strategy to roll out 5G through a demand-based approach for B2C and B2B. Telkomsel intends to maximize the use of 5G to transform lives and publicize the advantages of the 5G network to further encourage the growth of digital connectivity, digital platforms and digital services in Indonesia, as well as the development of future technology solutions such as artificial intelligence, cloud computing and the Internet of Things with investment already included in its roadmap plan, which will be executed in stages based on several considerations including maturity of the ecosystem. We cannot assure you that our rollout of 5G will be successful or that our customers will adopt or subscribe for this new technology in the manner and numbers that we anticipate or in a manner that will generate appropriate returns on our investment in this technology.

One of the main challenges faced by the telecommunications industry in Indonesia is the increasing use of Over The Top services that has become a substitute for voice and SMS services, in line with the growing number of smartphone users. In particular, the percentage contribution from cellular phone services to our consolidated revenues has declined from 14.3% for 2020 to 10.3% for 2021. This has happened not only in Indonesia, but also in developed countries where smartphone penetration is high. In addition, we face a continuing risk of market entry by new operators and service providers (including non-telecommunications players and Over The Top players) who, by using newer or lower cost technologies, may succeed in rapidly attracting customers away from established market participants such as ourselves. This may result in a loss of market share and could have a material adverse effect on our business, financial condition and results of operations. In particular, the rapid development of new technologies, new services and products, and new business models has resulted in distinctions between local, long distance, wireless, cable and internet communication services entry barriers being lessened and has brought new competitors into the telecommunications market. For example, the increased availability of high-throughput satellite capacity in Indonesia has increased competition, and adversely affected pricing, for our satellite business.

We cannot assure you that our technologies will not become obsolete, or be subjected to competition from new technologies in the future, or that we will be able to acquire new technologies necessary to compete in changed circumstances on commercially acceptable terms. Our failure to react to rapid technological changes could adversely affect our business, financial condition, results of operations and prospects.

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Expected benefits from investment in new networks and technologies may not be realized

We may pursue new growth opportunities in the communications industry in the future, including introducing services and products employing new technologies, such as next generation mobile technologies, 5G, virtualization, software-defined networking, cloud-based technologies, new video and content delivery platforms and digital marketing. The implementation of these new technologies depends on a number of factors, including developing our network and the launch of new and commercially viable products and services involving these technologies. We may have to incur substantial expenditure to develop our network, services and products and to gain access to related or enabling technologies in order to successfully implement these new technologies. We may not be successful in modifying our network infrastructure in a timely and cost-effective manner to facilitate such implementation, which could adversely affect our quality of service, financial condition and results of operations.

Further, we may face the risk of unforeseen complications in the deployment of new technologies. Any newly adopted technology may not perform as expected, and we may not be able to successfully or on a timely basis to develop the new technology to effectively and economically deliver services based on such technology.

Our satellites have limited operational life and they may be damaged or destroyed during in-orbit operation or suffer launch delays or failures. The loss or reduced performance of a satellite, whether caused by equipment failure or its license being revoked, may adversely affect our financial condition, results of operations and ability to provide certain services

We operate two satellites, namely Telkom-3S and the Merah Putih Satellite. These satellites have limited operational lives, and their design lives ended or will end approximately in 2032 and 2033, respectively. We de-orbited our Telkom-2 satellite in May 2021 when it came to the end of its operational life. A number of factors affect the operational lives of satellites, including the quality of their construction, the durability of their systems, sub-systems and component parts, on-board fuel reserves, accuracy of their launch into orbit, exposure to micrometeorite storms, or other natural events in space, collision with orbital debris, or the manner in which the satellite is monitored and operated. We use satellite transponder capacity on our satellites in connection with many aspects of our business, including direct leasing of such capacity and routing for our international long distance and cellular services.

International Telecommunication Union regulations specify that a designated satellite orbital slot has been allocated for Indonesia and the Government has the right to determine which party is licensed to use such slot. While we hold a license to use the designated satellite orbital slot, in the event any of our satellites experience technical problems or failure, the Government may determine that we have failed to optimize the existing slot under our license, which may result in the Government withdrawing our license. We cannot assure you that we will be able to maintain use of the designated satellite orbital slot in a manner deemed satisfactory by the Government.

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Risks Related to our Fixed and Cellular Telecommunications Business

Competition from existing cellular service providers may adversely affect our cellular services business

The Indonesian cellular service business is highly competitive. Competition among cellular service providers in Indonesia is based on various factors, including pricing, network quality and coverage, the range of services, features offered and customer service. With the increasing popularity of smart phones in Indonesia, we believe that data network quality and coverage, including 4G/LTE and 5G coverage, will increasingly become an intense area of competition. In recent years, competitors have offered promotions such as bonus data packages in order to attract customers, which has generally made the pricing environment in Indonesia less profitable. In 2019, the intensity of downward pressure on selling prices decreased but this trend reversed in 2020. In 2021, competition remained intense but more rational with operators still quite aggressive for the acquisition of new customers and renewal packages to obtain low end market share in the prepaid segment while gradually adjusted pricing in order to maintain business at sustainable levels. Since early 2020, the COVID-19 outbreak created uncertainty and a general economic slowdown in Indonesia that impacted consumers' purchasing power and, as a result, translated into lower consumer spending. This accelerated a shift from Telkomsel's legacy business to its data services and generally exacerbated competition among operators, which translated into increased downward pressure on selling prices. This competition is likely to continue, particularly as telecommunications companies are affected by increased competition from Over The Top providers. In 2020, a number of our competitors continued to increase their coverage by expanding outside Java, where we predominately had a strong position, and this continued in 2021 leading to intense competition outside Java. Further, as we adopt and migrate our network to 5G, we will need to rely on the regulator to make available the required spectrrm and thereafter compete and bid for this spectrum with our competitors. The readiness of 5G ecosystem in Indonesia is still limited. We are increasingly focusing on IoT (mostly enabled by 5G technologies) though we cannot assure you that customers will adopt IoT in the manner we anticipate. Further, although we are prudently launching 5G in stages to insure that the foundation market and infrastructure required are available for successful rollout, there is no assurance that there will be sufficient spectrum in low, mid and high bands for us and our competitors and at prices that does not adversely affect our business, results of operation and financial condition.

For tariffs which are within the scope of the Job Creation Law, variations in selling prices may be limited because the Government may determine upper and lower limits based on public interest and fair business competition principles. Upper limits may be determined in areas where only one telecommunications operator operates. Lower limits may be determined based on the Government's assessment of prevailing market conditions (for instance to prevent unfair business competition). The implementing regulations of such law, however, have yet to be passed.

Our cellular services business, operated through our majority-owned subsidiary Telkomsel, competes primarily with Indosat and XL Axiata. However, we are also facing increased competition from smaller operators that provide cellular services in Indonesia, including PT Hutchison 3 Indonesia ("Hutchison"), which is part of the Hutchison Asia Telecom Group and operates under the "3" or "Tri" brand and PT Smartfren Telecom Tbk ("Smartfren Telecom"), which is part of the Sinar Mas Group.

There has been and we expect there could be further consolidation in our industry in the future. For instance, XL Axiata completed the acquisition of a majority interest in and merged with PT Axis Telekom in 2014, which resulted in XL Axiata acquiring additional frequency allocations to provide 4G/LTE services as well as acquiring the customers of PT Axis Telekom. In December 2020, CK Hutchison and Qatar’s Ooredoo announced they had entered into a non-binding memorandum of understanding and initiated negotiations for combining their operations in Indonesia, subject to satisfactory completion of such negotiations and meeting certain requirements, including obtaining required regulatory approvals. In September 2021, CK Hutchison and Qatar’s Ooredoo announced the signing of definitive transaction agreements for the proposed merger of their respective telecommunications businesses in Indonesia. The merged company will be named Indosat Ooredoo Hutchison. Furthermore, though we believe any merger or consolidation in the industry will help to promote a healthier competition between operators with rationality in pricing as well as better cost efficiencies and reduce overlapping in many areas, there can be no assurance that the consolidated entities will not adversely afftect our competitive position in the market and our business, results of operations, financial condition and prospects.

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Additional consolidation among cellular services providers may occur which may be driven by competitive factors as well as efforts to reduce operating costs and obtain wider spectrum allocation. In addition, the Government tends to encourage consolidation, including through the enactment of the Job Creation Law which regulates, among other things, telecommunications clusters, in an effort to promote healthier competition among fewer industry players with a better cost-efficiency profile and wider spectrum allocations.

Consolidation of competitors for cellular services may allow them to expand the geographic coverage of their integrated network infrastructure. In recent years, both Telkomsel and its competitors have acquired wider spectrum allocations as part of the Government's spectrum refarming, or repurposing of frequency bands, initiative. In 2019, we entered into a refarming arrangement with Indosat which was approved by the Government. This has allowed them to improve the quality of their cellular services as well as to expand the amount of traffic that they can service through their network, which may allow them to expand their services and increase revenues. In 2021, the ICT ministry launched refarming in the 2.3 GHz band as it looks to improve the quality of digital cellular services through the more efficient use of spectrum, including to support the optimal use of 4G services and also to lay the groundwork for the easy deployment of 5G technology. Furthermore, the Job Creation Law allows telecommunications operators to share network infrastructure and capacity on a B2B basis while applicable tariffs will remain determined by the operators and/or will remain based on the tariff formula as set out by the ICT ministry. Details relating to the implementation of such law are still unknown as at the date hereof since the implementing regulations have not been passed yet. See "— We may, in the future, be required to share our network infrastructure and capacity with our competitors." As the telecommunications operator with the most extensive network infrastructure in Indonesia, if capacity and network sharing pursuant to such regulation were not implemented on a B2B basis and such regulation were to become effective, it would allow our competitors to take advantage of our existing infrastructure without significant capital expenditure, which would have a significant impact on competition.

As a result, any of these developments may present challenges for Telkomsel in maintaining its market position and could adversely affect our results of operations, financial condition and prospects.

We may further lose wireline telephone subscribers and revenues derived from our wireline voice services may continue to decline, which may materially adversely affect our results of operations, financial condition and prospects

Revenues derived from our wireline voice services have declined during the past several years mainly due to the increasing popularity of mobile voice services and other alternative means of communication. Tariffs for mobile services have declined in recent years which has further accelerated substitution of mobile for wireline voice services. The number of our fixed wireline subscribers decreased by 1.3% in 2021 and revenues from our wireline voice services decreased by 17.6% in 2021. The percentage of revenues derived from our wireline voice services out of our total revenues was 1.2% in 2021.

Since the beginning of 2015, we have taken various steps to stabilize our revenues from wireline voice services by seeking to migrate subscribers to IndiHome, a service which bundles fixed broadband internet, fixed wireline phone and interactive TV services. However, we cannot assure you that we will be successful in mitigating the adverse impact of the substitution of mobile voice services and other alternative means of communication for wireline voice services or in reducing the rate of decline in our revenues generated from wireline voice services. Migration from wireline voice services to mobile services and other alternative means of communication may further intensify in the future, which may affect the financial performance of our wireline voice services and thus materially and adversely affect our results of operations, financial condition and prospects as a whole.

Our data and internet services are facing increasing competition, and we may experience declining margins and/or market share from such services as such competition intensifies

Our data and internet services are facing increased competition from other data and internet operators, including mobile operators. The number of mobile broadband subscribers have increased with the increasing popularity of smart phones in Indonesia, which adversely affects our market share and revenues from our fixed line data and internet services.

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In addition, with the increasing popularity of smart phones in Indonesia, data and internet services have become an intense area of competition in our industry. We have been taking various measures in order to mitigate the impact of intense competition in our data and internet businesses. However, we cannot assure you that we will be successful in mitigating such adverse impact. Competition may further intensify in the future, which may affect the financial performance of our data and internet services and thus materially and adversely affect our results of operations, financial condition and prospects as a whole.

Cellular network congestion and limited spectrum availability could limit our cellular subscriber growth and cause reductions in our cellular service quality

We expect to continue to offer promotional plans to attract subscribers and increase usage of our network by our cellular subscribers, in particular during and in the aftermath of the COVID-19 outbreak. We also expect to continue to promote our data services and fixed broadband services. While we believe that we have sufficient spectrum allocation to support our current business, we may in the future need to acquire additional spectrum allocation to accommodate future growth in subscribers and traffic. As a result, we may experience increased network congestion, which may affect our network performance and damage our reputation with our subscribers. The Government occasionally conducts auctions for unused spectrum allocation. We seek to secure as much of the available spectrum as we expect is needed for our operations but, as this is a scarce resource and allocations are subject to regulatory factors which may change over time (such as auction rules) and other considerations, such as fair business conduct and fair competition, we cannot guarantee that we will always be in a position to secure spectrum allocations consistent with our expectations or strategic objectives.

Moreover, the increase in smartphone applications that rely on data services has resulted in the significant amount of data traffic and cellular network congestion. To support such additional demands on our network, we may be required to make significant capital expenditures to improve our network coverage. Such additional capital expenditures, together with the possible degradation of our cellular services, could materially and adversely affect our competitive position, results of operations, financial condition and prospects.

Continuing growth in and the converging nature of wireless and broadband services will require us to deploy increasing amounts of capital and require ongoing access to spectrum in order to provide attractive services to customers

Telecommunications services are undergoing rapid and significant technological changes and a dramatic increase in usage, in particular, the demand for faster and seamless usage of video and data across mobile and fixed devices. We continually invest in our networks in order to improve our wireless and broadband services to meet this increasing demand and remain competitive. Improvements in these services depend on many factors, including continued access to and deployment of adequate spectrum and the capital needed to expand our network to support transport of these services. We must maintain and expand our network capacity and coverage for transport of video, data and voice between cell and fixed landline sites. To this end, we have participated in spectrum auctions, at increasing financial cost, and continue to deploy technology advancements in order to further improve our network. Further, we must pay an annual right of usage fee for the license in case of our winning additional spectrum, such as the additional 30 MHz spectrum at 2.3 GHz frequency we won at an auction in October 2017 and the additional 20 MHz spectrum at 2.3 GHz frequency we won in May 2021.

Network service enhancements and product launches may not occur as scheduled or at the cost expected due to many factors, including delays in determining equipment and wireless handset operating standards, supplier delays, increases in network equipment and handset component costs, regulatory permitting delays for tower sites or enhancements, or labor-related delays. Deployment of new technology also may adversely affect the performance of the network for existing services. If we cannot acquire the required spectrum or deploy the services customers desire on a timely basis and at a reasonable price, then our ability to attract and retain customers, and therefore maintain and improve our operating margins, could be materially adversely affected.

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Our continued investments in the construction of our infrastructure network may not adequately address the issues resulting from the substantial increases in data traffic or otherwise achieve the desired economic returns

We regularly review our network capability, advantage, and capacity availability and continue to make substantial investments in the construction of our infrastructure network, including our 4G/LTE infrastructure, to carry the increasing data traffic.

Our wireless data traffic business has experienced significant growth in recent years, which contributed to the growth of our operating revenue and provides our business with further opportunities for development. The COVID-19 outbreak had an impact on consumption habits with more people working and learning from home, which positively impacted data traffic and shifted traffic from business districts to residential areas. We expect a continued and substantial increase in data traffic not only as a result of changes in consumption habits and consumers' behavior but also as a result of our efforts to make our data services affordable at a time where purchasing power and disposable income have been negatively affected. We launched our 4G/LTE services in 2014 and the substantial increase in data traffic resulting from the growth of our wireless data traffic business, our 4G/LTE business and the proliferation of smartphones had significantly strained the existing capacity of our telecommunications network infrastructure. As a result, based on our anticipation of further significant traffic data growth, we have made and will continue to make substantial investments in the construction of our infrastructure network, including our 4G/LTE infrastructure, to carry the increasing data traffic. However, our ability to improve or expand our infrastructure network is subject to various factors, a number of which are not within our control, such as regulations and changes in regulations, changes to the competitive environment or technological developments that could adversely affect our ability to improve or expand our infrastructure network as expected or desired and achieve anticipated returns on our investments.

We are subject to the control of the Government

The Government, through the MSOE, owns 52.09% of our issued share capital. Consequently, the Government effectively controls the outcome of matters requiring the vote of our shareholders, including the composition of our boards of Directors and Commissioners, and determining the timing and amount of dividend payments. The Government has historically influenced, and is likely to continue to influence, our strategy and operations. In addition, the Government owns a Dwiwarna Share in our Company which gives the Government, represented by the MSOE, certain rights such as the right to veto with regards to the nomination, appointment and removal of our Directors and Commissioners, the issuance of new shares and any amendments to our Articles of Association. The rights of the Government attached to this Dwiwarna Share limit the ability of public shareholders to influence certain matters relating to our Company. Under our Articles of Association, the Government cannot transfer the Dwiwarna Share. The Government's rights with respect to the Dwiwarna Share will not terminate unless our articles of association are amended, which would require the approval of the Government as holder of the Dwiwarna Share. See "Relationship with the Government and Government Agencies — The Government as Shareholder."

There can be no assurance that the Government will exercise its control and influence to our benefit. For example, the Government may request us to enter into transactions which are not in our best interests. In addition, there can also be no assurance that we will ever become independent of our Government shareholder or even if we do become independent, that we will be able to exercise any such independence effectively in making decisions concerning our business and prospects, including decisions concerning compensation from the Government when we act in the public interest. If we agree to act in the public interest and are not adequately compensated by the Government, our business, prospects, financial condition, liquidity and result of operations may be materially and adversely affected, which would limit our ability to compete effectively and expand our business.

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Financial Risks

We are exposed to interest rate risk and risks inherent to potential changes in relevant benchmarks and indices, including changes to the administration of certain benchmarks or their future discontinuation, such as the potential phasing out of LIBOR after 2021

Our debt includes bank borrowings used to finance our operations. In order to reduce our exposure to interest rate fluctuations, we aim to balance the share of our fixed rate loans and floating rate loans in our bank borrowings. We try to achieve this where there are opportunities to increase the share of fixed-rate loans in our overall loan portfolio in light of prevailing interest rates available in the market at any given time and based on market and our expectations as to future floating and fixed interest rates. As of December 31, 2021, approximately 85% (based on the aggregate then outstanding principal) of our total bank borrowings were floating-rate loans.

Changes in the macro-economic environment worldwide due to on-going trade disputes between the United States and China and the COVID-19 outbreak also had an impact on Southeast Asia and Indonesia. In an effort to support the Indonesian Rupiah and the Indonesian economy, Bank Indonesia decreased its benchmark interest rate five times in 2020 to 3.75%. In February 2021, the Bank Indonesia benchmark seven-day (reverse) repo rate was lowered to a record low of 3.50 per cent. per annum.

Moreover, reference rates and indices, including interest rate benchmarks (such as the London Interbank Offered Rate ("LIBOR"), the Euro Interbank Offered Rate ("EURIBOR"), or the Jakarta Interbank Offered Rate ("JIBOR")), which are used to determine the amounts payable under financial instruments or the value of such financial instruments ("Benchmarks"), have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated. This has resulted, particularly in the United Kingdom, in regulatory reform and changes to existing Benchmarks, with further changes anticipated. This could increase the costs and risks of complying with any such regulations or requirements.

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For example, LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives for market participants to continue contributing to such benchmarks. On March 5, 2021, the United Kingdom Financial Conduct Authority (the “FCA”) announced that (i) the publication of 24 LIBOR settings (as detailed in the FCA announcement) will cease immediately after December 31, 2021, (ii) the publication of the overnight and 12-month U.S. dollar LIBOR settings will cease immediately after June 30, 2023, (iii) immediately after December 31, 2021, the 1-month, 3-month and 6-month sterling LIBOR settings will no longer be representative of the underlying market and economic reality that they are intended to measure and representativeness will not be restored (and the FCA will consult on requiring the ICE Benchmark Administration Limited (the “IBA”) to continue to publish these settings on a synthetic basis, which will no longer be representative of the underlying market and economic reality they are intended to measure, for a further period after end 2021) and (iv) immediately after June 30, 2023, the 1-month, 3-month and 6-month U.S. dollar LIBOR settings will no longer be representative of the underlying market and economic reality that they are intended to measure and representativeness will not be restored (and the FCA will consider the case for using its proposed powers to require IBA to continue publishing these settings on a synthetic basis, which will no longer be representative of the underlying market and economic reality they are intended to measure, for a further period after the end of June 2023).

Following the implementation of any such changes, reforms or potential reforms, the manner of administration of LIBOR, EURIBOR or other benchmark indices such as JIBOR may change, with the result that it may perform differently than in the past or benchmarks could be eliminated entirely. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations could have an adverse effect on the interest paid on our floating-rate loans that are linked to, reference or otherwise are dependent (in whole or in part) upon a benchmark. As of December 31, 2021, however, the aggregate outstanding amount of our floating rate loans that use LIBOR or EURIBOR as reference rates was insignificant. Nonetheless, the uncertainty as to whether LIBOR will survive in its current form or at all may lead to adverse market conditions, which may have an adverse effect on access to liquidity and debt refinancing in the future.

We may be unable to fund the capital expenditures needed for us to remain competitive in the telecommunications industry in Indonesia

The delivery of telecommunications services is capital intensive. In order to be competitive, we must continually expand, modernize and update our telecommunications infrastructure technology, which involves substantial capital investment. For the years ended December 31, 2019, 2020 and 2021, our consolidated capital expenditures totaled Rp36,485 billion, Rp29,279 billion and Rp30,329 billion (US$2,129 million), respectively. We expect the increase in our capital expenditure in 2021 to be temporary as such increase did not reflect our funding capacity, but rather the impact of practical and operational difficulties relating to the deployment of such expenditures in the context of the COVID-19 pandemic and containment measures implemented in Indonesia, as well as weaker growth in demand from IndiHome subscribers since the number of IndiHome subscribers increased by 585 thousands million in 2021 compared with a 1.0 million increase in 2020. Our ability to fund capital expenditures in the future will depend on our future operating performance, which is subject to prevailing economic conditions, levels of interest rates and financial, business and other factors, many of which are beyond our control, and upon our ability to obtain additional external financing. Even if we have not experienced any difficulties in securing loan facilities and we expect our current credit profile would allow us to secure new loan facilities as necessary, we cannot assure you that additional financing will be available to us on commercially acceptable terms, or at all, in the future. In addition, we can only incur additional financing in compliance with the terms of our debt agreements. Accordingly, we cannot assure you that we will have sufficient capital resources to improve or expand our telecommunications infrastructure technology or update our other technologies to the extent necessary to remain competitive in the Indonesian telecommunications market. Our failure to do so could have a material adverse effect on our business, financial condition, results of operations and prospects.

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Legal and Compliance Risks

If we are found liable for anti-competitive practices, we may be subjected to substantial liability which could have an adverse effect on our reputation, business, financial condition, results of operations and prospects

We are subject to laws and regulations relating to anti-competitive practices and anti-monopoly. Law No.5 of 1999 on Prohibition of Monopolistic Practice and Unfair Business Competition (the "Business Competition Law") prohibits agreements and activities which amount to unfair business competition and an abuse of a dominant market position. Pursuant to the Business Competition Law, the KPPU was established as Indonesia's antitrust regulator with the authority to enforce the provisions of the Business Competition Law.

In 2016, our Company, Telkomsel, and five other local operators were found to have violated the Business Competition Law for price-fixing practices related to SMS services. We and Telkomsel have paid penalties to the treasury fund in the amount of Rp18 billion and Rp25 billion, respectively.

In 2017, it was alleged that we had violated the Business Competition Law by selling our bundling program which is marketed under the retail brand "IndiHome." This product allows customers to choose one or more of our services, which consist primarily of broadband internet, fixed wireline phone and interactive TV services, at a competitive price. Although KPPU held that we did not violate the provisions in the Business Competition Law, the case highlights the risk that our business strategy could be challenged by our customers or regulators.

In November 2018, we also received a summons from the KPPU regarding alleged violations of the Business Competition Law relating to Telkom's Internet Protocol Transit Business in Papua. In December 2019, we provided clarifications regarding this matter as requested by the KPPU. We received a second summons from the KPPU in August 2020 that we responded to on August 7, 2020. Until now, we have not received any further information from the KPPU about this matter.

In November 2019, we received a summons from the KPPU regarding alleged violations of the Business Competition Law relating to Telkom and Telkomsel's policy on blocking access to Netflix. Telkom has provided information in response to the investigation conducted by the KPPU and conveyed that Telkom found itself obliged to take such temporary measures to protect consumers from potential losses (e.g. despite the subscription payment, consumers are exposed to potential risk of not being able to enjoy Netflix's services if Netflix, and/or access from Indonesia to all or part of the contents they provide is banned by the Government, and also, the content Netflix provides may not be suitable for Indonesian viewers) as Telkom considers that as at the date hereof, Netflix has not yet fully complied with Indonesian regulations regarding media content, especially in relation to censorship laws. In 2020, Telkom has responded to KPPU's requests relating to its investigation into this matter. The investigation was extended to address alleged discriminatory behavior of Telkom acting as an Internet Access Provider**.** On April 29, 2021, KPPU concluded those proceedings when it ruled that it had not been established that either Telkom or Telkomsel had violated the Business Competition Law as previously alleged. This decision is final.

We cannot assure you that any new or existing governmental regulators will not, in the future, find our business practices to have an anti-competitive effect, nor can we assure you that we will not be found to have violated the relevant laws and regulations relating to anti-competition and anti-monopoly in the future. If we are found to have violated any laws and regulations relating to anti-competition and anti-monopoly, we may be subjected to substantial liability such as payments of fines, the amount of which will be subject to the discretion of the courts, which could have a material adverse effect on our reputation, business, financial condition, results of operations, and prospects.

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Regulatory Risks

We operate in a legal and regulatory environment that is undergoing significant change. These changes may result in increased competition, which may result in reduced margins and operating revenue, among other things. These changes may also directly reduce our margins or reduce the costs of our competitors. These adverse changes resulting from regulation may have a material adverse effect on us

Reform of Indonesian telecommunications regulations initiated by the Government in 1999 have, to a certain extent, resulted in the industry's liberalization, including removal of barriers to entry and the promotion of competition. However, in recent years, the volume and complexity of regulatory changes has created an environment of considerable regulatory uncertainty. In addition, as the legal and regulatory environment of the Indonesian telecommunications sector continue to change, competitors, potentially with greater resources than us, may enter the Indonesian telecommunications sector and compete with us in providing telecommunications services. Furthermore, it is impossible to anticipate the regulatory policies that will be applied to new technologies.

We derive substantial revenue from interconnection services because we have the largest network in Indonesia and our competitors must pay tariffs to connect to our network. SMS interconnection rates have been decreasing in recent years and may decrease again in the future.

The Government has stipulated in MoCI regulation No. 5/2021 that interconnection services must be migrated from TDM-based to IP-based platforms during the transition period of July 1, 2021, to December 31, 2024. Accordingly, it is expected that, in 2025, all interconnection services will be required to be IP-based. In order to comply with this regulation, we will need to significantly change our existing infrastructure (which our competitors rely on in carrying out conventional interconnection services and pay tariffs to us) with the new technologies. Consequently, our revenue from interconnection services may decrease, and we will need to expend capital resources to change our infrastructure. The regulation also provides that during the transition period, the interconnection costs charged by us must remain the same as that agreed in the existing Interconnection Offering Document (*Dokumen Penawaran Interkoneksi*) and Interconnection Agreement.

In the future, the Government may announce or implement other regulatory changes which may adversely affect our business or our existing licenses. We cannot assure you that we will be able to compete successfully with other domestic or foreign telecommunications operators, that regulatory changes will not disproportionately reduce our competitors' costs or disproportionately reduce our revenues, or that regulatory changes, amendments or interpretations of current or future laws and regulations will not have a material adverse effect on our business and operating results.

In addition to Indonesian laws and regulations, due to the nature of our business and the services we provide, we may be subject to the laws and regulations of other jurisdictions where we operate or have customers. In particular, regulators in various jurisdictions are increasingly scrutinizing how companies collect, process, use and analyze, store, share and transmit personal data. This increased scrutiny may result in new interpretations of existing laws, thereby further impacting our business. Recent regulations, such as the General Data Protection Regulation ("GDPR"), which went into effect in the European Union ("EU") on May 25, 2018, apply to the collection, use, retention, security, processing, and transfer of personally identifiable information of residents of certain countries, such as EU member states in the case of the GDPR. The GDPR created a range of new compliance obligations, and imposes significant fines and sanctions for violations. In Indonesia, the draft data protection bill, which has adopted the contents of the GDPR, has been submitted to the House of Representatives of Indonesia (*Dewan Perwakilan Rakyat* or "DPR") in February 2020 and, as at the date hereof, is still being discussed with the Government, and anticipated to be enacted within next year. As a result, there is still uncertainty as to the scope of the data protection bill, including the scope and nature of exemptions from the rights of personal data owners where such data are aggregated for various purposes, such as statistical and scientific research, which could negatively impact the development of big data applications and businesses in Indonesia until such matters are settled.

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Any failure, or perceived failure, by us to comply with any applicable regulatory requirements or orders, including but not limited to privacy, data protection, information security, or consumer protection related privacy laws and regulations, could result in proceedings or actions against us by governmental entities or individuals, subject us to fines, penalties, and/or judgments, or otherwise adversely affect our business, as our reputation could be negatively impacted.

Regulatory changes may adversely affect our business and results of operations

We operate in a regulated environment, and our telecommunications operations are mainly regulated by the MoCI. We are also required to comply with applicable information and technology, and consumer data protection laws and regulations in carrying out our activities. Future regulatory changes, particularly with respect to telecommunications network, telecommunications services, and data protection may generate incremental costs and delays, thereby adversely affecting our business, prospects, financial condition, and results of operations.

In addition, licenses obtained by us under applicable Indonesian laws and regulations may be subject to conditions, compliance with which may be expensive, difficult or impossible. It is possible that governmental authorities could take enforcement actions against us for our failure to comply with such regulations, including the aforementioned conditions. These enforcement actions could result, among other things, in the imposition of fines or the revocation of our licenses. Compliance with such regulations could require us to make substantial capital expenditures and consequently divert funds from our planned construction projects. We could also experience delays in our business schedules as a result of such compliance efforts. Each of the above could adversely affect our business, prospects, financial condition and results of operations.

Applicable regulations on tariffs and their implementation as supervised by MoCI may affect our revenues and earnings

MoCI Regulation No.5/2021 revoked MoCI Regulation No.15/2008 and MoCI Regulation No.09/2008, which previously governed tariffs for the provision of access to both telecommunication networks and telecommunication services. Tariffs on provisions of telecommunication networks consist of leased network and interconnection fees, whereas the tariffs on provisions of telecommunication services consist of tariffs for basic telephony, value added telephony and multimedia services, including internet services for retail customers. MoCI Regulation No.5/2021 set out formulas that telecommunications operators like us must refer to in determining the tariff for our services.

Under MoCI Regulation No.5/2021, the Directorate General on Post and Informatics ("DGPI") of MoCI continues to be authorized to supervise the implementation of tariffs. Based on its supervision, MoCI may take further action as it sees fit if any of our actions it deems to potentially disruptive to fair competition in the telecommunications market. Accordingly, our promotional tariffs will need to be carefully planned and calculated to avoid any possible "predatory pricing" or anticompetition claim. If we violate the tariff rules, we may be subject to administrative sanctions under MoCI Regulation No.5/2021. This regulation also allows the public to participate in the supervision process by providing them the right to submit complaints and take other actions regarding tariffs that they may view as being unfairly charged by us. The MoCI, in its regulatory role of ensuring fair competition in the telecommunication industry and protecting public interest may effectively be able to set ceiling and floors on tariffs that we may charge.

Regulations for the configuration of BTS towers may delay the installation of new BTS towers or changes in the placement of existing towers, and may erode our leadership position by requiring us to share our towers with our competitors

In 2008, MoCI issued MoCI Regulation No.02/PER/M.KOMINFO/3/2008 relating to the construction, utilization and sharing of BTS towers ("MoCI Regulation No.02/2008"). In 2009, MoCI (jointly with the Minister of Home Affairs, Minister of Public Works and Head of Investment Coordinating Board) issued a joint regulation ("Joint Ministries Regulation") that supplemented MoCI Regulation No.02/2008. The purpose of this new regulation was essentially to harmonize central, local and sectoral administrative procedures and functions for granting BTS tower construction permits. MoCI Regulation No.02/2008 was revoked in 2018. As of the date hereof, the relevant regulations governing the construction of BTS towers are the Joint Ministries Regulation and the Omnibus Law.

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Based on the Joint Ministries Regulation, the construction of BTS towers requires permits from the local government. This may be cumbersome and take an inordinate amount of time and may adversely affect the allocation, development and expansion of our BTS towers. We may also be prohibited from setting up new BTS towers in certain local areas thereby restricting our expansion as well. Our existing BTS towers may also be adversely affected if local governments require any changes as to their placement.

In addition, this regulation requires us to allow other telecommunications operators to lease space on and utilize our telecommunications towers in a manner that provides equal opportunity to and without any discrimination among such other telecommunications operators. This allows our competitors to expand their networks by leasing space on and utilizing our telecommunications towers without having to expend capital expenditures to build their own telecommunications towers. As a result, our competitors may be able to expand their network quickly and grow their business quickly, particularly in urban areas where new space for additional towers may be difficult to obtain. As at the date hereof, no implementing regulations have been passed in connection with the Job Creation Law regarding the telecommunications sector. As a result, it is still premature to assess risks that may materialize as a result of such law. If our subsidiary PT Dayamitra Telekomunikasi ("Mitratel") is subject to network sharing requirements in relation to the deployment of 5G technology, depending how such requirements (if any), are implemented, or if more than one operator obtains 5G licenses, this could reduce the potential for collocation, the availability of sites for building new BTS towers in certain areas. In addition, any requirement imposing the retrofitting of existing BTS towers to allow more than one operator to use them could create additional costs.

In order to operate our telecommunications towers, Indonesian regulations allow local governments to impose three types of fees (property tax (*Pajak Bumi dan Bangunan/PBB*)*,* fees charged in connection with building approval (*Persetujuan Mendirikan Bangunan Gedung*) and the telecommunication tower control fees) fees which are determined on a cost basis subject to a formula provided by the MoF and the location of the telecommunications towers. While local governments that have begun to impose such fees have not charged material amounts as at the date hereof, we cannot assure you that such fees will not be material in the future. In addition, we cannot assure you that there will be no material difference in the amount of fees that we would be liable to pay to the relevant local governments. If these risks were to materialize, it could have an adverse effect on our operating results.

We may experience local community opposition to some of our tower sites

We have experienced, and may in the future experience, local community opposition to our existing sites or the construction of new tower sites for various reasons, including aesthetic and alleged health concerns. As a result of such opposition, we could be required by the local authorities to dismantle and relocate certain towers. Opposition to the construction of new towers could also cause delays in the availability and completion of new towers. In extreme cases, vandalism could result in damaged equipment.

If we are required to relocate a material number of our towers and cannot locate replacement sites that are acceptable to our customers, or production delays or damages to equipment occur, it could materially and adversely affect our business, prospects, results of operations and financial condition.

We are subject to numerous non-tax state revenue payments and a Universal Service Obligation Contribution ("USO Contribution")

We are subject to multiple rules and regulations authorizing the Government to collect non-tax state revenue from us. Pursuant to Government Regulation No.80 of 2015 on Applicable Types and Tariff on Non-Tax State Revenue for MoCI ("GR No.80/2015"), the Government's non-tax revenue may be derived from, among other things, tests for telecommunications devices, telecommunications operations and use of radio frequency spectrum. MoCI Regulation No.17 of 2016 on Tariff Implementation Guidelines on Non-Tax State Revenue Collected from Telecommunication Operation Rights Fee (*Biaya Hak Penyelenggaraan*, or "BHP") and USO Contribution, as amended by MoCI Regulation No.19 of 2016 ("MoCI Regulation No.19/2016") specifies that every licensed telecommunications operator must pay the Telecommunication BHP and USO Contribution. Government Regulation No.53 of 2000 on Use of Radio Frequency Spectrum and Satellite Orbit ("GR No.53/2000") and MoCI Regulation No.21 of 2014 also specifies the obligation for telecommunications operators that use a slot in the orbit for their satellite to pay a satellite orbit operation right fee.

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Under Law No.36 of 1999 on Telecommunications (the "Telecommunications Law"), telecommunications operators must participate in USO Contribution. Further, according to MoCI Regulation No.10 of 2018 on Implementation of Telecommunication and Informatics USO ("MoCI Regulation No.10/2018") and GR No.46/2021, the USO Contribution will be one of the sources of funding for provision of information and communication technology infrastructure. This infrastructure provision is targeted to (i) remote areas needing access to information and telecommunications technology, (ii) groups of citizens with disabilities or economic limitations and/or (iii) other areas that still require access to information and telecommunications technology.

According to the Telecommunications Law, failure to make the non-tax state revenue payment and participate in USO Contribution will be subject to administrative sanctions; the most adverse one of which is revocation of license (which should be preceded by written warnings). While we have not previously failed to make the requisite payments, any failure by us to pay these obligations may cause our licenses to be revoked. Any revocation of licenses could have a material adverse effect on our financial condition, results of operations and liquidity.

The interpretation and application of the anticipated enactment of a new consumer data protection regulation are uncertain and may adversely affect our business, financial condition, results of operations and prospects

Law No.11 of 2008 on Electronic Information and Transactions Law as amended by Law No.19 of 2016 ("EIT Law") first came into effect on April 21, 2008. The EIT Law sets forth general principles to be further implemented through a series of Government regulations, presidential decrees and ministerial decrees, some of which have not yet been promulgated. In general, the provisions of the law are broad, and few sources of interpretive guidance are available. A number of implementing regulations to the EIT Law have been enacted, among others, Government Regulation No. 71 of 2019 on Implementation of Electronic System and Transaction, as implemented by MoCI Regulation No. 5 of 2020 on Private Electronic System Operators ("MoCI Regulation No.5/2020") ("GR No.71/2019") and MoCI Regulation No.20 of 2016 on Protection of Personal Data in an Electronic System ("MoCI Regulation No.20/2016"). These regulations are new and subject to interpretation by the regulatory authorities. Pending clear instances of the application of such regulations, it is uncertain how these regulations will affect us. Further, following the enactment of the Omnibus Law, GR No.46/2021 was passed which made recent changes to certain regulatory provisions that apply to the telecommunications sector.

GR No.71/2019 has implemented a number of significant changes, including (i) a new definition of public and private electronic system operators, (ii) new data localization requirements for public electronic system operators, (iii) further elaboration on the deletion of electronic data, (iv) the provision of electronic certificates and electronic reliability certificates, and (v) a new scope of electronic certification services. GR No.71/2019 also defines "public electronic system operators" as governmental institutions that organize, manage or operate an electronic system or any person, state apparatus or business entities appointed by any such governmental institution to organize, manage or operate an electronic system. The other electronic system operators that do fall within the foregoing category will be considered "private electronic system operators." Under MoCI Regulation No.5/2020, private electronic system operators must register their electronic systems with MoCI. The registration obligation also applies to private electronic system operators that are established under foreign laws (or are domiciled outside of Indonesia) and fulfil certain criteria. Private electronic system operators must ensure that their electronic systems do not (i) contain prohibited electronic information or documents and (ii) facilitate the dissemination of such electronic information or documents. Private electronic system operators must also take down prohibited contents within 24 hours or within four hours if they have received a take-down notice from MoCI.

Under GR No.71/2019, there is a one-year transitional period for electronic system operators to comply with their obligation to register with MoCI and a two-year transitional period for public electronic system operators to comply with the data localization requirements, which is the obligation to manage, process and store the electronic systems and data within Indonesia. The Government has extended the transitional period for some of the requirements. As a positive development from the previous rule, GR No.71/2019 has clarified the data localization requirements (which now comprise "managing," "processing," and "storing" electronic systems and data) and removed the uncertainty about the "public services" definition under the prior applicable rule. The previous rule only stipulated that electronic system operators for "public services" were obliged to, among others, maintain data centers within Indonesia. GR No. 71/2019 removed all references to "public services" and instead uses the concept of "public electronic system operators", which clarifies which parties are required to comply with the additional requirements under GR No. 71/2019.

Not all of the implementing regulations of the EIT Law, however, have been issued and some have only been recently enacted. Accordingly, the full impact of the EIT Law, the related implementing regulations and any change in Indonesian consumer data protection regulations on our financial and operational status cannot be determined at this time. There is no assurance that we would be able to comply with the EIT Law, or that the compliance would not require us to make substantial capital expenditure or delays in our business schedules.

Our electronic money business activity is highly regulated

We are subject to multiple rules and regulations in respect of our electronic money (e-money) business activities. The practice of payment system is governed by Bank Indonesia Regulation No.22/23/PBI/2020 on Payment System. For the specific regulation for e-money is mainly governed by Bank Indonesia ("BI") Regulation No.23/6/PBI/2021 on Payment System Providers (“PBI Regulation No.23/2021”). Any party which wishes to carry out e-money activities in Indonesia must first obtain an e-money license granted by BI. Although we, through our subsidiary Telkomsel, have obtained an e-money license from BI, we are still subject to evaluation conducted by BI. Under BI Regulation No.23/2021, BI is authorized to take further action based on the evaluation as it sees fit, among others, to revoke a license, to accelerate the license period or to limit the license holder's activity. Subject to evaluation, if BI takes the view that there are reasons to impose any of those further actions on Telkomsel, our ability to conduct business in the usual course would be limited, which may adversely affect our business, financial condition and results of operations.

BI Circular Letter No.16/11/DKSP dated July 22, 2014 on Electronic Money Operations which was most recently amended by BI Circular Letter No.18/21/DKSP dated September 27, 2016 (“BI Circular Letter 18/16”), further implements the obligation for e-money license holders to report any change in the type or name, developments or addition of facilities to the e-money product. See "Item 4. Information on the Company — Licensing — Payment Method Using e-Money." The amendment of this circular specifies that an e-money product with a different type and/or name, developments and/or additional facilities can only be issued after obtaining approval from BI. Further, BI Regulation No.20/2018 is also implemented by BI's Board of Governor Members Regulation No.20/21/PADG/2018 dated August 20, 2018 on the Report on the Implementation of Payment Using Card and Electronic Money Activities by Smallholder Credit Banks and Non-Bank Institutions ("BI BOG Regulation No.20/2018"). BI BOG Regulation No.20/2018 regulates the reporting obligation that must be satisfied by any party practicing e-money activity. As stated in BI Regulation No.23/2021, implementing regulation of Bank Indonesia Regulation No.20/6/PBI/2018 on Electronic Money including BI Circular Letter 18/16, is still valid for a maximum of 1 (one) year since PBI Regulation No.23/2021 comes into force in July 2021, as long as it does not conflict with the provisions in the PBI Regulation No.23/2021.

We must comply with these regulations as we are carrying out a business which is highly regulated. If we, through Telkomsel, fail to comply with any of these obligations, we will be subject to administrative sanctions. Any sanction imposed on Telkomsel could materially and adversely affect our business, financial condition, results of operations and prospects.

Risks Related to Development of New Businesses and Acquisitions

We may not succeed in our efforts to develop new businesses

We believe that efforts to develop new businesses other than the telecommunications business such as digital life and smart platform and enterprise digital businesses, as well as international expansion are necessary to ensure continuing business growth. Risks related to new business development include competition from established players, suitability of business model, competition from disruptive new technologies or business models, the need to acquire new expertise in the new areas of operation, and risks related to online media which include intellectual property, consumer protection and confidentiality of customer data. Further, we have to focus on securing new enterprise customers. If we are unable to secure new contracts, or we are unable to renew our existing contracts with similar contract value, size or margins to existing ones, this may adversely affect our business, results of operations and financial condition.

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Focusing on international expansion is one of our strategic business initiatives. In particular, we have expanded into a number of jurisdictions in telecommunications or data related areas, namely Singapore, Hong Kong, Timor Leste, Australia, Myanmar, Malaysia, Taiwan, the United States and New Zealand. Expanding our operations internationally exposes us to a number of risks associated with operating in new jurisdictions. For example, our international operations could be adversely affected by political or social instability and unrest, regulatory changes (such as an increase in taxes applicable to our operations), macroeconomic instability, limitations on or controls on the foreign exchange trade, competition from local operators, difference in consumer preference and a lack of expertise in the local markets in which we will operate. Any of these factors could limit our expected returns from our expansion and materially and adversely affect our business, results of operations and financial condition.

Our acquisition activities expose us to various risks

We have in the past pursued, and may continue to pursue, acquisitions of complementary assets and businesses. For instance, in 2019, Mitratel purchased 2,100 telecommunications towers from PT Indosat Tbk ("Indosat"), a telecommunications operator company in Indonesia. In 2020, Mitratel entered into a conditional sale and purchase agreement for the acquisition of 6,050 telecommunications towers from our majority-owned subsidiary PT Telekomunikasi Selular ("Telkomsel"), 1,911 of which were transferred to Mitratel in October 2020 with the remaining balance similarly transferred in February 2021. In 2021, Mitratel acquired 4,000 telecommunications towers from Telkomsel pursuant to a deed of transfer and acquisition agreement with Telkomsel dated August 31, 2021. The success of these acquisitions will depend, in part, on our ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses with our existing businesses. Based on the size and complexity of certain businesses, integrating them into our existing business could require substantial time, expense and effort from our management. The process of integrating an acquired business may also involve unforeseen costs and delays or other operational, technical and financial difficulties that may require a disproportionate amount of management attention as well as financial and other resources. If our management's attention is diverted or there are any difficulties associated with integrating these businesses, our results of operations could be adversely affected.

Even if we are able to successfully integrate these businesses, it may not be possible to realize the full benefits we expect to result from such acquisitions and strategic transactions or realize these benefits within the time frame that we expect. Moreover, such businesses generally remain subject to unforeseeable factors outside of our control. Our acquisitions and strategic transactions, including those entered into in recent periods, may turn out to be unprofitable. Any failure to successfully incorporate the acquired businesses and assets into our existing operations, to enhance operating efficiencies from consolidation savings, minimize any unforeseen operational difficulties and realize the anticipated benefits on time, or at all, could materially and adversely affect our business, financial condition, results of operations, prospects and cash flows.

Risks Related to our Corporate Structure

We are dependent on our subsidiary, Telkomsel, a cellular telecommunications services and cellular telecommunications networks company

We derived 65.1%, 61.5% and 61.0% of our revenue in 2019, 2020 and 2021, respectively, from our mobile business through our 65.0% majority-owned subsidiary, Telkomsel. The remaining 35.0% interest in Telkomsel is held by Singapore Telecom Mobile Pte. Ltd. ("Singtel"). A telecommunication company based in Singapore, Singtel may seek to influence the management, operation and performance of Telkomsel. In the event that there are differences between us and Singtel regarding the business, strategy and operations of Telkomsel, these issues may take time to resolve, or may not result in a positive outcome for our Group. These factors could adversely affect our business, financial condition and operating results.

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Our controlling shareholder's interest may differ from those of our other shareholders

The Government has a controlling equity interest of 52.09% of our issued and outstanding shares of common stock and the ability to determine the outcome of all actions requiring the approval of our shareholders. The Government also holds our one Dwiwarna Share, which has special voting rights and veto rights over certain matters, including the election and removal of our Directors and Commissioners. The Government may also use its powers as a majority shareholder or under the Dwiwarna Share to cause us to issue new shares, amend our Articles of Association or bring about actions to merge or dissolve us, increase or decrease our authorized capital or reduce our issued capital, or veto any of these actions. One or more of these may result in the delisting of our securities from certain exchanges. In addition, the Government regulates the Indonesian telecommunications industry through the MoCI.

As of December 31, 2021, the Government had a 14.29% equity interest in Indosat, which competes with us in cellular services, data center services, IT solutions, system integration services and fixed IDD telecommunications services. The Government's equity interest in Indosat also includes a Dwiwarna Share which has special voting rights and veto rights over certain strategic matters under Indosat's articles of association, including decisions on dissolution, liquidation and bankruptcy, and also permits the Government to nominate one director to its board of directors and one commissioner to its board of commissioners. As a result, there may be instances where the Government's interests will conflict with ours. There is no assurance that the Government will not direct opportunities to Indosat or favor Indosat or any other telecommunications operator when exercising regulatory powers over the Indonesian telecommunications industry. If the Government were to give priority to the business of Indosat or any other telecommunications operator over ours, or to expand its equity interest in Indosat or acquire an equity interest in any other telecommunications operator, our business, financial condition, and results of operations and prospects could be materially and adversely affected.

These provisions could have the effect of delaying, preventing or deterring a change in control, and could limit the opportunity for our shareholders to receive a premium for their ADSs and/or shares, and could also materially decrease the price that some investors are willing to pay for our ADSs and/or shares.

Risks Related to Indonesia

Political and Social Risks

Current political and social events in Indonesia may adversely affect our business

Since 1998, Indonesia has experienced a process of democratic change, resulting in political and social events that have highlighted the unpredictable nature of Indonesia's changing political landscape. In 1999, Indonesia conducted its first free elections for representatives in parliament. In 2004, 2009, 2014 and most recently, in 2019, elections were held in Indonesia to elect the President, Vice-President and representatives in parliament. Indonesia also has many political parties, without any one party holding a clear majority. Due to these factors, Indonesia has, from time to time, experienced political instability, as well as general social and civil unrest. For example, since 2000, thousands of Indonesians have participated in demonstrations in Jakarta and other Indonesian cities both for and against former presidents Abdurrahman Wahid, Megawati Soekarnoputri and Susilo Bambang Yudhoyono and current President Joko Widodo as well as in response to specific issues, including fuel subsidy reductions, privatization of state assets, anti-corruption measures, decentralization and provincial autonomy, and the American-led military campaigns in Afghanistan and Iraq. Although these demonstrations were generally peaceful, some turned violent. Indonesia announced in November 2014, and implemented with effect from January 1, 2015, a fixed diesel subsidy of Rp1,000 per liter and scrapped the gasoline subsidy. Although the implementation did not result in any significant violence or political instability, the announcement and implementation also coincided with a period where crude oil prices had dropped very significantly from 2014. Currently, the Government reviews and adjusts the price for fuel on monthly basis and implements the adjusted fuel price in the following month. There can be no assurance that future increases in crude oil and fuel prices will not result in political and social instability.

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President Joko Widodo won the Indonesian presidential elections which took place in 2014, and was sworn in as President on October 20, 2014. Although the 2014 elections were conducted in a peaceful manner, President Joko Widodo's governing coalition did not hold a majority of seats in parliament. Between November 2016 and February 2017, significant demonstrations took place in central Jakarta against the governor of Jakarta. These demonstrations occurred during the closely fought Jakarta gubernatorial elections which took place in February 2017 and continued through the subsequent run-off election in April 2017. Each of the foregoing events, as well as political campaigns in Indonesia generally, may be indicative of the degree of political and social division in Indonesia**.** The latest presidential election took place on April 17, 2019, and incumbent President Joko Widodo won the presidential polls with 55.5% of the total votes. The result triggered allegations of electoral fraud. Thousands of supporters of the opposing party Prabowo Subianto held a rally in front of the Elections Supervisory Agency's ("BAWASLU") headquarters on Jl. Thamrin in Central Jakarta on May 21, 2019, calling for the disqualification of Joko Widodo from the presidential election. The rally ended with a riot on May 22, 2019, in Central Jakarta. The opposing party also filed a lawsuit to the Constitutional Court to challenge the election result, alleging fraud. The Constitutional Court on July 27, 2019, rejected the lawsuit challenging the presidential election result. There can be no assurance that this situation or future sources of discontent will not lead to further political and social instability.

Separatist movements and clashes between religious and ethnic groups have also resulted in social and civil unrest in parts of Indonesia, such as Aceh in the past and in Papua. There have been clashes between supporters of those separatist movements and the Indonesian military, including continued activity in Papua by separatist rebels that has led to violent incidents. There have also been inter-ethnic conflicts, for example in Kalimantan, as well as inter-religious conflict such as in Maluku and Poso.

In August 2019, after the arrest of Papuan students for allegedly vandalizing the Indonesian flag, riots broke out in Papua. The riots caused a Telkom customer service building to be damaged in 2019, but this did not result in significant issues, service interruption or damages.

In October and November 2020 and May and November 2021, there were numerous protests held across Indonesia against the newly issued Job Creation Law. This law amends more than 70 existing laws and seeks to cut red tape and boost investments for creating new jobs. Protesters claimed that the Job Creation Law will generally undermine existing labor laws and weaken environmental protections. The constitutionality of the Job Creation Law was challenged before the Constitutional Court. There were several submissions to attest the formality and merits of the new law, and in November 2021 the court granted one of those submissions and declared the law to be "conditionally unconstitutional" due to lack of formality when the government and the house of representative forming the law (e.g., lack of public participation and an "omnibus" format is not recognized under Indonesian law). Essentially, the court rules that: (i) the law remains valid, but the government and the house of representative have to redraft the law within 2 year period to satisfy the required formality and follow the good legislation principles as mandated by the constitution and (ii) the government must hold any further action derived therefrom and refrain to further issue any implementing rules or strategic policies which has significant impact to the society. There has been contention (and to certain extent, political instability) in interpreting the court verdict, being the government's side claiming that the law remains valid, and many scholars and groups of society (e.g., labor activists and NGOs) claiming that the law and its implementing rules are unconstitutional already and can no longer be referred to, thereby reenacting the old law. The revision to the law has been included in the national legislation program and the government is racing to complete the revision within the deadline.

Labor issues have also come to the fore in Indonesia. In 2003, the Government enacted the current labor law that gave employees greater protections. Occasional efforts to reduce these protections have prompted an upsurge in public protests as workers responded to policies that they deemed unfavorable. More recently, the Job Creation Law amended certain provisions of the Labor Law.

There can be no assurance that social and civil disturbances will not occur in the future and on a wider scale, or that any such disturbances will not, directly or indirectly, materially and adversely affect our business, financial condition, results of operations and prospects.

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Terrorist activities in Indonesia could destabilize Indonesia, which would adversely affect our business, financial condition and results of operations, and the market price of our securities

There have been a number of terrorist incidents in Indonesia in the past two decades, including the May 2005 bombing in Central Sulawesi, the Bali bombings in October 2002 and October 2005 and the bombings at the JW Marriot and Ritz Carlton hotels in Jakarta in July 2009, which resulted in deaths and injuries. On January 14, 2016, several coordinated bombings and gun shootings occurred in Jalan Thamrin, a main thoroughfare in Jakarta, resulting in a number of deaths and injuries. On May 24, 2017, a bombing at a bus station in Jakarta resulted in multiple deaths and injuries. In May 2018, three churches were bombed in Surabaya, killing at least 28 people and injuring at least 50 others. On October 10, 2019, Wiranto, Indonesia's Coordinating Minister for Political, Legal and Security Affairs at that time was stabbed several times by a member of Jamaah Ansharut Daulah, an extremist group, during his visit in Java. More recently, a bombing occurred on March 28, 2021, in the Makassar Cathedral injuring more than 20 people.

Although the Government has successfully countered some terrorist activities in recent years and arrested several of those suspected of being involved in these incidents, terrorist incidents may continue and, if serious or widespread, might have a material adverse effect on investment and confidence in, and the performance of, the Indonesian economy and may also have a material adverse effect on our business, financial condition, results of operations and prospects and the market price of our securities.

Macro-Economic Risks

Negative changes in global, regional or Indonesian economic activity could adversely affect our business

Changes in the Indonesian, regional and global economies can affect our performance. Two significant events in the past that impacted Indonesia's economy were the Asian economic crisis of 1997 and the global economic crisis which started in 2008. The 1997 crisis was characterized in Indonesia by, among others, currency depreciation, a significant decline in real gross domestic product, high interest rates, social unrest and extraordinary political developments. Indonesia entered a recessionary phase with relatively low levels of growth between 1999 and 2002. The rate of growth has stabilized at relatively higher levels in subsequent years, though there has been a moderate slowdown in growth from 2012 to 2016 with slight development over the following years, except in 2020, principally due to the negative impact of the COVID-19 pandemic and containment measures implemented in response to the pandemic. Indonesia’s economy started to recover moderately in 2021. All sectors experienced growth, primarily driven by government spending, production sectors, higher domestic consumption and strong export/import demand, according to the Indonesian Central Bureau of Statistics and Bank of Indonesia. The Indonesian Government raised its budget for the National Economic Recovery program in order to strengthen the economy and aid in economic development. In addition, the Government continues to have a modest fiscal deficit and a high level of sovereign debt, its foreign currency reserves are modest, the Indonesian Rupiah continues to be volatile and has poor liquidity, and the banking sector is weak and suffers from high levels of non-performing loans. Accordingly, there is no assurance that the current Indonesian economic situation would not deteriorate, which could have an adverse effect on our business, financial condition, results of operations and prospects.

While the global economic crisis that arose from the subprime mortgage crisis in the United States did not affect Indonesia's economy as severely as in 1997, it still put Indonesia's economy under pressure. The global financial markets have also experienced volatility as a result of expectations relating to monetary and interest rate policies of the United States, concerns over the debt crisis in the Eurozone, Brexit, the United States and China trade disputes, concerns over China's economic health and economic protectionism, and most recently, the ongoing outbreak of COVID-19. Uncertainty over the outcome of the Eurozone governments' financial support programs and worries about sovereign finances generally are ongoing. The economic and social impact of the COVID-19 spread, which as at the date hereof continues to disrupt the Indonesian economy, further escalation of trade and geopolitical tensions, uncertainties around the conditions of the future trade relationship between the United Kingdom and the EU after the UK ceased to be a member of the EU on January 30, 2020, and persistently weak economic data pointing to a protracted slowdown in global growth are among the possible triggers that could result in a major deterioration in financial market sentiment.

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Trade tensions between the U.S. and major trading partners, most notably China, continue to escalate following the introduction of a series of tariff measures in both countries. Although China is the primary target of U.S. trade measures, value chain linkages mean that other emerging markets, primarily in Asia, may also be impacted. China's policy response to these trade measures also presents a degree of uncertainty. There is some evidence of China's monetary policy easing and the potential for greater fiscal spending, which could result in imbalances in the Chinese economy. This could undermine efforts to address already high debt levels and increase medium-term risks.

In Europe, the UK Government and the EU Commission announced an agreement on a EU-UK Trade and Cooperation Agreement ("TCA"). While this agreement covers a number of topics, including trade in goods and in services, digital trade, intellectual property, public procurement, aviation and road transport, energy, fisheries, social security coordination, law enforcement and judicial cooperation in criminal matters, thematic cooperation and participation in certain EU programs, there are still many unanswered questions. For instance, the TCA does not cover the specifics of the UK-EU agreement regarding financial services. In addition, the TCA is being applied on temporary basis pending the ratification of its final terms in the EU. Such uncertainties, uncertainty as to the magnitude of the expected negative impact of Brexit on the economic outlook of the UK and the Eurozone, and other expected or unexpected effects of Brexit, such as (i) the possible exit of Scotland, Wales or Northern Ireland from the UK, (ii) the possibility that other European Union member States could hold similar referendums to the one held in the UK and/or call into question their membership of the European Union, (iii) the possibility that one or more countries that adopted the Euro as their national currency might decide, in the long term, to adopt an alternative currency, or (iv) prolonged periods of uncertainty connected to these eventualities may have a negative economic impact and increase volatility in international markets. These could include greater volatility of foreign exchange and financial markets in general due to the increased uncertainty. Market and economic disruptions have affected, and may continue to affect, consumer confidence levels and spending, personal bankruptcy rates, levels of incurrence and default on consumer debt, among other factors. There can be no assurance that the market disruptions in Europe, including the increased cost of funding for certain governments and financial institutions, will not spread, nor can there be any assurance that future financial support packages will be made available or, even if provided, will be sufficient to stabilize the affected countries and markets in Europe or elsewhere.

The current COVID-19 pandemic and preventative or protective actions that governmental authorities around the world have taken to counter the effects of the pandemic, including social distancing, office and school closures, travel restrictions and the imposition of quarantines, have resulted in periods of business disruption, including prolonged disruptions to manufacturing and global supply chains as well as restrictions on business activities and the movement of people comprising a significant portion of the world’s population, and a global decrease in economic activity, including in Indonesia. Such measures, and rapid increases of severe cases and deaths where such measures fail or are lifted prematurely, may cause unprecedented economic disruption in Indonesia and elsewhere. As a result, the COVID-19 pandemic has led to uncertainty in the global economy and significant volatility in global financial markets, which may have a negative impact on global economic conditions and lead to a prolonged global economic crisis or recession. The local and global economic disruption from the COVID-19 outbreak has negatively affected individuals and Indonesian companies of all sizes, from SMEs to large corporates (a number of which are our consumers and customers) which have experienced reductions in income, sales and revenue. In 2020, Indonesia's GDP suffered a contraction by 2.07% (computed at constant market prices, based on preliminary results available as at February 2021), according to the Indonesian Central Bureau of Statistics. The consequential decrease in disposable income or available cash, together with a broad negative business sentiment could lead to weaker demand for certain of our products and services in the future. In the second quarter of 2021, Indonesia’s economy expanded by 3.3% and 7.1% on a QoQ and YoY basis respectively. For the financial year ended December 31, 2021, there was no significant negative impact on our sales revenue.

Inflationary pressures have also started to increase as the rebound in global commodity prices and weak domestic currencies have led businesses to pass on their increased input costs to consumers through higher selling prices. For example, the price of brent crude oil has risen sharply from US$50.44 per barrel on December 29, 2020 to US$103.08 on February 28, 2022, and reached a 2022 high of US$133.18 per barrel. This adds to the uncertain global economic outlook.

If the current global uncertainties become protracted, we can provide no assurance that they will not have a material and adverse effect on Indonesia's economic growth and consequently on our business.

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Adverse economic conditions could result in less business activity, less disposable income available for consumers to spend and reduced consumer purchasing power, which may reduce demand for communication services, including our services, which in turn would have an adverse effect on our business, financial condition, results of operations and prospects. There is no assurance that there will not be a recurrence of economic instability in future, or that, should it occur, it will not have an impact on the performance of our business.

Fluctuations in the value of the Indonesian Rupiah may materially and adversely affect us

Our functional currency is the Indonesian Rupiah. One of the most important impacts the Asian economic crisis had on Indonesia was the depreciation and volatility in the value of the Indonesian Rupiah as measured against other currencies, such as the U.S. Dollar.

Historically, the Indonesian Rupiah has been subject to significant depreciation and volatility against the U.S. dollar and other foreign currencies. In particular, in 2020, the Rupiah weakened against the U.S. Dollar from Rp13,875 = US$1.00 on February 16, 2021, to Rp14,648 = US$1.00 on April 14, 2021 and weakened again at Rp14,269 = US$1.00 on December 31, 2021 (based on the middle exchange rate announced by Bank Indonesia), due, among other factors, to the impact of the COVID-19 outbreak on the Indonesian economy. In 2021, the Rupiah remained stable against U.S. dollar due to, among other factors, favourable coal prices and surging demand from other countries including China. Although this energy demand is likely to continue, there is no assurance that the Indonesian Rupiah will not start to soften again due to other factors.

In addition, while the Indonesian Rupiah has generally been freely convertible and transferable, from time to time, Bank Indonesia has intervened in the currency exchange markets in furtherance of its policies, either by selling Indonesian Rupiah or by using its foreign currency reserves to purchase Indonesian Rupiah. We can give no assurance that the current floating exchange rate policy of Bank Indonesia will not be modified or that the Government will take additional action to stabilize, maintain or increase the Indonesian Rupiah's value, or that any of these actions, if taken, will be successful. Modification of the current floating exchange rate policy could result in significantly higher domestic interest rates, liquidity shortages, capital or exchange controls, or the withholding of additional financial assistance by multinational lenders. This could result in a reduction of economic activity, an economic recession, loan defaults or declining subscriber usage of our services, and as a result, we may also face difficulties in funding our capital expenditures and in implementing our business strategy. Any of the foregoing consequences could materially and adversely affect our business, financial condition, results of operations and prospects.

Rapid and excessive increases in levels of inflation and interest rates in Indonesia could adversely affect the Bank's financial condition and results of operations

Interest rates are affected by the inflation rate. Historically, Indonesia has experienced periods of high inflation. Although the inflation rate in 2021 was low, primarily due to the impact of the COVID-19 pandemic, there can be no assurance that inflation rate will not revert to higher levels in the future. If inflation causes interest rates to increase significantly and results in a rapid increase in benchmark rates, it could have an adverse effect on Indonesia's economy, business climate and consumer confidence. As a result, a high inflation rate in Indonesia could have a material adverse effect on our business, financial condition, results of operations and prospects.

Downgrades of credit ratings of the Government or Indonesian companies could adversely affect our business

As of the date of this annual report on Form 20-F, Indonesia's sovereign foreign currency long-term debt was rated "Baa2" with maintain stable outlook by Moody's, "BBB" with negative outlook by Standard & Poor's and "BBB" with stable outlook by Fitch. Indonesia's short-term foreign currency debt is rated "A-2" by Standard & Poor's and "F2" by Fitch.

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These ratings reflect an assessment of the Government's overall financial capacity to pay its obligations and its ability or willingness to meet its financial commitments as they become due. We can give no assurance that Moody's, Standard & Poor's, Fitch or any other statistical rating organization will not change or downgrade the credit ratings of Indonesia or Indonesian companies. In particular, the credit ratings of Indonesia or Indonesian companies, have been and may be further downgraded due to the effects of the current COVID-19 pandemic. On April 22, 2021, Standard & Poor's affirmed Indonesia's foreign currency long-term debt rating of "BBB" but revised the outlook from stable to negative. Considering the rapidly changing implications of the spread of COVID-19, it is difficult to assess the full nature and extent of the impact that the outbreak will have on such credit ratings. Any such downgrade could have an adverse impact on liquidity in the Indonesian financial markets, the ability of the Government and Indonesian companies, including us, to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. Interest rates on our floating rate Rupiah-denominated debt would also likely increase. Such events could materially and adversely affect our business, financial condition, results of operations, prospects and/or the market price of our securities.

Risks relating to Natural Disasters

Indonesia is vulnerable to natural disasters and events beyond our control, which could adversely affect our business and operating results

Many parts of Indonesia, including areas where we operate, are prone to natural disasters such as floods, lightning strikes, typhoons, earthquakes, tsunamis, volcanic eruptions, fires, droughts, power outages and other events beyond our control. The Indonesian archipelago is one of the most volcanically active regions in the world as it is located in the convergence zone of three major lithospheric plates. It is subject to significant seismic activity that can lead to destructive earthquakes, tsunamis or tidal waves. Flash floods and more widespread flooding also occur regularly during the rainy season from November to April. Cities, especially Jakarta, are frequently subject to severe localized flooding which can result in major disruption and, occasionally, fatalities. Landslides regularly occur in rural areas during the wet season. From time to time, natural disasters have killed, affected or displaced large numbers of people and damaged our equipment. These events in the past have disrupted, and may in the future, disrupt our business activities, cause damage to equipment, and adversely affect our financial performance and profit.

For example, on September 2, 2009, an earthquake in West Java caused damage to our assets. On September 30, 2009, an earthquake in West Sumatra disrupted the provision of telecommunications services in several locations and caused severe damage to our assets. In June 2016, underwater volcanic activity caused disturbances to submarine fiber optic cable, causing disruption in services and loss of revenue. On August 5, 2018, a large earthquake hit Lombok and on September 28, 2018, a large earthquake triggered a tsunami which impacted Central Sulawesi, both of which caused operational disruptions and damage to our assets. In January 2020, landslides and floods triggered by torrential downpours in and around Jakarta, Bekasi and Bogor resulted in approximately 50 deaths and 400,000 displaced. Floodwater reached up to six meters in certain areas, making it the worst rainfall in over a decade. The extreme weather also submerged at least 169 neighborhoods. The landslides and floods caused damage to our civil mechanical and electrical equipment, production equipment, and buildings. This resulted in the congestion of data traffic when transferring data to our backup network and therefore, several hours of service disruption at various automatic telephone center (*Sentral Telepon Otomat* or "STO"). The estimated loss from the damages caused by the landslides and floods is Rp36.2 billion, out of which we had to bear approximately Rp2.0 billion after taking into account reimbursements obtained from insurance companies. There were also incidents of floods, weak tornados (*puting beliung*) and landslides in various regions in Indonesia between January and April 2021. On December 6, 2021, Mount Semeru, an active volcano, erupted and cut the telecommunications cable network (backbone) of cellular operators, Telkom was required to reroute traffic to maintain telecommunication services in the area**.** Given the geography of Indonesia, we are highly reliant on the use of submarine cables to provide services across the Indonesian archipelago. These submarine cables may be damaged by volcanic activity or friction with the ocean floor caused by earthquake tremors or otherwise, which may disrupt our ability to provide services to customers.

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Although we have implemented a business continuity plan and a disaster recovery plan, which we test regularly, and we have insured certain of our assets to protect from any losses attributable to natural disasters or other phenomena beyond our control, there is no assurance that the insurance coverage will be sufficient to cover the potential losses, that the premium payable for these insurance policies upon renewal will not increase substantially in the future, or that natural disasters would not significantly disrupt our operations.

We cannot assure you that future natural disasters will not have a significant impact on us, or Indonesia or its economy. A significant earthquake, other geological disturbance or weather-related natural disaster in any of Indonesia's more populated cities and financial centers could severely disrupt the Indonesian economy and undermine investor confidence, thereby materially and adversely affecting our business, financial condition, results of operations and prospects.

We may be affected by uncertainty in the delineation of the respective prerogatives and responsibilities of, and the balance of power between local governments and the central government in Indonesia

Since 1999, various laws and regulations regarding fiscal decentralization, devolution of power to local governments and regional autonomy, among others, were implemented, amended, revoked or replaced. As at the date hereof, there is uncertainty in respect of the respective prerogatives and responsibilities, and the balance of power between the local and the central governments regarding several subject matters. Those include procedures for renewing licenses and approvals, and monitoring compliance with environmental regulations. In addition, local authorities have sought to levy additional taxes or obtain new contributions, from time to time. There can be no assurance that such uncertainty will dissipate or that our business, financial condition, results of operations and prospects will not be adversely affected by dual compliance obligations and further uncertainty as to legality to levy new taxes by certain authorities or the ability of such authorities to promulgate other regulations affecting our business.

Risks Related to our ADSs

The trading price of our ADSs may be volatile, which could result in substantial losses to you

The trading price of our ADSs may fluctuate widely due to factors beyond our control. As a result of this volatility, investors may not be able to sell their ADSs at or above the price paid for the ADSs or ordinary shares, respectively. In addition to the factors discussed in this “Risk factors” section and elsewhere in this annual report on Form 20-F, these factors include:

- variations in our revenue, earnings, cash flow and operating data;
- regulatory or legal developments in Indonesia, jurisdictions where we carry out our operations or in the United States;
- announcements of new investments, acquisitions or strategic partnerships by us or our competitors;
- general economic, political, and market conditions and overall fluctuations in the financial markets in Indonesia, the United States, and other countries where we carry out our operations, including the global and regional impacts of the COVID-19 pandemic;
- sales volumes of our ADSs or ordinary shares, or sales of our ADSs or shares by our senior management, directors or our large shareholders, or the anticipation that such sales may occur in the future;
- stock market price and volume fluctuations of comparable companies and, in particular, companies that operate in the telecommunications industry or with most of their operations in Indonesia;
- investors’ general perception of us and our business;

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- announcements of new products, services and expansions by us or our competitors;
- changes in financial estimates or recommendations by securities analysts;
- detrimental adverse publicity about us, our services or our industry;
- additions or departures of key personnel; and
- potential litigation or regulatory investigations.

Any of these factors may result in large and sudden changes in the volume and price at which our ADSs or ordinary shares will trade.

If securities or industry analysts do not publish research reports about us or our business, or if they adversely change their recommendations regarding our ADSs, the market price for our ADSs and trading volume could decline

The trading market for our ADSs will be influenced by research reports that industry or securities analysts publish about us or our business. If one or more analysts who cover us downgrade our ADSs or ordinary shares, the market price for our ADSs would likely decline. If one or more of these analysts cease to cover us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the market price or trading volume for our ADSs to decline.

The different characteristics of the capital markets in Indonesia and the U.S. may negatively affect the trading prices of our ADSs and shares

As a dual-listed company, we are subject to Indonesian and NYSE listing and regulatory requirements concurrently. The IDX and the NYSE have different trading hours, trading characteristics (including trading volume and liquidity), trading and listing rules, and investor bases (including different levels of retail and institutional participation). As a result of these differences, the trading prices of our ADSs and our shares may not be the same, even allowing for currency differences. Fluctuations in the price of our ADSs due to circumstances peculiar to the U.S. capital markets could materially and adversely affect the price of the shares, or *vice versa*. Certain events having significant negative impact specifically on the U.S. capital markets may result in a decline in the trading price of our shares notwithstanding that such event may not impact the trading prices of securities listed on the IDX generally or to the same extent, or *vice versa*.

Our financial results are reported to the OJK in conformity with IFAS, which differs in certain respects from IFRS, and we distribute dividends based on profit for the year attributable to owners of the parent company and net income per share determined in reliance on IFAS

In accordance with the regulations of the OJK and the Indonesia Stock Exchange ("IDX"), we are required to report our financial results to the OJK in conformity with IFAS. We have provided the OJK with our financial results for the year ended December 31, 2021 on April 18, 2022. We furnished such financial results to the SEC on Form 6-K dated April 19, 2022, which contains our Consolidated Financial Statements as of and for the year ended December 31, 2021, and prepared in conformity with IFAS. IFAS differs in certain significant respects from IFRS and, as a result, there are differences between our financial results as reported under IFAS and IFRS, including profit for the year attributable to owners of the parent company and net income per share. We distribute dividends based on profit for the year attributable to owners of the parent company and net income per share determined in reliance on IFAS.

Based on IFAS financial statements, our profit for the year attributable to owners of the parent company would be Rp20,804 billion in 2020 and Rp24,760 billion in 2021 and our net income per share would be Rp210.01 in 2020 and Rp249.94 in 2021. For 2020, dividends declared per share were Rp168.01 and dividends declared per ADS were Rp16,801. The dividend for 2021 will be decided at the 2022 AGMS, scheduled on May 27, 2022.

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As a foreign private issuer in the U.S., we are permitted to, and we have relied and will rely on exemptions from certain NYSE corporate governance standards applicable to domestic U.S. issuers. This may afford less protection to holders of our ADSs

We are exempted from certain corporate governance requirements of the NYSE by virtue of being a foreign private issuer in the U.S. We are required to provide a brief description of the significant differences between our corporate governance practices and the corporate governance practices required to be followed by domestic U.S. companies listed on the NYSE. See "Item 16D. Exemptions from the Listing Standards for Audit Committees" and "Item 16G. Corporate Governance." The standards applicable to us are considerably different than the standards applied to domestic U.S. issuers. For instance, we are not required to: have a majority of the board of be independent (although all of the members of the audit committee must be independent under the Exchange Act), have a compensation committee or a nominating or corporate governance committee consisting entirely of independent directors, have regularly scheduled executive sessions for non-management directors, or have executive sessions of solely independent directors each year.

We have relied on and intend to continue to rely on some of these exemptions. As a result, holders of our ADSs may not be provided with the benefits of certain corporate governance requirements of the NYSE.

As a foreign private issuer in the U.S., we are exempt from certain disclosure requirements under the Exchange Act, which may afford less protection to holders of our ADSs than they would enjoy if we were a domestic U.S. company

As a foreign private issuer in the U.S., we are exempt from, among other things, the rules prescribing the furnishing and content of proxy statements under the Exchange Act and the rules relating to selective disclosure of material non-public information under Regulation FD under the Exchange Act. In addition, our executive officers, directors and principal shareholders are exempt from the reporting and short-swing profit and recovery provisions contained in Section 16 of the Exchange Act. We are also not required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as domestic U.S. companies with securities registered under the Exchange Act. For example, in addition to annual reports with audited financial statements, domestic U.S. companies are required to file with the SEC quarterly reports that include interim financial statements reviewed by an independent registered public accounting firm and certified by the companies' principal executive and financial officers. By contrast, as a foreign private issuer, we are not required to file such quarterly reports with the SEC or to provide quarterly certifications by our principal executive and financial officers. As a result, holders of our ADSs may be afforded less protection than they would under the Exchange Act rules applicable to domestic U.S. companies.

The voting rights of holders of our ADSs are limited by the terms of the Deposit Agreement

Holders of our ADSs may exercise their voting rights with respect to the ordinary shares underlying their ADSs only in accordance with the provisions of the Deposit Agreement. Upon receipt of voting instructions from them in the manner set forth in the Deposit Agreement, the depositary for our ADSs will endeavor to vote their underlying ordinary shares in accordance with these instructions. Under our Articles of Association, minimum notice periods apply for convening a general meeting or an extraordinary general meeting of shareholders. When such meetings are convened, holders of our ADSs may not receive sufficient notice of a shareholders' meeting to permit them to allow them to exercise their voting rights with respect to any specific matter at the meeting. In addition, the Depositary may not be able to send voting instructions to holders of our ADSs or carry out their voting instructions in a timely manner. Furthermore, the Depositary will not be responsible for any failure to carry out any instructions to vote, for the manner in which any vote is cast or for the effect of any vote. If no voting instructions are received by the Depositary from an holder of our ADSs on or before the date specified by the Depositary, subject to certain exceptions, the Depositary shall deem that such holder has instructed the Depositary to give a discretionary proxy to a person designated by us with respect to the shares underlying such holder's ADSs. As a result, holders of our ADSs may not be able to exercise their rights to vote and they may lack recourse if the ordinary shares underlying their ADSs are not voted as they requested.

Holders of our ADSs may be subject to limitations on transfer of their ADSs

ADSs are transferable on the books of the Depositary. However, the Depositary may close its transfer books at any time or from time to time when it deems expedient in connection with the performance of its duties. In addition, the Depositary may refuse to deliver, transfer or register transfers of ADSs generally when our books or the transfer books of the Depositary are closed, or at any time if we or the Depositary deems it advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the Deposit Agreement, or for any other reason.

Holders of our ADSs may not receive distributions on our ordinary shares or any value for them if it is illegal or impractical to make them available to them

The Depositary of our ADSs has agreed to pay holders of our ADSs the cash dividends or other distributions it receives on our ordinary shares or other deposited securities after deducting its fees and expenses, and subject to certain tax withholdings, as applicable. Holders of our ADSs will receive these distributions in proportion to the number of our ordinary shares that their ADSs represent. However, the Depositary is not responsible for making these payments or distributions if it is unlawful or impractical to make a distribution available to any holders of ADSs. For example, it would be unlawful to make a distribution to a holder of ADSs if it consists of securities that require registration under the U.S. Securities Act but that are not properly registered or distributed pursuant to an applicable exemption from registration. We have no obligation to take any action to permit the distribution of our ADSs, ordinary shares, rights or anything else to holders of our ADSs. This means that holders of our ADSs may not receive the distributions we make on our ordinary shares or any value for them if it is illegal or impractical for us to make them available. These restrictions may materially reduce the value of the ADSs.

Holders of our ADSs may experience dilution of their holdings due to their inability to participate in rights offerings

We may, from time to time, distribute rights to our shareholders, including rights to acquire securities. Under the Deposit Agreement, the Depositary will not distribute rights to holders of ADSs unless the distribution and sale of rights and the securities to which these rights relate are either exempt from registration under the Securities Act with respect to all holders of ADSs, or are registered under the provisions of the Securities Act. The depositary may, but is not required to, attempt to sell these undistributed rights to third parties, and may allow the rights to lapse. We may be unable to establish an exemption from registration under the Securities Act, and we are under no obligation to file a registration statement with respect to these rights or underlying securities or to endeavor to have a registration statement declared effective. Accordingly, holders of ADSs may be unable to participate in our rights offerings and may experience dilution of their holdings as a result.

The time required for the exchange between ADSs and shares might be longer than expected and investors might not be able to settle or effect any sale of their securities during this period

There is no direct trading or settlement between the NYSE and the IDX on which our ADSs and the shares are respectively traded. In addition, the time differences between Indonesia and New York and unforeseen market circumstances or other factors may delay the deposit of shares in exchange of ADSs or the withdrawal of shares underlying the ADSs. Investors will be prevented from settling or effecting the sale of their securities during such periods of delay. In addition, there is no assurance that any exchange of shares into ADSs (and *vice versa*) will be completed in accordance with the timeline investors may anticipate.

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We are established in Indonesia and it may not be possible for investors to effect service of process or enforce judgments, on us, our Commissioners, Directors or officers within the United States, or to enforce judgments of a foreign court against us or any of these persons in Indonesia

We are a state-owned limited liability company established in Indonesia, operating within the framework of Indonesian laws governing companies with limited liability, and all of our significant assets are located, and most of our current operations are conducted in Indonesia. In addition, all of our current Commissioners and Directors reside in Indonesia, are nationals of countries other than the United States and a substantial portion of the assets of such persons are located outside the United States. As a result, it may be difficult or impossible for investors to effect service of process, or enforce judgments on us or such persons within the United States, or to enforce against us or such persons in the United States, judgments obtained in United States courts.

We have been advised by Hadiputranto, Hadinoto & Partners, our Indonesian legal advisor, that judgments of United States courts, including judgments predicated upon the civil liability provisions of the United States federal securities laws or the securities laws of any State of the United States, are not enforceable in Indonesian courts, although such judgments could be admissible as non-conclusive evidence in a proceeding on the underlying claim in an Indonesian court. They have also advised that there is doubt as to whether Indonesian courts will enter judgments in original actions brought in Indonesian courts predicated solely upon the civil liability provisions of the United States federal securities laws or the securities laws of any state within the United States. As a result, it may be difficult or impossible for you to bring an action against us or against our Commissioners, Directors or officers in the United States in the event that you believe that your rights have been infringed under the U.S. federal securities laws or otherwise. Even if you are successful in bringing an action of this kind, under the laws of the Republic of Indonesia you may be unable to enforce a judgment against our assets or the assets of our Commissioners, Directors or officers as claimants would be required to pursue claims against us or such persons in Indonesian courts.

ITEM 4. INFORMATION ON THE COMPANY

A. HISTORY AND DEVELOPMENT OF THE COMPANY

Profile of Telkom Indonesia

Telkom is the largest telecommunications company in Indonesia, in terms of revenue and number of subscribers, providing fixed and mobile telecommunications services and solutions and ancillary services. We are innovative and continue to strengthen and optimize our portfolio businesses, services and solutions by creating strategic programs that maximize synergies and active portfolio management. Our long-term vision, which reflects our existential purpose in building Indonesia as a more prosperous and competitive nation as well as delivering the best value to our stakeholders, is to be the most preferred digital telecommunications company that provides the society with the virtuous communication and information services for their empowerment. In achieving this vision, we define 3 (three) missions that cover many aspects in empowering the society, which are to rapidly build sustainable digital infrastructure and smart platforms that are affordable and accessible to all, to nurture best-in-class digital talents to help develop Indonesia's digital capabilities and increase the adoption of digital technology and services, as well as to orchestrate a comprehensive digital ecosystem to deliver superior customer experience.

In order to achieve our vision and missions, we continue to work to transform key aspects of our business: technology, organization, operation, people, and culture.

Company Name	:	Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia Tbk.
Abbreviated Name	:	PT Telkom Indonesia (Persero) Tbk.

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Commercial Name	:	Telkom
Line of Business	:	Telecommunications and informatics networks and services
Tax Identification Number	:	01.000.013.1-093.000
Business Identification Number	:	9120304490415
Business License	:	0029/IUP-UB/X/2017/DPMPTSP
Domicile	:	Bandung, West Java
Address	:	Jl. Japati No. 1, Bandung 40133, Indonesia
Telephone	:	+62-22-4521404
Facsimile	:	+62-22-7206757
Call Center	:	+62-21-147
Website	:	www.telkom.co.id The information found on our website does not form part of this Form 20-F and is not incorporated by reference herein
E-mail	:	corporate_comm@telkom.co.id; investor@telkom.co.id
Ratings	:	*International Ratings:* "Baa1 (Stable)" by Moody's, "BBB (Stable)" by Fitch, and "A" by MSCI ESG rating for 2021 *Domestic Rating:* "idAAA" by Pefindo for 2021
Date of Legal Establishment	:	November 19, 1991
Legal Basis of Establishment	:	Based on Government Regulation No. 25 of 1991, the status of our Company was converted into a state-owned limited liability corporation ("Persero"), based on the Notarial Deed of Imas Fatimah, S.H. No.128 dated September 24, 1991, as approved by the Ministry of Justice of the Republic of Indonesia by virtue of Decision Letter No. C2-6870.HT.01.01.Th.1991 dated November 19, 1991 and as announced in the State Gazette of the Republic of Indonesia No. 5 dated January 17, 1992, Supplement to the State Gazette No.210
Ownership	:	– Government of the Republic of Indonesia – 52.09% – Public – 47.91%
Listing on Stock Exchanges	:	Our shares of common stock were listed on the IDX and the New York Stock Exchange ("NYSE") on November 14, 1995
Stock Codes	:	– "TLKM" on the "IDX" – "TLK" on the "NYSE"
Authorized Capital	:	1 Dwiwarna Share and 399,999,999,999 shares of common stock
Issued and Fully Paid Capital	:	1 Dwiwarna Share and 99,062,216,599 shares of common stock
Offices	:	– 1 Head Office – 7 Telkom Regional Offices and 61 Telecommunications Areas
Service Centers	:	– 387 Plasa Telkom outlets – 10 Global Offices in Australia, Hong Kong, Malaysia, Myanmar, New Zealand, Singapore, Taiwan, Timor Leste, Dubai, and the United States – 18 International GraPARI centers across Hong Kong, Taiwan, and Timor Leste

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- 396 GraPARI centers in Indonesia (including 9 GraPARI Telkom Group in Medan, Pematang Siantar, Pangkal Pinang, Palembang, Tangerang, Jakarta, Bandung, Surabaya, and Sorong)
- 174 GraPARI mobile units
- 750 IndiHome sales car units

Other Information :

- **Public Accountant**
  KAP Purwantono, Sungkoro & Surja (a member firm of Ernst & Young Global Limited) (PCAOB ID 1381)

  Indonesia Stock Exchange Building, Tower 2, 7th Floor, Jl. Jend. Sudirman Kav. 52–53, Jakarta 12190, Indonesia
- **Securities Administration Bureau**
  PT Datindo Entrycom

  Jl. Hayam Wuruk No.28, 2th Floor, Jakarta 10120, Indonesia
- **Trustee**
  PT Bank Tabungan Negara (Persero) Tbk
  Menara BTN, 18th Floor, Jl. Gajah Mada No.1, Jakarta 10130, Indonesia

  PT Bank Permata Tbk
  Gedung WTC II, 28th Floor, Jl. Jend. Sudirman Kav. 29-31, Jakarta 12920, Indonesia
- **Custodian**
  PT Kustodian Sentral Efek Indonesia
  Indonesia Stock Exchange Building, Tower 1, 5th Floor, Jl. Jend. Sudirman Kav. 52–53, Jakarta 12190, Indonesia
- **Rating Agencies**
  PT Pemeringkat Efek Indonesia
  Panin Tower Senayan City, 17th Floor, Jl. Asia Afrika Lot. 19, Jakarta 10270

  Moody's Investors Service Singapore Pte. Ltd.
  50 Raffles Place #23-06, Singapore Land Tower, Singapore 048623

  Fitch Hong Kong Ltd.
  19/F Man Yee Building, 68 Des Voeux Rd, Hong Kong
- **ADR Depositary**
  The Bank of New York Mellon Corporation
  240 Greenwich Street, NY, USA – 10286
- **Authorized Agent for Service of Process in the United States**
  Puglisi and Associates
  850 Library Ave # 204, Newark, DE 19711, USA

Employee Union : The Telkom Employees Union (*Serikat Karyawan Telkom* or "SEKAR")

Information about the legislation under which we operate and a description, including the amount invested, of our principal capital expenditures and divestitures (including interests in other companies), since the beginning of our last three financial years, is contained elsewhere in this Form 20-F.

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Telkom Indonesia Milestones

1856-1884

On October 23, 1856, the Dutch Colonial Government deployed the first electromagnetic telegraph service operation in Indonesia, which connected Jakarta (Batavia) and Bogor (Buitenzorg). We consider this event to be part of the beginning of Telkom's history and have thus adopted October 23 as the anniversary of our "founding."

In 1884, the Dutch Colonial Government established a private entity, "*Post en Telegraafdienst*" to provide postal and telegraph services.

1906-1965

In 1906, the Dutch Colonial Government established an agency named Jawatan Pos, Telegrap dan Telepon (*Post, Telegraph en Telephone Dienst*) to assume control over postal services and telecommunications in Indonesia. In 1961, its status was changed to newly-established state-owned company, Perusahaan Negara Pos dan Telekomunikasi ("PN Postel"). In 1965, the Government separated postal and telecommunications services by dividing PN Postel into Perusahaan Negara Pos dan Giro and Perusahaan Negara Telekomunikasi ("PN Telekomunikasi").

1974

PN Telekomunikasi became Perusahaan Umum Telekomunikasi Indonesia ("Perumtel"), which provided domestic and international telecommunications services, and subsequently spun-off PT Industri Telekomunikasi Indonesia, which manufactured telecommunications equipment, into an independent company.

1991

Perumtel became a state-owned limited liability company and rebranded to Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia under Government Regulation No.25 of 1991.

1995

On May 26, 1995, we and Indosat established Telkomsel.

We completed our initial public offering and our shares were listed on the Jakarta Stock Exchange and the Surabaya Stock Exchange (which have since merged to become the IDX). Our shares were also listed on the NYSE and the LSE in the form of ADSs, and were publicly offered without listing on the Tokyo Stock Exchange.

1999

We launched the Telkom-1 satellite. This satellite was de-orbited when it reached the end of its operational life.

2001

We and Indosat eliminated joint ownership and cross-ownership in certain companies as part of the restructuring of the telecommunications industry in Indonesia. We acquired Indosat's 35.0% shareholding in Telkomsel, increasing our shareholding to 77.7%. We divested our 22.5% shareholding in PT Satelit Palapa Indonesia, or Satelindo, and 37.7% shareholding in PT Lintasarta Aplikanusa. At the same time, we lost our exclusive rights as the sole operator of fixed line services in Indonesia.

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2002

We divested a 12.72% shareholding in Telkomsel to Singapore Telecom Mobile Pte Ltd ("SingTel Mobile"), decreasing our shareholding in Telkomsel to 65.0%.

2004

We launched an international direct dialing service for fixed lines with the access code of 007.

2005

We launched the Telkom-2 satellite. This satellite was de-orbited when it reached the end of its operational life.

2009

We underwent a transformation from an information telecommunications company to become a Telecommunication, Information, Media and Edutainment ("TIME") company. Our new image was introduced to the public with a new corporate logo and the slogan of "the world in your hand."

2010

We completed the JaKaLaDeMa submarine fiber optic cable project in April 2010 which connected Java, Kalimantan, Sulawesi, Denpasar, and Mataram.

2011

We commenced the reformation of our telecommunications infrastructure through the completion of the Telkom Nusantara Super Highway project, which unites the Indonesian archipelago from Sumatra to Papua, as well as the True Broadband Access project to provide internet access with a capacity of 20 Mbps to 100 Mbps to customers throughout Indonesia.

2012

We increased broadband penetration through the development of Indonesia Wi-Fi as part of our "Indonesia Digital Network" (IDN) program. We also reconfigured our business portfolio from TIME to TIMES to increase our ability to create business value.

2014

We became the first operator in Indonesia to commercially launch 4G/LTE services in December 2014.

2015

We launched IndiHome, which bundles all-in-one packages services consisting primarily of broadband internet, fixed wireline phone and interactive TV services.

2016

We completed the construction of our new headquarters in Jakarta which we designed as a "smart office" with open office layout and smart building features in order to provide an inspirational working environment for our employees.

In December 2016, we completed the construction of the submarine cable systems Southeast Asia-Middle East-Western Europe 5 (SEA-ME-WE-5).

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2017

The Telkom 3S satellite was launched in February 2017 and fully commenced operations on schedule, starting in April 2017.

In August 2017, we completed the Southeast Asia-United States (SEA-US) submarine fiber cable connecting Manado, Indonesia to California, United States. The SEA-US cable is built, owned, and operated by a consortium of seven companies.

In October 2017, Telkomsel secured an additional 30 MHz spectrum at 2.3 GHz frequency, after winning the auction held by MoCI.

2018

We launched the Telkom Merah Putih satellite, which began providing coverage for all of Indonesia, Southeast Asia and South Asia in August 2018.

We inaugurated The Telkom Hub, a hub for developing digital entrepreneurs, digital infrastructure and solutions, and fostering a culture of digital. This hub also serves as a social and technology education center that provides digital customer care services. It is a center of excellence and it intended to facilitate the Government's digital initiatives such as "Making Indonesia 4.0," "2020 Go Digital Vision," and "One Data Indonesia."

In December 2018, we completed the construction of the Indonesia Global Gateway (IGG) submarine cable, which connects two major submarine cable systems: the Southeast Asia-Middle East-Western Europe 5 (SEA-ME-WE 5) and the Southeast Asia- United States (SEA-US) Submarine Cable Systems.

2019

We sold 654,804 shares, representing 67.0% of PT Jalin Pembayaran Nusantara ("Jalin") to PT Danareksa (Persero), a state-owned enterprise, for the value of Rp394,569,700,000.00. As at the date hereof, we hold 33.0% interest in Jalin.

On February 19, 2019, we acquired (through Mitratel) 95.0% of the share capital in PT Persada Sokka Tama, a company engaged in the telecommunications tower business with 1,017 towers located throughout Indonesia. In December 2019, we completed the acquisition of 2,100 telecommunications towers from PT Indosat Tbk in Indonesia.

We reconfigured our business portfolio from TIMES to a five-segment portfolio (Mobile, Consumer, Enterprise, Wholesale, International Business, and Others) to reflect our customer-centric mindset and enhance and create value to our customers.

2020

We actively took part into several initiatives in response to the COVID-19 outbreak at the level of our company, our communities and nationally. In particular, we further increased our network reliability and availability, and accessibility to our services at affordable prices as more people were asked to work from home or study from home. We also participated in the development of tracking applications, including for purposes of the Indonesian vaccination campaign.

We started building a Telkom HyperScale Data Center in July 2020. This mega-capacity data center of tier 3 and 4 class will complement 26 data centers which are already operational (five international data centers, 18 neuCentrIX and three tier 3 and 4 data centers). Telkom HyperScale Data Center is intended to support Indonesia's digital transformation by enabling global players and corporations from various sectors such as financial institutions, the Government and its agencies, manufacturers, content providers, global cloud providers to further develop access to their services and continue their digitalization efforts.

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In October 2020, Telkomsel entered into a conditional sales and purchase agreement for the sale of 6,050 telecommunication towers to Mitratel. The transfer of these telecommunication towers is expected to strengthen Mitratel's core business and increase its value, as well as help achieve its long-term plans.

In November 2020, Telkomsel entered into a new collaboration with, and made a US$150 million investment in PT Aplikasi Karya Anak Bangsa (Gojek) (now known as PT GoTo Gojek Tokopedia ("GoTo").

2021

Telkomsel officially launched 5G services on May 27, 2021, cementing its position as the first cellular operator to offer 5G in Indonesia. Telkomsel also refreshed its brand identity, followed by product simplification. In May 2021, Telkomsel made an additional investment of US$300 million in GoTo. Telkom continued to build synergies and collaborations with digital and technology companies through an MoU with Microsoft in August 2021. In August 2021, Telkomsel entered into a deed of transfer and acquisition agreement with Mitratel for the transfer of its 4,000 telecommunications towers across Indonesia to Mitratel.

Telkom's venture capital arm, MDI, continued its investments into promising technologies and companies. MDI has invested in more than 50 startups in 12 countries, focusing on investment in several strategic sectors.

Telkom continues to build data center and cloud capacity. In addition to the 26 data centers that we already have, we are in the process of developing a new site for a data center namely a Hyperscale Data Center certified as tier 3 and 4 with a total area of 65,000 m^2 near Jakarta. Our Hyperscale Data Center will be completed in stages, and the first stage is expected to be completed by the first half of 2022 with a capacity of 22.5 MW. At the final stage, our Hyperscale Data Center will have total capacity around 75 MW.

IndiHome continues to be our engine of growth during 2021 with 585,000 new subscribers.

Mitratel, our subsidiary, successfully conducted an Initial Public Offering on November 22, 2021. Mitratel received new funds of around Rp18,463 billion to support its organic and inorganic business expansion.

Telkom believes sustainability initiatives are important to ensure that all stakeholders achieve benefits from the economic, social, and environmental ("ESG") goals. Telkom's concern for ESG is also motivated by the belief in the importance of paying attention to every aspect, for example, ecological aspects such as climate change due to economic activities, social impacts of company activities, and corporate governance practices. MSCI ESG researched and upgraded Telkom's rating to 'A' from 'BBB'.

B. BUSINESS OVERVIEW

Strategy

As the largest telecommunications company in Indonesia, we intend to become the preferred digital telecommunications company in Indonesia that contributes to the prosperity and competitiveness of Indonesia while creating and delivering value to our stakeholders. We intend to rapidly build sustainable digital infrastructure and smart platforms that will be competitively priced, affordable, and accessible to a wide range of customers. We also nurture best-in-class digital talents who will contribute to the development of Indonesia's digital capabilities and increase the penetration of digital technologies and services, as well as improve our customers' experience through the development of a comprehensive digital ecosystem.

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We seek to understand and anticipate customers' needs to deliver the best customer experience and exceed our customers' expectations by facilitating customers' interactions with us, including through digital interfaces (for the purchase of products and service, making payments, submitting change requests or complaints for instance). Such digital interactions are supported by digitized processes to expedite internal collaborations and focus on maximizing customer's digital experience. We also maximize our engagement with each segment of customers through our specific customer relationship management called Customer Facing Units (CFUs) that consist of CFU Mobile, CFU Consumer, CFU Enterprise, CFU Wholesale & International Business, and CFU Digital Service. We aim to become more agile as an organization and foster a digital culture, for instance by eliminating manual processes, encouraging a start-up model and work methods, optimizing business processes to facilitate faster development of products and services in accordance with customers' needs and expectations, shorten time-to-market, allocate resources more efficiently, and encourage and nurture digital talents sourced internally or externally. This enables us to maintain or improve our cost competitiveness while focusing on operational excellence to deliver quality products and services to our customers.

We have been strengthening our digital capabilities and intend to further expand our leadership in connectivity-driven business and provide end-to-end digital experience to our customers. We have been enhancing our digital connectivity offering to businesses, invested in our digital platform, and diversified our digital service offering as we pursue maximizing value to our customers and stakeholders through cash flow optimization, value creation and the enhancement of synergies. To that end, we have been expanding the backbone network infrastructure and broadband network access throughout Indonesia and expanded and improved our offering of digital services. For instance, in the mobile segment, we have developed digital advertising, mobile banking and financial services and the IoT and analytics businesses, in addition to digital lifestyle services that focus on providing cellular technology-based entertainment experiences such as music, video streaming, games, and other value-added mobile service platforms. In the Enterprise segment, we provide end-to-end digital solutions for corporate customers, small and medium business, and government institutions that require digital connectivity, IT services, data center and cloud, business process outsourcing, and other support solutions. In the Consumer segment, we offer more high-speed internet package options, TV/Video channels, games, and improved the monetization of digital inventory for digital advertising. In the Wholesale and International Business segment, we provide wholesale telecommunication hub, internet exchange for OTT players, and digital connectivity including data centers for service providers and digital players, both domestically and globally.

We also engage in inorganic growth to enhance our digital capabilities and strengthen our digital services ecosystem, through acquisitions and collaborations or partnerships with other parties who have superior digital capabilities. For instance, between 2019 to 2021, our subsidiary Mitratel acquired equity interests in PT Persada Sokka Tama (resulting in PT Persada Sokka Tama becoming a wholly-owned subsidiary of Mitratel in the first quarter of 2021) and acquired 2,100 telecommunications towers from PT Indosat Tbk in Indonesia in 2019, Mitratel entered into a conditional sale and purchase agreement with Telkomsel for the acquisition of 6,050 telecommunications towers, 1,911 of which were transferred to Mitratel on October 20, 2020 with the remaining balance (4,139 of towers) transferred on February 26, 2021. Moreover, Mitratel acquired 4,000 telecommunications towers from Telkomsel pursuant to a deed of transfer and acquisition agreement with Telkomsel dated August 31, 2021. With those acquisitions, we seek to continue to consolidate and strengthen our telecommunications tower network throughout Indonesia. Furthermore, we continue to strengthen our digital ecosystem. In 2020, we entered into a strategic partnership with PT GoTo Gojek Tokopedia (“GoTo”), previously known as PT Aplikasi Karya Anak Bangsa (Gojek). On May 18, 2021, Telkomsel entered the Shares Subscription Agreement to subscribe to the converted 29,708 GoTo shares amounted to US$150 million (equivalent to Rp2,110 billion) and exercised the call option to acquire an additional 59,417 GoTo shares amounted to US$300 million (equivalent to Rp4,290 billion). We expect this strategic partnership will allow us to provide users and the community with better services and innovative solutions through the development of an inclusive and sustainable digital ecosystem. In addition, we also expect this collaboration could help to accelerate the digital transformation in Indonesia. While we expand and diversify our businesses, we intend to maintain our high corporate governance standards and enhance our risk management and compliance functions.

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In pursuing our objective to create corporate value, we implement principles of good governance and guidelines and initiatives to achieve sustainable growth. There are five main components in our sustainability initiatives that we implement to achieve such sustainable growth:

- technology and digitalization: we select and use technology that suits a sustainable business, both considering the social and environmental impacts of such technology and the use of resources it requires. We have implemented and keep developing digitalized processes internally to increase efficiency and optimize the use of resources;

- data and information: we have a strong commitment to data privacy and security, in particular in connection with our customers' information. Data security and privacy are increasingly the focus of laws and regulations and we have a responsibility to prevent the misappropriation and misuse of confidential data and information and the illegal use of our network and equipment to obtain such information and data;

- customer engagement: we regularly engage with our customers to maintain and increase their satisfaction and loyalty and better understand and anticipate their needs and concerns, including their sustainability values and aspirations;

- our people and culture: we believe in our people and invest in the development of a digitally-savvy workforce and seek to instill a culture that values professionalism and the acquisition of new skills. We respect diversity in the workplace and believe in giving equal opportunities to people of different backgrounds and gender; and

- sustainable economy: we believe we are well placed to directly and indirectly promote sustainability by supporting and enabling the development of digitalization and promoting corporate practices which are respectful of the environment.

Business Portfolios

Our business portfolios are organized through business lines that can be categorized into three digital domains: digital connectivity, digital platform and digital service, along with our legacy services comprising voice and SMS services. Our product portfolios are operated under the following five key segments to create, enhance, and deliver value to our customers:

- mobile segment comprises mobile broadband services, mobile digital services that include financial services, video on demand (VOD), music, gaming, IoT solutions, big data analytics, digital ads, and mobile legacy services such as mobile voice and SMS;

- consumer segment comprises fixed voice services, fixed broadband services, IPTV, and related consumer digital services;

- enterprise segment mainly comprises ICT and digital platform that covers enterprise-grade connectivity services, including satellite, IT services, data center and cloud, business process outsourcing, and other adjacent services;

- wholesale and international business segment comprises wholesale telecommunications carrier services, international business, tower business, and infrastructure and network management services; and

- other segment comprises digital services offerings such as digital platform, digital content, and e-commerce for B2B to support other segments, and property management as our effort to leverage Telkom's property assets across Indonesia.

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Historically, we generated the largest share of our revenue from services relating to digital connectivity. Our business has not experienced significant seasonality.

The following is a brief overview of our product portfolios:

1. Mobile Segment

Our mobile segment portfolio comprises mobile voice, SMS, mobile data services, and mobile digital services. We provide mobile and cellular communications services with GSM, 3G, 4G/LTE and 5G technology through our subsidiary, Telkomsel. Mobile services (including mobile data services) remained the largest contributor to our consolidated revenues in 2021.

Our prepaid services, used by 95.9% of our cellular subscribers as of December 31, 2021, are marketed under the brands Telkomsel Prabayar, which we introduced in 2021, and by.U, which we introduced in 2019. Telkomsel introduced its new identity and logo in June 2021, which featured a lightning bolt to signify the move to digital and include the integration of multiple products and services under Prabayar to improve convenience, comfort and experience. Our postpaid mobile services, used by 4.1% of our cellular subscribers as of December 31, 2021, are marketed under the brand Telkomsel Halo.

Our total cellular subscriber base increased by 3.8% or 6.4 million additional subscribers, from 169.5 million subscribers (comprising 163.0 million prepaid subscribers and 6.5 million postpaid subscribers) as of December 31, 2020, to 176.0 million subscribers (comprising 168.8 million prepaid subscribers and 7.2 million postpaid subscribers), as of December 31, 2021. The increase in our total cellular subscriber base was primarily due to the simplification of our product choices and offering them at attractive prices which resulted in a compelling offering, while at the same time strengthening and expanding our market leading network. In addition, we were and are still subject to intense competition in our industry.

Our mobile broadband services for all of our customers are supported by 5G/4G/LTE/HSDPA/3G/EDGE/GPRS technology. As of December 31, 2021, we had 120.5 million Telkomsel data users, compared to 115.9 million data users as of December 31, 2020, an increase of 3.9%, or 4.6 million additional data users. This increase primarily resulted from expanding Telkomsel’s Digital Services portfolio including adoption of Digital Lifestyle to complement connectivity while capturing growth opportunities through our new strategic digital initiatives aimed at securing our long-term growth and at the same time building differentiation in our products from our competitors and providing value-added benefits to customers. We took initiatives to increase our competitiveness and retain existing customers or acquire new customers with better-priced products with added value to customers and increased network capacity. In 2021, we introduced our Unlimited Program, which used data to provide a more personalized experience to our customer, and our “more for more” package that bundled more products for a higher but attractive price. In addition, we continue to explore opportunities for digitalization to meet customers' needs, increase connectivity and identify new sources of growth. We have expanded our product portfolio to offer services related to health-tech, edu-tech, gaming, video contents, fintech and services to support the B2B segment.

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In addition to our digital connectivity business, we established several digital service offerings within our mobile segment with a specific focus on financial services, video on demand, music, gaming, advertising and IoT. Our mobile segment comprises a financial payment platform, T-Cash, that pioneered digital payment when it started in 2007. In 2019, T-Cash became LinkAja under PT Fintek Karya Nusantara ("Finarya"). As at the date hereof, Telkomsel owns a 24.27% equity interest in Finarya. We also offer video content on demand under MAXstream, a one-stop video portal that aggregates Over The Top video applications, linear channels, Video On Demand and other original content bundled with broadband data packages. We provide music and gaming services that offer a mobile entertainment experience by targeting various consumer segments and leveraging Telkomsel's trusted billing system. We have applications for music (*e.g.*, Langit Musik) and Telkomsel Dunia Games, which provides a complete gaming ecosystem combining media contents, distribution, payment facilities, e-sport and game publishing. We launched online games and started developing gaming communities to expand our customer experience in that area. With the rapidly evolving customer needs and the transformation taking place in the society, Telkomsel committed to enhancing our product offerings and digital capabilities to go beyond connectivity while accelerating and expanding our current digital ecosystem, to continue to focus on customer needs and long-term growth supported by network quality. This initiative includes enriching digital service related to video and games content, augmented the functionalities of by.U (a fully digital prepaid product), developing Telkomsel Orbit (home wireless internet service as an effort to leverage strong network capacity) and rehaul MyTelkomsel app and Telkomsel.com to improve their value proposition.

Following Telkomsel's investment in GoTo in November 2020 and May 2021, the two companies have strengthened their strategic partnership initiatives to provide users with new benefits and also help to accelerate the digitization of micro, small and medium enterprises (MSMEs). We believe this partnership with a premier and innovative technology company such as GoTo will be transformative for Telkomsel and help Telkomsel achieve its goal to become a truly digital telecommunications company. GoTo has already developed a complete and well-recognized digital ecosystem for users, drivers and merchants. Our partnership with GoTo is multi-faceted. We intend to jointly promote products and services such as SIM card promotions and advertising packages, and carry out co-branding activities to better service our respective customers and expand our addressable markets. For instance, we have offered data packages and discounts designed for GoTo drivers. We also collaborate with GoTo to better understand consumption habits and the behaviors of users and customers to improve our products and solutions offerings. Following this investment, the two companies have strengthening strategic partnership initiatives to provide users with new benefits and also helped to accelerate the digitization of micro, small and medium enterprises (MSMEs). These initiatives include collaboration on initiatives to increase the number of Telkomsel users within the GoTo ecosystem, easy onboarding for GoTo's MSME partners to become Telkomsel reseller partners, convenient access to Telkomsel's outlets and resellers via GoShop and improving customer experience in carrying out GoTo services with Number Masking feature from Telkomsel's Enterprise solutions. We expect Telkomsel will further diversify its product offering and increase data revenue, expand its total addressable market, achieve higher data penetration, reduce customer churn and consolidate its leadership position thanks to the opportunities this partnership will create.

The Job Creation Law, passed in 2020, aims, among other things, to support the acceleration of digitalization and accessibility of broadband services in Indonesia through various means, including preventing inefficiencies through the optimization of the frequency spectrum and limiting passive infrastructure with certain network sharing obligations imposed on non-telecommunications companies (under certain conditions), and ensuring a sustainable competitive environment through price regulation. As set out in GR No.46/2021, November 2, 2022, is the deadline for the switch from analog to digital television broadcasting as analog television broadcasting will have to cease by then. Such Analog Switch Off (ASO) will free up 112MHz in the 700MHz frequency band that can be used for mobile data.

Telkomsel officially launched 5G service in May 2021, becoming the first cellular operator to offer 5G in Indonesia. Initially, 5G will be available at selected points across nine cities (Jakarta, Surabaya, Makassar, Denpasar, Batam, Medan, Solo, Balikpapan and Bandung) as part of our strategy to roll out 5G through a demand-based approach for B2C and B2B. Telkomsel intends to maximize the use of 5G to transform lives and publicize the advantages of the 5G network to further encourage the growth of digital connectivity, digital platforms and digital services in Indonesia as well as the development of future technology solutions such as artificial intelligence, cloud computing and the Internet of Things with investment already included in its roadmap plan, which will be executed in stages based on several considerations including maturity of the ecosystem.

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2. Consumer Segment

Our consumer segment portfolio comprises fixed voice, fixed broadband services, and IPTV including consumer digital services. It is marketed under the retail brand "IndiHome," a product that allows customers to choose one or more of such services.

The need for connectivity continues to increase while the price of connectivity services continues to decrease from year to year. To address this trend, we continue to implement cost efficiencies and offer our "more for less" program, by positioning IndiHome as a Windows of Entertainment to provide customers with more exciting benefits, at a competitive price through bundling service. These services consisted of broadband internet, fixed wireline phone and interactive TV services. We have offered a one-stop-entertainment solution by bundling selected OTT services such as Disney Hotstar, MOLA TV, Vidio, WeTV iflix, CATCHPLAY and UseeTV Go which are more worth than a la carte subscription. Considering challenges faced by our customers and the public during the COVID-19 outbreak, we have also launched specifically-designed packages to assist people who had or still have to study or learn from home or involved in distance learning activities ("*Paket Khusus Pelajar, Pengajar, dan Jurnalis*" packages). We have also provided special packages for places of worship to support their online activities during the COVID-19 pandemic.

In addition, we continue to develop products and technologies to meet our customers' aspirations and needs. In 2021, we expanded GameQoo, our cloud gaming service, to become available nationwide for our customers. We also improved its quality of service to deliver a better customer experience. We partnered and provided new VOD & OTT services such as Disney+ Hotstar, Viu, Lionsgate, etc. We improved our music and Karaoke service in STB, enhanced our smart home products with new capabilities, and expanded our customers' ability to upgrade their internet speed.

Our IPTV service, IndiHome TV, is bundled within our IndiHome service offering, delivered via Android TV box devices enriched by the Google Ecosystem. Our IPTV service include linear TV channels, TV-on-demand, video-on-demand (VOD), and is extended to add OTT service with the UseeTV Go application and UseeTV.com website for enjoying multiscreen and access to TV anywhere. We continue to enrich the variety of our IndiHome TV channels with new high-definition channels such as HITS, HITS Movies, TLC, Paramount, Techstorm, Horizon Sports, My Cinema, My Cinema Asia, My Family, and our very own kids' channel, IndiKids, one of our 8 in-house channels, along with premium programs such as Liga 1, BWF, Coppa Italia, and Intimate Concert. IndiHome TV Channel delivers 233 channels (149 SD Channels, 79 HD Channels and 5 Dolby Channels).

Although all Pay TV across Southeast Asia were impacted by the discontinuation of Disney Group's channels, IndiHome maintain best customer experience by delivering Disney group contents for our customers through Disney+ Hotstar OTT app on any screens including our Android TV Set Top Boxes. In addition, we offer new premium OTT apps such as Lionsgate Play, a large production studio and content provider of Hollywood movies, Viu, leading OTT provider for Asia contents, and Vision+, reputable content provider especially in local drama. Along with current OTT service such as Catchplay+, Mola, Vidio, WeTV Iflix & UseeTV Go, IndiHome TV deliver 9 OTT services while enriching IndiHome as "Window of Entertainment".

As of December 31, 2021, we had approximately 8.6 million fixed broadband IndiHome customers and we estimate this represented approximately 80.2% of the market share of fixed broadband customers in Indonesia.

We also offer wifi.id services to our IndiHome customers, an add-on service which allows such customers to enjoy unlimited internet access at all wifi.id access points in Indonesia. Wifi.id stands for Indonesia Wi-Fi, our wireless public internet network that provides user facilities to enjoy high-speed internet services and various other multimedia services.

3. Enterprise Segment

Our enterprise segment comprises mainly ICT and platform services that cover enterprise-grade connectivity services, satellite services, data center and cloud, digital IT services, business process outsourcing, device and digital adjacent services.

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For enterprise connectivity, we offer fixed broadband, Wi-Fi, Ethernet, and data communication services, including a SD-WAN ecosystem enabling higher performance of WANs, leased channels such as metro Ethernet, VPN-IP, high-capacity data network solutions giving point-to-point connection with high-capacity bandwidth, and fixed voice services, among others. We also provide satellite services as part of enterprise connectivity offering and continue to strengthen our presence in this sector through our providing of transponder capacity leasing, satellite secondary product lines and other satellite support solutions. Our satellite operations consist primarily of leasing satellite transponder capacity to broadcasters and operators of VSAT, cellular services, and ISPs, as well as providing earth station satellite up-link and down-link services for domestic and international users.

To address the significant increase in demand, we continue to enhance our data center facilities and cloud services. Our offering includes the providing of enterprise data center, collocation, hosting, disaster recovery centers, managed operation, data center consulting, and various cloud services such as private cloud, hybrid cloud and public cloud. In 2020, we launched Flou Cloud, cloud services designed to support their transition towards digitalization of Indonesian startups, small and medium businesses, companies and government agencies. Cloud services offered include cloud computing services, data storage and management, network services, data protection and access to databases. In 2021, we focused on professional services for the financial, manufacturing, government and communications sectors as we expect these segments to experience significant growth. We used our own resources and partnered with global players cloud players to provide these sectors with professional cloud management and cloud advisory services.

We provide system integration and IT service management, together with related business process management, business process as-a-service and customer relationship management services. We aspire to digitalize our service offering further, therefore, we are relentlessly focusing on strengthening our IT capabilities to reinforce our offerings going forward.

We also provide smart enabler platform services to promote innovation with next-generation technology solution, integrated industry ecosystems and to foster changes in consumer behavior in Indonesia. Our adjacent services comprise diverse services relating to software, devices and hardware (including IT hardware) sales and certain related services such as IT support services. Moreover, we offer financial services which consist of bill payment aggregators, electronic payment platform services, online payment solutions, payment switching services. We also offer digital advertising solutions such as media placement services and creative solutions, integrated digital media services such as digital out-of-home, mobile advertising, online advertising, and digital printing services. Big data and data analytics in the form of platform services that generate insights for customers to analyze consumer behavior and create more efficient marketing campaigns are also included in our service portfolio. We also provide smart enablers platform services and assist with customer relationship management, among other things: IoT services which offer IoT solutions for buildings, IoT applications for smart energy monitoring and management, fleet management, unified communication and collaboration services, IT security services, and other adjacent services. Lastly, our e-Health solutions provide a simplified procedure and standardized healthcare claim process between healthcare providers, patients, and insurance providers that leverages our digital and IT service capabilities.

In 2021, we prioritized providing ICT business to business and industry solutions for verticle industries such as logistics, healthcare, education, government, financial services and insurance, agriculture, mining and other industries. We develop customized solutions that address the unique characteristics of each such industry. Our approach treats ICT services and industrial solutions as horizontal platforms consisting of IoT, data center and cloud, big data, cybersecurity, and payments.

4. Wholesale and International Segment

Our wholesale and international business segment includes wholesale telecommunications carrier services business, tower business, infrastructure services business, and international business.

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The telecommunications carrier services we offer comprise primarily network services, data and internet, as well as interconnection services, value added services, voice-hubbing, A2P SMS, data centers, platforms, and solutions. We earn revenue from interconnection services from other telecommunications operators which utilize our network and infrastructure in Indonesia, both for calls that terminate at or transit via our network. Similarly, we also pay interconnection fees to other telecommunications operators when we use their networks to connect a call from our customers. Interconnection services that we provide to other telecommunications operators comprise domestic and international interconnection services. With regards to our tower business, we lease out space to other operators to place their telecommunications equipment on these towers, for which we receive a fee. As of December 31, 2021, we have approximately 36,761 towers, comprising approximately 28,206 towers owned by Mitratel, approximately 555 towers owned by Telkom (PAK), and approximately 8,000 towers owned by Telkomsel. We aim to consistently expand our tower business, as we believe this is a strategic business in the telecommunications industry and intend to increase our tower rental revenues. We also seek to improve our operation and maintenance efficiency by digitizing our internal business processes.

In October 2020, Mitratel entered into a conditional sale and purchase agreement for the acquisition of 6,050 towers from Telkomsel, 1,911 of which were transferred to Mitratel in October 2020 and 4,139 of which were transferred in February 2021. In February 2021, Mitratel acquired a 5% equity interest in PT Persada Sokka Tama (which therefore became a wholly-owned subsidiary of Mitratel as a result of such transaction). In August 2, 2021, Mitratel entered into a principal agreement in connection with the investment of the tower 798 Telkom's tower. In September 2021, Telkomsel and Mitratel again entered into a telecommunication tower ownership agreement, which was marked by the agreement of the two companies to buy and sell telecommunication towers (SPA) for 4,000 telecommunication tower units.

We provide managed infrastructure and network services by performing network construction and maintenance including laying and maintaining submarine cable, and energy solutions for telecommunications infrastructure ecosystems. We accomplish this through leveraging existing business in our portfolio and developing in-house capabilities and innovative solutions. As part of our infrastructure portfolio, we have developed energy management solutions. As such, we completed the delivery and installation of diesel power plants in the Kalimantan and Sulawesi regions in 2017; after completion of this project, we were engaged by a State-Owned Enterprise to manage the maintenance of the diesel engines we had delivered and installed in Sulawesi, Kalimantan and other eastern regions of Indonesia up to 2022. The construction of the Southeast Asia-United States (SEA-US) submarine fiber cable was completed in 2018 connecting Manado, Indonesia to California and the IGG submarine fiber cable, which has enhanced connectivity among major cities in Indonesia while directly connecting Indonesia to Southeast Asia, the Middle East, Western Europe and the United States. We expect further deployment of submarine-fiber cables in the future.

Globally, Telecommunications tower providers are optimizing value creation considering different growth opportunities in their ambition. They are shifting from being a basic tower company providing interconnection to an infrastructure company providing a broad range of support including fiber optic services and upgrading equipment to provide mini-data centers to customers. The increase in data usage and high bandwidth applications makes it necessary to compute and store close to customer's premises and set up edge computing on tower sites. By deploying micro data centers close to the network edge may provide business opportunities to telecommunications tower providers to enable ultra-reliable low latency communication in 5G services. Demand for and reliance on edge computing technology is also expected to increase with the emergence and development of high throughput and low latency applications such as high-speed video services, augmented reality and virtual reality applications, autonomous driving and other communication applications. We expect the future deployment of 5G technology will also provide growth opportunities to our wholesale segment. The deployment of 5G technology in Indonesia is subject to various factors and conditions but we intend to pioneer such deployment in a cost-efficient and phased approach to offer 5G wholesale services in Indonesia.

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In addition, in 2021, we noticed an increase in demand for our A2P SMS services in response to changes in consumption habits caused by the COVID-19 outbreak and measures implemented by the Government and private sector players in response to the outbreak. During the pandemic, large-scale social restrictions (*Pembatasan Sosial Berskala Besar* ("PSBB")) such as restrictions on travel and social activities, health and safety measures implemented by companies and also customers' personal preferences caused an increase in customers' digital activities from home, such as work-from-home or study-from-home. Most of such activities conducted virtually from home reflected a change in lifestyle that led to increased consumption of mobile applications (games, social media, online shopping, access to online services, e-commerce platforms, use of digital video and music platforms, for instance). The use of such applications, which often require notifications and authentication of users, resulted in increased use of our A2P SMS services.

In 2021, we consolidated and expanded our data center capabilities, offering cloud services and marketplace services. Our subsidiary, PT Telekomunikasi Indonesia Internasional (“Telin”) continues to manage data center expansion in overseas located in Hong Kong and Singapore. Telin also developed its NeuAPIX cloud-based CPaaS services to provide small, medium and large companies and business owners with omni-channel communication features (bots and live chats, real-time voice capabilities, SMS, emails, video calls and messaging services such as Line or Facebook messenger). Telin also offers NeuTrafiX, a web-based public exchange platform for connecting buyers and sellers easily and transparently for wholesale voice, SMS and virtual numbers trading.

We also have limited operations and/or interests in a number of jurisdictions outside Indonesia in telecommunications and data related areas. Our subsidiary, Telin, manages our international operations in the following jurisdictions:

● Singapore, through Telekomunikasi Indonesia International Pte. Ltd. ("**Telin Singapore**"), where we operate as an end-to-end information and communication technology provider, providing cloud and connectivity, wholesale voice services and data center and managed services;

● Hong Kong, through Telekomunikasi Indonesia International Ltd. ("**Telin Hong Kong**"), where we provide wholesale voice services, wholesale data services, satellite transponder services, retail mobile services (MVNO), and where we also operate a GraPARI center and a data center;

● Timor Leste, through Telekomunikasi Indonesia International S.A. ("**Telin Timor Leste**"), where we provide mobile cellular services, enterprise solutions and wholesale and international services, and operate a data center;

● Australia, through Telekomunikasi Indonesia International Pty. Ltd. ("**Telin Australia**") and its subsidiary, Contact Centres Australia Pty. Ltd. ("OneContact"), where we provide business process outsourcing services;

● Taiwan, through Telin Taiwan Limited, where we provide retail mobile services (MVNO) and operate a GraPARI center;

● Malaysia, through Telekomunikasi Indonesia International Sdn. Bhd. ("**Telin Malaysia**"), where we have a majority ownership interest in a joint venture that provides retail mobile services (MVNO), international airtime services and support and wholesale voice services. We also provide VSAT services to corporate customers through TS Global Network Sdn Bhd.;

● The United States, through Telekomunikasi Indonesia International Inc. ("**Telin USA**"), where we provide data services, internet connectivity (locating and operating PoP, peering, transit) services and wholesale voice services;

● Myanmar, through a branch office, where we provide IP transit services and dedicated internet access; and

● New Zealand, through Contact Centres New Zealand Limited ("**OneContact**"), where we provide business process outsourcing services.

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We regularly assess the overseas operations, their profitability, prospects and strategic positioning in order to optimize our portfolio structure. We may make further investments or divest existing investments from time to time based on such assessments. In Indonesia, we continue to monitor the potential further consolidation in the telecommunications tower business.

As of the date hereof, the COVID-19 outbreak did not have any material impact on the number of our wholesale customers. A number of our customers' projects were postponed in 2021 but nonetheless started before the end of 2021 and through strong group and stakeholder collaboration such delays did not have any significant impact on our business and results of operations for 2021.

5. Other segments

Digital Services

Our digital services portfolio primarily comprises media and edutainment services targeted to digital consumers. Our diverse digital portfolio is clustered into a smart platform and gives access to digital contents and e-commerce. We also manage a venture capital fund through our subsidiary, PT Metra Digital Investama (also known as MDI Ventures) to invest in digital startups.

Our smart platform business line consists of digital advertising, intelligent applications, big data, IoT, and financial services. Our financial services offering focuses on creating a digital financial ecosystem by offering digital payment solutions. For example, LinkAja (formerly known as T-CASH) is an electronic money service provided by Telkomsel, that provides a digital solution that enables Telkomsel consumers to perform banking activities in a safe, easy and simple manner. With LinkAja, activities such as paying bills, transferring funds, and making online and offline retail payments can be done easily on our consumers' smartphones and/or feature phones. In January 2018, we acquired a 30% equity interest in Cellum, a financial technology company which provides a digital wallet platform to strengthen our financial technology capability. On February 22, 2019, T-CASH changed its brand name to LinkAja after Telkomsel entered into a non-cash share subscription for shares in Finarya. The comprehensive financial services offered by LinkAja are expected to further accelerate financial inclusion and foster the development of a cashless society as envisioned by the Government in its Non-Cash National Movement Program. As at the date hereof, Telkomsel owns a 24.27% equity interest in Finarya investment and strategic partnership with GoTo will also allow us to expand our digital ecosystem, benefit from co-branding and joint promotional activities and bring us closer to customers of digital services.

Telkomsel established PT Telkomsel Ekosistem Digital (INDICO) as a holding company that will oversee several subsidiaries from Telkomsel's emerging vertical business portfolio in the digital sector and optimize the synergy among the superior asset ecosystem owned by Telkomsel. Telkomsel believes this will ensures the sustainability of its transformation roadmap as the leading digital telecommunications company in Indonesia. It is determined to expand the company's digital business portfolio and build an inclusive and sustainable digital ecosystem by implementing Telkomsel's digital trifecta; Digital Connectivity, Digital Platform, and Digital Services. Encouraging its development in the first wave, INDICO will focus on three digital industry sectors, namely edu-tech, health-tech, and gaming. The three business lines are considered to have great potential to drive the national digital economy and will be part of Telkomsel's emerging digital business portfolio, which it believe will provide an opportunity in the future to further grow its business.

Our big data and smart platform is a business we carry out by acting as a platform enabler providing common horizontal solution components that can be used across industries and market segments. We provide an IoT platform, Antares, for the enterprise segment that can be used in multiple environments and industries such as for smart connected airports or smart manufacturing. Developers can also use the platform to create and test IoT products. We also offer our enterprise customers big data solutions, analytics and deep insight tools through our big data platform, BigBox, to meet their operational and business needs for decision-making, governance, strategy, and even for assessing their prospects.

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We also operate an ad exchange platform that brings publishers, advertisers, and agencies together to be able to carry out digital advertising activities effectively and efficiently by linking buyers to sellers in one advertisement marketplace. Our digital advertising services provides digital advertising media solutions, integrated with our advertisement exchange platform called TADEX, that brings publishers, advertisers, and agencies together to be able to carry out digital advertising activities effectively and efficiently by linking buyers to sellers in one advertisement marketplace. We also deliver services such as digital advertising agency, integrated digital media, and big data analytics.

Our digital content portfolio comprises music and gaming. We manage our digital content portfolio across the Group and also manage the relevant value chains which mainly consists of sourcing content, providing the content platform, dealing with payments and marketing. Our digital content portfolio focuses on providing consumers with a mobile entertainment experience. It targets different consumer segments and leverages Telkomsel's trusted billing system to facilitate transactions. It offers applications for music (e.g., Langit Musik and an application for ring back tones) and GameMax, which combines game content data for several games and game vouchers. We launched online games and started developing gaming communities to expand our customer experience in that area in 2019 and we further developed this type of offering in 2020 with the publication of new games and a team specifically dedicated to developing this business. In 2021, our e-Commerce business focused on B2B e-commerce opportunities through Pasar Digital (PaDi) UMKM in collaboration with the Ministry of State-Owned Enterprises to expand the business and micro, small and medium enterprises (MSME) ecosystem in accordance with our digitization program. We also have Xooply which provides a B2B marketplace to our clients beyond Indonesian State-Owned Enterprises. Both services supported transactions between our Enterprise segment and MSME Indonesian suppliers and enabled us to increase the number of merchants and customers on our platform which we believe contributed to the resilience of the local supply chains during the continuing COVID-19 pandemic.

Property Management

Consistent with our Company's strategy to accelerate digital ecosystem creation, we prioritize increasing network-related building and equipment asset utilization that focuses on expanding our digital capacity and constructing data centers on data intensive areas while leveraging our sizeable property asset portfolio in markets with lower data usage through external partnerships and collaborations. In addition, we also continue delivering efficient space allocation for our legacy network equipment and enjoyable office experience for our employees. We execute this leveraging initiatives and space reconditioning through our subsidiary, PT Graha Sarana Duta ("Telkom Property"), which offers services such as property development (planning, development, and construction of property area), property leasing (property rent and leasing), property facilities (business line engaged in retail and leasing, transportation management system) and property management (building management, mall, apartment, and security services). These services contribute to the increase of our property asset utilization and diversification of our digital ecosystem.

During 2021, we continued to focus on buildings and space conversions into data centers to accelerate services and products digitalization within areas of high traffic. Our property leveraging efforts, however, had to be put on hold in the middle of 2021, especially during the peak of the Delta variant surge and with respect to recurring social activities restrictions imposed by the Government. During these times, we turned our attention to revitalizing our aging building and office spaces to better reflect and physical facade as a digital company. Our leveraging projects recovered slightly after the start of the fourth quarter of 2021, as we continued to adapt our properties to support the digital business ecosystem by delivering e-commerce co-warehousing and fulfillment center collaboration and cloud kitchen facilities partnerships. We also commercialized a standalone restaurant branch in cooperation with a global fast-food chain which is expected to increase our property value and a generate new revenue stream. Moreover, we are currently in the process of modernizing our building management by digitalizing its processes and visitor access administration.

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In addition to leveraging our idle properties through partnerships as described above, we incorporate our digital competence and product solutions into our offerings. For example, we provide network connectivity or internet access to our tenants or their customers as additional amenities. These digital features contribute to the increased value of our asset offerings and help to diversify our digital ecosystem. We also create partnerships with digital workplace enterprises through a co-working space business initiative. Aside from generating income from our property business, our property management business also serves internal customers by providing efficient space allocation for our network equipment and an enjoyable work environment for our employees, partners, and subsidiaries, which fall under our "group synergy projects." Such property assets come in the form of buildings that function as our network nodes, sales points, customer service centers, headquarter or branch offices, other businesses, functions, and land banks. Our goals for these projects are to achieve economies of scale and cost efficiency.

Network Infrastructure and Development

In line with our vision and mission, we classify our network infrastructure into two categories, namely: (i) our national network infrastructure (including IT, cyber security and services), to support our Indonesia Cyber Core program and (ii) our international network infrastructure, to support our international expansion program.

National Network

We believe infrastructure development and the provision of connectivity are crucial aspects in our vision to be the most preferred digital telecommunication company. In 2021, we focused on aligning our Group IT, fostering digitization to improve our internal capabilities and digitalization to enhance our services for customers while continue building Next-Gen Network capabilities, as part of our Corporate Strategic Plan. We also executed other main objectives consisting of providing digital connectivity service innovation, enhancing cybersecurity operation and services, improving network quality, accelerating future state architecture implementation, improving CAPEX/OPEX efficiency, reinventing our operating model and talent management. We continue to pursue the development of our network infrastructure to offer more efficient and cost-competitive services, in line with the Government's Indonesia Broadband Plan which lays out the Government's aspirations to accelerate and expand broadband penetration in Indonesia. The COVID-19 outbreak has also increased focus on the need to accelerate digitization in Indonesia and the deployment of 5G technology. In addition, we aim to continue to develop and improve our network infrastructure with a view to developing a high-quality, efficient and competitive infrastructure in terms of costs for delivery of services.

As a result, we continue to actively develop infrastructure to support technology and information services to support the growth of digital service innovation. Our digital business domain consists of digital connectivity, digital platform, and digital services.

We actively develop network, information technology, cyber security and products (services and solution) to support the growth of our business portfolio. We continue to actualize enablement of digitization in Indonesia through our Indonesia Cyber Core program which comprises three components, namely id-Service ("**id-SEV**"), id-Convergence ("**id-COV**") and id-Network ("**id-NET**"), described below:

- id-SEV: represents our strategy of developing excellent digital connectivity products to maintain our leadership in the market, while boost innovation of digital and cyber security services to leverage our services and solutions for our customers. Digital connectivity services, which is a main contributor to our digital business domain, consists of broadband internet, data communication, voice communication and Wi-Fi services to serve fixed or mobile customers. In order to leverage our services, we also improved and enriched our digital services such as games, video/TV, education, e-commerce, mobile payment, travel, crowd-sourcing and health. In order to provide digital services, we have developed an application platform infrastructure, data management platform infrastructure, graphical processing unit (GPU) farming infrastructure, in-memory database infrastructure, artificial intelligent infrastructure, and big data platform infrastructure. We are commited to continuously innovate and improve our product quality for better customer experience.

- id-COV: represent our strategy to support digital platform business domain thru Digital Business Technology Platform (DBTP) development. We focus on aligning and integrating our digital platform to ensure the

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reliability of the digital platform to deliver our services and solutions. We also focus on leveraging our data center facilities and innovative cloud platform to deliver better B2B digital solution, serve data center global customers and strengthen our data center business locally and internationally. In order to realize the strategy, we are strengthening our NeucentrIX data center either across Indonesia or international NeucentrIX data center and building a Hyperscale Data Center. We are also improving our cyber security platform and strengthening cyber security to improve our capability to better serve potential markets. Data security is also becoming a major concern of our customers, thus we are developing a data governance council as the governing body for Telkom to ensure data regulation & compliance with Indonesia Government’s policies. We provide smart platform to enable digital business such as data center, cloud, internet of thing (IoT), machine to machine (M2M), security, big data/ artificial intelligence, augmented reality (AR), virtual reality (VR), and blockchain payment. In order to provide the best interconnected platform offering and ensure the reliability and scalability of the services and solutions we offer, we intend to continue utilizing our data center facilities and our cloud management platform, developing and providing some systems of vulnerability management platform, security insight platform, full-stack big data platform, multimedia data extraction, and various standalone and embedded AI capabilities.

- id-NET: represents our strategy to build a state of the art, resilient network architecture consisting of next generation access (FTTH, 5G, Wi-Fi, IODN, and satellite infrastructure) adoption, architecture simplification on multi services aggregation (metro network re-engineering, service edge computing) and backbone network (fiber optic backbone, point of presence, international gateway). We also address future digital services readiness concerns by initiating cloud-based network implementation in our service control (i.e. SDN/NFV, SD-WAN, BNG, among others). All of our initiatives are aligned with our strategy to expand fiber optic coverage nation-wide with technologies such as FTTH, FTTM, 4G/5G BTS and access point development to provide best quality services for all customers. This strategy also intends to continue to modernize our legacy node service network-replacing our copper cable network with fiber optic cables to optimize our network quality and performance in service delivery for multi-segment customer including retail (home), enterprise and BTS network of mobile customer and also other operators. In terms of our strategy for our backbone network, we are continuously developing our international fiber optic backbone, commencing construction of the Bi-Frost and SEA-ME-WE 6 submarine cable system consortium. We have developed a nation-wide fiber optic backbone which covers 458 cities in Indonesia as of December 2021, including the completion of LUMORI in the second quarter of 2021. We operate our own satellite, Telkom 3S and Merah Putih Satellite, in order to deliver better ICT on service remote areas within Indonesia and also to reduce our dependency on foreign satellite operators for capacity. We believe that by exceling in Digital Connectivity infrastructure, we will be better positioned to take advantage of opportunities to grow our digital connectivity revenue stream and lay a strong foundation for two other digital business domains (digital service and digital platform) as well as deliver a better customer experience.

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Fixed Wireline Network

As of December 31, 2021, we managed approximately 9.0 million fixed wireline (fixed voice) connections. The following table sets forth data related to our fixed wireline network as of the dates indicated.

Operating Statistics	As of December 31				
	2017	2018	2019	2020	2021
Exchange capacity(1)	13,253,971 (3)	13,829,115	12,145,069	11,447,618	11,125,755
Installed lines(1)	13,253,971 (3)	13,829,115	12,145,069	9,261,369	9,139,691
Lines in service(2)	10,957,118	11,111,056	9,368,744	9,119,122	8,998,814

Notes:
(1) Exchange capacity and installed lines include capacity and lines from TDM-based, softswitch and IMS technologies; consequently exchange capacity equals the number of installed lines.
(2) Lines in service are subscriber lines and public telephone lines, including the lines in service that we operate under revenue-sharing arrangements.
(3) Due to node modernization program, our TDM and softswitch customers were migrated to IMS, and we will not expand the exchange capacity and installed lines for those technologies anymore.

Cellular Network

Our cellular services, which are operated by our subsidiary Telkomsel, provide the most extensive network coverage of any cellular operator in Indonesia. Telkomsel operates on the GSM/DCS, GPRS, EDGE, 3.5G, 4G/LTE and 5G networks. Telkomsel has a wide spectrum with 15 MHz on the 800/900 MHz frequency, 22.5 MHz of contiguous spectrum on the 1.8 GHz frequency, 15 MHz of contiguous spectrum on the 2.1 GHz frequency and 50 MHz of contiguous spectrum on the 2.3 GHz frequency. All spectrums are already using a neutral technology which is able to accommodate GSM/DCS, 3G, 4G and 5G network based on Telkomsel needs. The range of cellular services on the GSM network provided by Telkomsel extends to all cities and districts in Indonesia. In 2021, Telkomsel added approximately 19,944 BTS representing a 5.3% increase of new additional BTS compared to the previous year. As of December 31, 2021, Telkomsel's digital network was supported by 251,116 BTS (consisting of 50,241 2G BTS, 63,149 3G BTS, 137,613 4G BTS and 113 5G BTS).

In October 2020, Telkomsel and Mitratel entered into a conditional sale and purchase agreement for the sale of 6,050 telecommunications towers to Mitratel for Rp10.3 trillion. The transfer process was carried out gradually, starting with the transfer of 1,911 towers in October 2020 and 4,139 towers in February 2021. The commitment continued in September 2021 whereby Mitratel purchased an additional 4,000 telecommunications towers from Telkomsel for Rp6.2 trillion. Telkomsel intends to focus on its main business as a digital telecommunications company and accelerate the pace of digitalization in Indonesia and expand opportunities for customers to transition to a digital lifestyle.

Data and Internet Network

In 2021, we continued to improve the quality of our data network by installing additional capacity and coverage. As of December 31, 2021, we provided broadband access using fiber optics to more than 35.68 million homes. As of December 31, 2021, our metro ethernet network expanded to 1,275,767 Mbps, which is able to provide broadband services throughout Indonesia. The metro ethernet is also used as the main link for IndiHome broadband services, softswitches and integrated multimedia subsystems ("**IMS**") related to voice services, video services, enterprise VPN services and GPON broadband services related to mobile backhaul and corporate business solutions.

As of December 31, 2021, we have extended the capacity of our internet gateway to reach an installed capacity of 12,700 Gbps. This ensures the adequacy of the internet gateway capacity in anticipation of the expected growth for both fixed and mobile broadband traffic. In 2021, operated content delivery networks ("**CDN**") with an aggregate capacity of 12,215 Gbps in collaboration with Google, Facebook, Akamai, Edgecast, Level3, Yahoo, ChinaNet, VDMS, Conversant, Zenlayer, and Over The Top video content providers such as iFlix and Catchplay+.

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As of December 31, 2021, we had 62 points of presence in 48 cities in Indonesia: including 12 main points of presence in Batam (at Batam Center and Bukit Dangas), Jakarta (at Jatinegara and Cikupa), Surabaya (at Rungkut and Kebalen), Manado (at Manado Centrum and Manado Paniki), Makasar (at Pettarani and Balaikota) and Banjarmasin (Banjarmasin and Ulin), and 50 primary and secondary points of presence throughout Indonesia. In 2021, we added three primary points of presence in Samarinda Stasiun Bumi (Samarinda), Kota2 (Jakarta) and Cempaka Putih (Jakarta).

Throughout 2021, we consistently deployed additional access points across Indonesia, while also choosing to dismantle certain access points which provided Wi-Fi services in locations where there was low utilization. Dismantled access points were redeployed in more suitable locations. As of December 31, 2021, a total of 390,976 access points have been installed (consisting of 150,173 managed access points and 240,803 home spots).

Data Center

As of December 31, 2021, we operated 26 data centers (21 local data centers and five international data centers). Telin operated five overseas data centers which consisted of three locations in Singapore (Telin-1, Telin-2, Telin-3) with a total capacity of 16,542 KW, one location in Timor Leste (250 kVA) and one location in Hong Kong (500 kVA). In Indonesia, our 21 local data centers had an aggregate capacity of 5,039 racks (including 1,006 NeuCentrIX racks and 4,033 racks with a Tier 3 and Tier 4 specification), representing an increase by 6.1% in number of racks from 4,748 racks in 2020 (including 955 racks of NeuCentrIX and 3,793 racks with a Tier 3 and Tier 4 specification) and we had established and operated 18 NeuCentrIX data centers in Balikpapan (Batuampar), Bandung (at Lembong), Batam (at Bukit Dangas and Batam center), Jakarta (at Karet Tengsin, Jatinegara and Meruya), Yogyakarta, Makassar, Manado (at Paniki), Medan (at Centrum), Semarang (at Banyumanik, Candi), Surabaya (at Kebalen and Gubeng), Denpasar (Kaliasem), Banjarmasin (Banjarmasin Ulin), and Pekanbaru. Sigma also managed three data centers with a specification of Tier 3 and Tier 4 in Indonesia (at Serpong, Sentul, and Surabaya). In 2021, we further deployed our NeuCentrIX data center capacities and services which target enterprise and wholesale customers by offering digital hub experience under the NeuCentrIX umbrella brand, combining various connectivity services to facilitate and foster the digital businesses of our customers, in particular expanding local data center capacity in Yogyakarta, Medan and Kebalen. These data centers provide carrier neutral connectivity and multiple custom-made services for enterprise clients throughout the Asia Pacific region. With the capabilities of this network, we are able to provide integrated data storage solutions to companies in Indonesia, Hong Kong, Singapore and Timor Leste.

Transmission Network

In 2021, we focused on the reinforcement of our domestic backbone network reliability and continued developing our broadband network, which serves as the backbone for our entire network infrastructure. Our backbone telecommunications network consists of transmission networks, switching facilities and core routers, which connect multiple access nodes. The transmission links between nodes and switching facilities comprise a terrestrial transmission network, in particular fiber optic, microwave and submarine cable systems, as well as satellite transmission networks and other transmission technologies. During the COVID-19 outbreak, data traffic significantly increased due to the implementation of various measures for ensuring the health and safety of the public, such as teleworking and learning from home. We took preemptive steps to ensure the reliability of our network and limit congestion issues, in particular in urban areas. We did so by increasing our network capacity, prioritizing sensitive areas to ensure they would not suffer from disruptions (certain key state agencies or ministries for instance, and key backbone connection links within our network), allocating more resources to monitor our network, either from our integrated operation centers or by sending teams of technicians on the field for controlling the physical integrity of our systems and the existence of potential intrusions. We believe our pro-active approach has been successful in avoiding significant disruptions, slow data traffic and congestion, despite practical difficulties related to the implementation of certain restrictions on domestic travel and other measures we implemented to protect our workforce during the COVID-19 outbreak, such as social distancing, limitations on the number of staff working together in one location at any given time and shorter working hours.

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Communications Cable System

Our transmission network comprises 27 backbone rings in Indonesia with an aggregate capacity of 169,600 Gbps as of December 31, 2021. As of December 31, 2021, we operated a fiber optic backbone network totaling 106,185 km domestically (compared to 103,235 km as at December 31, 2020). Our domestic fiber optic backbone network is supplemented by an international fiber optic backbone network totaling 64,700 km.

Throughout 2019, we worked to deploy several submarine cable systems in order to strengthen our fiber optic backbone. In the west of Indonesia, we have completed the deployment of the SLM (Sabang-Lhokseumawe-Medan), a submarine cable system which connects the Sabang-Lhokseumawe cable system and the Lhokseumawe-Medan cable system, with a total length of 632.12 km, while in the east of Indonesia we are deploying the PATARA (Papua Utara) submarine cable system which will connect Sentani and Sarmi with a total length of 283 km. In Kalimantan, we have completed the deployment of the MATANUSA (Mangkajang-Tawao-Nunukan-Sangatta) cable system with a total length 673 km. These three additional submarine cable systems (SLM, PATARA and MATANUSA) are fully operational. We continue to progress on the deployment of our fiber optic backbone in eastern Indonesia. We are progressing on the deployment of our PATARA-2 submarine cable which will connect Sarmi and Waisei, with a total length of 1,126 km. In Sulawesi, we completed the deployment of LUMORI (Luwuk-Morowali-Kendari) submarine cable which will connect Luwuk, Bonepute, Kolaka and Kendari, with a total length of 436 km on second quarter of 2021. Meanwhile, PATARA-2 is expected to be ready for service by the end of the second quarter of 2022. Our JASUKA and IGG fiber optic cable were disconnected due to an incident with an anchor, Telkom prioritized the repair of these two cables to prevent traffic congestion and such that our customers would have proper network bandwidth.

We also intend to leverage Indonesia's strategic geographic location and to provide an alternative direct broadband connection between Europe, Asia and America as we completed the deployment of the IGG cable system in 2020. The IGG cable system connects two major submarine cable systems, namely the Southeast Asia-Middle East-Western Europe 5 (SEA-ME-WE 5) and, the Southeast Asia-United States (SEA-US) submarine cable systems. The IGG cable system also connects 12 major cities within Indonesia, including Batam, Jakarta, Surabaya and Manado, spanning a length of 5,403 km. This cable system increases our domestic traffic capacity and ability to offer broadband services. We completed the construction of this cable system in December 2018.

Satellites

In 2021, we operated two satellites, namely Telkom-3S and Merah Putih satellite, and successfully de-orbited in May 2021 our Telkom-2 satellite which had come to the end of its design life.

The Telkom-3S satellite was launched in February 2017 and began operations in April 2017. We have located the Telkom-3S satellite at orbital slot 118 E. The Telkom-3S satellite has a capacity of 42 transponders (which is equivalent to an aggregate of 49.00 TPE) consisting of: (i) 24 standard C-band transponders; (ii) 8 extended C-band transponders; and (iii) 10 Ku-band transponders, which would have coverage over Indonesia.

We launched the Merah Putih satellite in August 2018 as a replacement for the Telkom-1 satellite. It began commercial operations in September 2018, and has a capacity of 60 transponders (which is equivalent to an aggregate of 60.00 TPE) consisting of: (i) 24 standard C-band transponders which have coverage over Southeast Asia; (ii) 24 standard C-band transponders which would have coverage over South Asia; and (iii) 12 extended C-band transponders, which would have coverage over Southeast Asia. All of our satellites are controlled from a main control station in Cibinong, Bogor in West Java. To ensure the continuity of services, we operate a backup control station in Banjarmasin, South Kalimantan.

We also lease capacity of 43.11 TPE (transponder equivalent to 36 MHz) from the following satellites: Apstar-5C HTS (138 E) in the amount of 35.23 TPE, Apstar-9 (142 E) in the amount of 1.66 TPE, ChinaSat-11 (98 E) in the amount of 1.97 TPE, JCSAT 4B (124 E) in the amount of 2.25 TPE, JCSAT 5A (132 E) in the amount of 0.26 TPE, MySat (142 E) in the amount 1.24 TPE, Nusantara Satu (146 E) in the amount of 0.21 TPE, and Thaicom-4 (119.5E) in the amount of 0.29 TPE.

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We plan to launch a High Throughput Satellite (HTS) by mid of 2024 using the C-band and Ku-band frequency bands in the 113 E slot orbit. If we are successful, we expect this new satellite will help Telkomsat achieve a leading position among regional satellite service providers.

International Networks

We continue to develop our international network infrastructure in order to support our international expansion strategy and vision to be the "King of Digital in the Region." We operate international gateways in Batam, Jakarta and Surabaya to route outgoing and incoming calls on our IDD service ("007" and "01017"). We also operate a voice gateway in Singapore and Hong Kong to offer voice services from or to any countries. As of December 31, 2021, we owned and operated an international fiber optic backbone network totaling 64,700 km.

We own global submarine cable infrastructure that connects Europe, Asia and America through submarine cable system such as the Thailand-Indonesia-Singapore (TIS), two routes of the Batam-Singapore Cable System (BSCS), Dumai-Malacca Cable System (DMCS), Asia-America Gateway (AAG), Southeast Asia-Japan Cable System (SJC), the Southeast Asia-Middle East-Western Europe 5 (SEA-ME-WE 5) submarine cable system, and the Southeast Asia-United States (SEA-US). We also operate the IGG submarine cable system to connect major cities in Indonesia with Asia, Europe and USA. The IGG also provides direct and fast connection (or "express connection") to connect our existing submarine cable system of SEA-ME-WE 5 to SEA-US.

Moreover, we also operate and have rights of use for fiber optic infrastructure totaling 137,290 km in aggregate under a permanent telecommunication lease agreement, together with other global submarine cable operators/consortiums. This includes: 10,000 km submarine cable of the Japan-U.S. Cable Network (JUS), 9,620 km of the Unity/EAC-Pacific network, 11,629 km of the FASTER network, 2,700 km submarine cable of EAC-C2C network, 2,700 km submarine cable of APCN-2 network, 6,500 km submarine cable of the Asia Pacific Gateway (APG) network, 7,000 km submarine cable of the Asia Submarine-cable Express (ASE)/Cahaya Malaysia network, 2,700 km submarine cable of the TGN-Intra Asia (TGN-IA) network, 20,000 km submarine cable of the Southeast Asia - Middle East - Western Europe 4 (SEA-ME-WE-4) network, 20,000 km submarine cable of the Asia Africa Europe-1 (AAE-1) network, 8,100 km submarine cable of the Bay of Bengal Gateway (BBG) network, 12,091 km submarine cable of the Imewe network, 15,000 km submarine cable of the Europe India Gateway (EIG) network, and 6,000 km submarine cable of the Hibernia Transatlantic network. In 2020, we deployed 3,250 km of submarine cable with the Southeast Asia-Japan Cable 2 (SJC2) consortium. In 2021, we commenced construction of a 15,000 km of submarine cable with the Bifrost Cable System consortium which will connect Singapore, Indonesia, the Philippines, Guam and the west coast of North America and is expected to be completed in 2024.

To support our international services for both voice and data, Telin operates 58 points of presence in various parts of the world, including 26 points of presence in Asia and the Middle East (11 points of presence in Indonesia used for supporting the international network, four points of presence in Singapore, four points of presence in Hong Kong, two points of presence in Kuala Lumpur, one point of presence in each of Dili, Tokyo, Taipei, Yangon and Dubai), 18 points of presence in Europe (one point of presence in each of London, Manchester, Amsterdam, Frankfurt, Marseille, Paris, Luxemburg, Milan, Warsaw, Moscow, St. Petersburg, Sofia, Vienna, Dublin, Bucharest, Prague, Edinburgh, and Switzerland) 14 points of presence in the United States and Canada (one point of presence in each of Montreal and Toronto, two points of presence in Los Angeles and one point of presence in each of Palo Alto, Ashburn, San Jose, New York, Guam, Hawaii, Seattle, Miami, San Francisco, and Atlanta).

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Geographic Distribution of Revenues

International expansion has become a necessity for us to be able to maintain a high and sustainable growth rate. We are developing and expanding our business outside of Indonesia to broaden and diversify our market. The following table sets forth the distribution of our revenues by geographic markets for the years indicated therein.

	Years Ended December 31			
	2019	2020	2021	
	(Rp billion)	(Rp billion)	(Rp billion)	(US$ million)
External Revenues				
Indonesia	130,979	130,082	136,482	9,576
Foreign Countries	4,578	6,365	6,728	472
Total	135,557	136,447	143,210	10,048

Overview of Telecommunications Services Rates

Under the Telecommunications Law and Government Regulation No.52/2000 on Organization in Telecommunications as partially revoked by Government Regulation No. 46 of 2021 on Post, Telecommunication, and Broadcasting tariffs for operating telecommunications network and/or services are determined by providers based on the tariff type, structure and with respect to the price cap formula set by the Government.

a. Fixed line telephone tariffs

Under MoCI Regulation No.15/2008, the tariff structure for basic telephony services connected through fixed line network comprised the following fees:

● activation fee;
● monthly subscription charges;
● usage charges; and
● additional facilities fee.

b. Mobile cellular telephone tariffs

On March 31, 2021, MoCI issued MOCI Regulation No. 5/2021, which provides guidelines to determine cellular tariffs with a formula consisting of network element cost and retail services activity cost. Under MoCI Regulation No.5/2021, cellular tariffs for the operation of telecommunications services connected through mobile cellular network consist of the following:

● basic telephony services tariff;
● roaming tariff; and/or
● multimedia services tariff

with the following traffic structure:
● activation fee;
● monthly subscription charges; and/or
● usage charges

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c. Interconnection tariffs

Based on letter No.118/KOMINFO/DJPPI/PI.02.04/01/2014 of the DGPI, the DGPI required our Company and Telkomsel to submit Reference Interconnection Offer ("RIO") proposals to the Indonesian Telecommunication Regulatory Body ("ITRB") for evaluation on an annual basis. Subsequently, the ITRB in its letters No.60/BRTI/III/2014 and No.125/BRTI/IV/2014 approved our Company's and Telkomsel's RIO revisions and approved an SMS interconnection tariff at Rp24 per SMS. On January 18, 2017, ITRB in its letters No.20/BRTI/DPI/I/2017 and No.21/BRTI/DPI/I/2017, decided to use the interconnection tariff based on the Company and Telkomsel's RIO in 2014 until the new interconnection tariff is set.

d. Network lease tariffs

Through MoCI Regulation No.5/2021, the Government regulated the form, type, tariff structure and tariff formula for services related to network leases. In 2008, the Director General of Post and Telecommunication issued Decree No.115 of 2008 which stated its agreement on Agreement on Network Lease Service Type Document, Network Lease Service Tariff, Available Capacity of Network Lease Service, Quality of Network Lease Service, and Provision Procedure of Network Lease Service Owned by Dominant Network Lease Service Provider in conformity with the Company's proposal.

e. Tariffs for other services

The tariffs for satellite lease, telephony services, and other multimedia are determined by the service provider by taking into account the expenditures and market price. The Government only determines the tariff formula for basic telephony services. There is no stipulation for the tariff of other services.

Marketing, Sales and Distribution

We have implemented a comprehensive marketing and promotional strategy to bolster our brand and to increase sales, including through digital marketing and the development of our product and service distribution channels. To increase sales, we also use above and below the line marketing channels to promote our services to certain parties and communities. We also continue to place advertisement in printed and electronic media and implement marketing methods such as point of sales broadcasting as well as promotion and sponsorship events.

We continue to implement our marketing and promotional strategy as well as our customer services to be in line with the characteristics of our businesses, products and services, as well as customers' preferences. The following provides a description of our marketing and promotional strategies per customer segment.

Mobile Customers

For our mobile customer segment, in 2021 we focused our marketing strategy on targeting specific customer segments and personalizing offerings delivered through digital channels for efficient implementation. Telkomsel focused on finding the right balance between market share growth, revenue mix and profitability. It launched initiatives to increase its offering of premium products that usually carry higher prices and ensure its products meet customers' needs and expectations. Telkomsel also focused on improving payload growth and acquiring new data users while continuing to support legacy product usage. To stimulate higher data and digital products usage, Telkomsel continued partnering with several parties to enrich contents available from existing platforms and continued to offer its "more for more" program whereby customers who subscribe for more expensive data packages get attractive add-ons and features, which we expect will ultimately drive value creation and maintain stable ARPU, especially in challenging circumstances during the COVID-19 pandemic. In 2021, we also launched a low denomination package (*Ketengan* - small batches, OMG – Oh My Gigabytes, internet *sakti*) for users who want to opt for data service for use of specific applications and our unlimited package to leverage our strong network capability and taking into consideration our customers' needs in a challenging macro-economic environment in the aftermath of the COVID-19 outbreak, provide valuable products and services for improving customer engagement and loyalty. Our efforts to maintain stable ARPU include providing digital lifestyle and digital payment services which we provide as mobile-based digital life services.

Telkomsel introduced its new identity and logo in June 2021 which featured a lightening bolt to signify the move to digital and included the integration of multiple products and services under Prabayar to improve customer convenience, comfort and experience. This new face of Telkomsel also brings the spirit of renewal for several product brands with the integration of products and services under the brands Telkomsel Prabayar and Telkomsel Halo, which we believe will provide more convenience and comfort for our customers and an overall better experience. We continued offering our digital prepaid brand of by.U, a fully digital prepaid product offering integrated services based on fully customizable digital applications. We also enhanced our digital lifestyle related video and games content, including building up the positioning of MAXstream in the video streaming industry through expanded partnerships with major content partners and our own MAXstream originals. We also expanded our footprint in the mobile gaming industry by providing a complete solution which cultivates the gamers community and entered into game publishing through our Dunia Games brand. As of December 31, 2021, we had 176.0 million cellular subscribers, comprising 168.8 million prepaid subscribers and 7.2 million postpaid subscribers and 120.5 million mobile broadband customers.

Consumer Customers

In 2021, IndiHome was our main product targeting the consumer customer market. Since 2019, our consumer segment included apartment and premium cluster customers in addition to our traditional, purely residential customer base. There is increasing competition for customers in apartments and premium clustors. We enhanced our services offered to this wider customer base in terms of quality and improved our customers' experience through our programs "IndiHome Selalu di Hati", which translates to Indihome Always in the Heart. As part of this program, we organize activities and designed loyalty programs to continually engage with these customers. We also improved network equipment and response time to handle disturbances and disruptions.

With various marketing strategies, from discount to value innovation, we are able to offer products which we believe offer attractive value. We offer these products through various sales channels, including digital channels and carry out campaigns and year-round promotions and 2 (two) festive campaigns as follows. Our promotions and campaigns included the following in 2021:

- *Maju Terus Bersama IndiHome* : IndiHome's campaign to celebrate the New Year of 2021. IndiHome carried out a series of promotional activities such as giving a open channel IndiHome TV essentials pack for 3 months, cashback Linkaja, promo Undian Gebyar Maju Terus Bersama IndiHome.

- *Berkah Tanpa Batas*: IndiHome's campaign to celebrate the month of Ramadan and support the people working, studying or carrying out other activities from home due to the COVID-19 outbreak. IndiHome carried out in numerous promotional activities such as open channel IndiHome TV essentials pack for 3 months, cashback Linkaja, promo Undian Gebyar Maju Terus Bersama IndiHome.

In 2021, our sales strategy focused on implementing a value-based pricing of our products and services allowing our selling prices to better reflect local conditions in different areas of Indonesia, while providing our customers with superior bundled products and faster and enhanced services. We also carry out branding campaigns to attract new customers, including those may be served by our competitors.

We also intensified our efforts to provide tailored service to customers by using customer profiles created through the compilation of customer data to personalize services and offer products which may be attractive to customers based on their profile. We also rely on an end-to-end traceable customer relationship management process, which allows us to identify and rectify problems as they happen, rather than waiting for customers to alert us to such issues. In doing so, we proactively solve problems before customers are inconvenienced.

As of December 31, 2021, we had 9.0 million fixed wireline subscribers along with 8.6 million fixed broadband IndiHome subscribers.

Enterprise Customers

For our enterprise customers, we have been implementing a marketing strategy to attract high-end market enterprise customers using strategic key account management with the aim of improving our relationship with customers through a cooperative process in designing services customized for strategic accounts. We also have a transformative digital marketing strategy which comprises: (i) lead enterprise digital transformation agenda (including SOE) and strengthening market position for our product portfolio to became a leading digital connectivity player by bandwidth share in the enterprise segment, (ii) empower SME through digital platform to gain better market access, fund access and information and technology access as part of supporting Indonesia’s digital transformation agenda, and (iii) become a trusted ICT partner for government to support key national digital agenda (Making Indonesia 4.0 and One Data Indonesia).

In 2021, our sales strategy comprised providing access to: (i) Enterprise Account Managers for the large enterprise segment is meant to serve as a single point of interaction to provide end-to-end service to customers, from initiation of the relationship to after-sales services by leveraging end-to-end digitalization with an application-based process, (ii) Government Account Managers is meant to serve government ICT digital needs and Government Relationship Officers to manage a close relationship with such customers for the whole year and increasing the quality of our services to encourage contract renewal, and (iii) Business Account Managers for medium-sized SME customers, and Tele Account Management (TAM) for the small-sized and micro SME segment served by a value-added reseller method supplemented by a reliable digital channel and advanced mobile applications, which provide additional products or services with the purchase of an initial or qualifying item.

Wholesale and International Business Customers

Our wholesale and international business customers are mainly domestic other license operators (OLOs), service providers, digital player, global wholesaler and carrier, and enterprises that are related to our product or services such as international data center or international connectivity (IPLC) besides retail customers in our international operation of mobile network operator (MNO) and mobile virtual network operator (MVNO).

For our wholesale and international business customers, we focus on: (i) offering attractive business schemes for our voice traffic portfolio to leverage such benefits to increase retail traffic, through the bundling of voice traffic products at competitive prices that are compatible with the quality of the service offered; (ii) improving services, such as quality and coverage, for international data center and connectivity customers; (iii) offering an end-to-end tower solution to customers both for core tower services such as "built to suit" (a tower rental service tailored to the preferred location and specifications of the first tenant or anchor tenant for the relevant tower), co-location and adjacent tower services such as site maintenance, and other related services; and (iv) exploring our regional market by providing submarine cable laying and maintenance services.

We also provide customer service management for wholesale and international customers through account managers, digital touch points, and 24-hour customer care support. We keep developing the capability and competency of our account management team to improve our capability to deliver excellent service and strong engagement with our customers. To get a better understanding of our customers' needs and feedback, we conduct surveys periodically through digital touch points and interviews, and their outcome generally result in new improvement programs.

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Digital Service Customers

For our digital service customers, our marketing strategy focuses on strengthening and improving digital innovation, including by:

- enriching digital content;
- creating digital services with unique features;
- improving brand, platform, operational, and customer experiences;
- building digital business models to support Indonesia's digital economics;
- leveraging our assets and inventory to obtain increasing insight into digital services and customer experience; and
- growing the portfolio of our digital business through investment in digital startups in order to be a part of Indonesia's digital ecosystem.

We tailor our sales strategy to each particular digital business and our digital customers' needs. We offer customer care and channel management, including through contact centers, dedicated account management for large enterprises, websites, and social media.

Our digital service customers program focuses on improving IndiHome services, for instance by promoting MyIndiHome application as a digital touch point for IndiHome's customers, which also offers Disney+ Hotstar as starter bundling package, Indibox as the source of value-added services (such as video contents, games, and other Google applications), GameQoo as a cloud gaming service and also IndiHome Smart as an IoT home service. Customers can enjoy these value added services by subscribing and paying an additional price.

Distribution Channels

The following are our primary distribution channels for our products and services:

- **Face-to-face customer service points** include walk-in customer service points and mobile units, where customers have access to the full range of Telkom and Telkomsel's products and services, including billing, payment, subscription cancellation, promotion, and complaint handling. Plasa Telkom outlets generally provide access to Telkom products and services and GraPARI centers generally provide access to Telkomsel products and services. We have 22 Plasa Telkom Digital outlets as of December 31, 2021, some of which offer both Telkom and Telkomsel products. As of December 31, 2021, we managed 387 Plasa Telkom outlets and 396 GraPARI centers in Indonesia (including nine GraPARI TelkomGroup) and 18 international GraPARI centers (one in Hong Kong, three in Taiwan, and 14 in Timor Leste). The GraPARI Telkom Group centers provide the most comprehensive services for both retail and corporate customers of Telkom and Telkomsel. Several of our GraPARI centers operate on a 24-hour basis. As of December 31, 2021, we also operated 174 GraPARI mobile units and 750 IndiHome sales car units which are sales points located in vehicles which can travel to reach customers across the country.

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- **Authorized dealers, retail outlets and modern channels** are distribution outlets for Telkomsel products such as starterpacks, prepaid SIM cards and top-up vouchers. We operate an extensive network of authorized dealers and retail outlets across Indonesia. These dealers are non-exclusive, and they receive a discount on all of the products they receive. In 2021, we noticed a shift from traditional channels to modern channels due to the changing behaviors of consumers during the COVID-19 outbreak. More consumers sought to avoid or limit physical interactions or had to do so to comply with social distancing measures and guidelines. In doing this, they preferred transacting online, using the internet of dedicated mobile applications rather than transacting in traditional outlets. Digitalization and the implementation of digital and transformative strategies by various private companies and public institutions and agencies facilitates the increase in transaction volumes through modern channels, hence the rapid development of e-commerce, the fintech sector, e-money, and delivery services. Telkomsel has been monitoring those changes to adapt and redefine the key performance indicators it uses for rewarding partners and to assist them in optimizing their business models to increase sales.

- **Partnership Stores** are extensions of our distribution channels, in cooperation with a variety of third party marketing outlets such as computer or electronic stores, banks through their ATM networks and others.

- **Contact centers** are call centers that support our customers' ability to access certain of our products and services, including making billing enquiries, submitting complaints and accessing certain promotions and service features. We operate 24-hour contact center facilities in Semarang, Bandung and Malang (Indonesia).

- **Account Management Teams** are teams that manage relationships and account portfolios of large enterprises, Government agencies, medium-scale businesses and wholesale customers.

- **Sales Specialists** have deep product and technical knowledge in order to provide appropriate and effective recommendations and solutions to corporate customers who work together with our Account Managers.

- **Channel Partners** serve as value added resellers that conduct sales and marketing activities to our enterprise customers to seek their specific requirements and to our retail customers to offer retail packages. We also engage third parties to conduct sales activities for retail customers at certain events.

- **Digital Touch Points** are web and mobile application-based services which we provide to our IndiHome subscribers and corporate customers. We operate myIndiHome, a self-care mobile application-based service for both existing and potential IndiHome customers, which allows customers to manage payments and billing, report and monitor network problems, access video-on-demand services and manage customer reward programs, along with self-care service for potential customers to check IndiHome service availability, browse packages, and register for subscription. Telkomsel also offers MyTelkomsel, which is a self-care mobile application-based service for Telkomsel subscribers which provides information on services, allows purchase of packages and products as well as account management. For enterprise customers, we offer MyTEnS (Telkom Enterprise Solution), user-centric digital touch points that digitizes and simplifies business processes to increase our productivity and performance in providing services to our customers. MyTEnS also enhances user experience for our Enterprise Customers. Customers can use this service in real time without the need to call their relationship managers at. Users can interact with us on mobile applications. MyTEnS has added several features such as access to our product catalog, ability to receive a digital quotation, track delivery tickets, and allow customers to ask for support as they can report service disruptions using MyTEnS which will generate a record of the disruptions. For SME customers, we offer mysooltan, a one-stop service solution for developing their business by offering multiple digital products, including sooltaNet, sooltanPay, sooltanKasir, and others. Also, users can be our partners and easily apply for a loan. For wholesale and international customers, we offer MyCarrier, a self-service digital touch point that provides end-to-end customer digital experience which is integrated with our internal process in realtime, allowing access to our product catalog, order management, delivery tracking, ticket creation and monitoring, billing and payment, and other services. Users can interact with us on our web platform with any enabled device.

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- **Websites**, we operate www.telkom.co.id, www.telkomsel.com, www.telin.net, and www.indihome.co.id which enable our customers to access certain of our products and services. Available services include e-Billing, registration, collective billing registration and submission of complaints.

- **Social Media**, we use social media, primarily Facebook, Instagram and Twitter, to enable customers to interact with us regarding our products and services.

- **LinkAja Wallet**, a digital wallet application which allows customers to buy data or voice services, pay bills or buy products with LinkAja.

Licensing

To provide national telecommunications services, we have a number of product and service licenses that are consistent with applicable laws, regulations or decrees.

We have secured licenses that have been adjusted as required, which are as follows:

Cellular

Telkomsel holds licenses to operate a nationwide mobile cellular telephone network using 15 MHz of spectrum allocation in the 800/900 MHz frequency, 22.5 MHz of spectrum allocation in the 1.8 GHz frequency, 15 MHz of spectrum allocation in the 2.1 GHz frequency, and 50 MHz additional spectrum in the 2.3 GHz frequency, in each case won at an auction in October 2017 and in May 2021. The licenses do not have a set expiry date, but will be evaluated every ten years. In addition, Telkomsel holds permits and licenses from and registrations with certain regional governments and/or government agencies, primarily in connection with its operations in such regions, the properties it owns and/or the construction and use of its BTSs.

Fixed Network and Basic Telephony Services

We have the following licenses to operate local fixed network, fixed DLD network, fixed international call and fixed closed network:

- MoCI Decree No.073/TEL.01.02/2021 (on license to operate fixed DLD network);

- MoCI Decree No.094/TEL.01.02/2021 (on license to operate fixed closed network) ("MoCI Decree No.844/2016");

- MoCI Decree No.082/TEL.01.02/2021 (on license to operate fixed international network) ("MoCI Decree No.846/2016"); and

- MoCI Decree No.095/TEL.01.02/2021 (on license to operate circuit switched based local fixed line network).

These licenses do not have a set expiry date, but will be evaluated every five years.

International Calls

We have a license to operate a fixed network to provide international call services pursuant Decree No.082/TEL.01.02/2021.

We have a license to operate a fixed closed network pursuant to MoCI Decree No.094/TEL.01.02/2021. This license allows us to lease installed fixed closed network to, among others, telecommunications network and service operators, and to provide an international telecommunications transmission facility through a SCCS directly to Indonesia for overseas telecommunications operators.

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According to MoCI Regulation No.5/2021 on telecommunication provision, overseas telecommunications operators wishing to provide international telecommunications facilities through the SCCS directly to Indonesia are required to set up a partnership with a fixed network of international call services or closed fixed network provider. In line with MoCI Regulation No.5/2021, the international telecommunications transmission facilities provided through SCCS are served by us on the basis of landing rights attached to our license to operate fixed network of international call services. We have also secured landing rights based on the landing right Letter No.006-OS/DJPT.6/HLS/3/2010 from the MoCI.)

The DGPI Decree No.93 of 2016 (on limited fixed network license) granted our subsidiary, Telin, a license to operate a fixed closed line network which enables Telin to provide international infrastructure services. Separately, Telin secured landing rights in Indonesia from the DGPI to provide international telecommunications transmission facilities through the Submarine Cable System ("SCS").

The foregoing licenses do not have a set expiry date, but they will be evaluated every five years.

VoIP

We are licensed to provide internet telephony services for public utilization for commercial use as provided under DGPI Decree No.127 of 2016 (on internet telephony services for public utilization). Telkomsel is also licensed to provide public VoIP services based on DGPI Decree No.65 of 2015 (internet telephony services for public utilization). These licenses do not have a set expiry date, but they will be evaluated every five years.

ISP

We are licensed as an ISP under MoCI Decree No.2176 of 2016 (on internet access services). Telkomsel is also licensed to provide multimedia internet access services with nation-wide coverage under DGPI Decree No.19 of 2016 (on internet access services). These licenses do not have a set expiry date, but they will be evaluated every five years.

Internet Interconnection Service

We hold a license to provide internet interconnection services pursuant to MoCI Decree No.1004 of 2018 (on internet interconnection service (network access point)). This license does not have a set expiry date, but it will be evaluated every five years.

Data Communication System ("SISKOMDAT")

We have a license to provide data communication system services pursuant to DGPI Decree No.191 of 2016 (on data communication system services). This license does not have a set expiry date, but it will be evaluated every five years.

Payment Method Using e-Money

Following the implementation of Bank Indonesia's regulations applicable to APMK and e-Money businesses since 2009, Bank Indonesia confirmed our status as an issuer of e-Money in 2018. We operate our e-Money business under the brand name "t-money". We, through Telkomsel, also operate our e-Money business under the brand name "LinkAja" (formerly known as "T-CASH"). With the issuance of Bank Indonesia Circular Letter No.9/9/DASP, Telkomsel is also permitted to conduct APMK activities and offers *Tunai* prepaid cards. These permits do not have a set expiry date so long as: (i) we and Telkomsel continue to conduct the relevant businesses ain compliance with applicable regulations; and (ii) the Government does not amend or revoke such permits.

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In 2021, we expanded e-Money services available to our customers through LinkAja to include electronic toll payments, certain tax payments and the ability to settle certain other transactions in other various use cases. In the midst of digital wallet business competition, LinkAja has a business strategy to not only serve consumers in the form of business to customer (B2C) but also provide business solution services for the business to business (B2B) business model. LinkAja's business solution service provides various features such as disbursing funds, collecting cash, digitizing payments through QRIS, merchant applications and others, digitizing ecosystems and advertising services. LinkAja is currently targeting MSME players and corporations in various industries. LinkAja also collaborates on sharia services with Bank Syariah Indonesia (BSI) to provide digital convenience to the wider community and encourage the transformation of sharia digital transactions to achieve financial inclusion in the country.

Remittance Service

We and Telkomsel have licenses to operate as money transfer services providers pursuant to Bank Indonesia letters No.11/23/Bd/8 of 2009 and No.12/48/DASP/13 of 2009. These permits do not have a set expiry date or a period of adjustment as long: (i) as we and Telkomsel continue to conduct the relevant businesses; (ii) we do not violate any applicable regulation; and (iii) the Government does not amend or revoke such permits.

IPTV

On April 27, 2011, we and PT Indonusa Telemedia, formerly known as TelkomVision ("Indonusa") as a consortium obtained a license to operate IPTV services. We sought a new license so that Telkom, as an individual operator, can hold an IPTV Telecommunication Service Operation License, so that we may offer a wider range of multimedia services. We obtained such license on February 25, 2021, when Telkom was granted a license to operate telecommunication services.

Construction Services Business License ("IUJK")

Certain of our subsidiaries possess an IUJK (which permits us to conduct national telecommunication-related construction services), which allows us to conduct our construction services business, including the installation of telecommunications equipment and for the wiring of buildings. In January 2021, we obtained a new IUJK which will be effective once we have completed the required environmental impact analysis (AMDAL) or environmental evaluation document. Until this analysis or document is completed, construction works requiring a IUJK are carried out by our subsidiaries which possess their own effective IUJK.

Content Provider Services

We obtained a content provider services license in 2017 through MoCI Decree No. 1040 of 2017 dated May 16, 2017. Such license has no set expiry date, but MoCI re-evaluates the content services licenses every five years.

Trademarks, Copyrights and Patents

We constantly seek to develop product and service innovations in line with a dynamic business portfolio. To provide both protection for and recognition of creativity and innovation, we have registered a number of intellectual property rights, including trademarks, copyrights, and patents with the Directorate General of Intellectual Property Rights at the Ministry of Law and Human Rights.

The intellectual property rights we have registered include: (i) trademarks for our products and services, corporate logo and name; (ii) copyrights on our corporate name and logo, product and service logos, computer programs, research, books and songs; and (iii) single patents (generally valid for 10 years from the date of receipt of the single patent submission) and patents (generally valid for 20 years from the date of receipt of the single patent submission) on technological inventions in the form of telecommunications products, systems and methods.

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Corporate and Social Responsibility

We work towards creating a sustainable business and more broadly a sustainable society. Therefore, we are committed to connecting people and making it easier for our customers to connect, creating jobs, and opportunities for the community, while also continuing to innovate to enable competition in the digital era. We are continuously reviewing our sustainability strategy in managing risks and taking advantage of current opportunities, as well as planning the sustainability targets, we want to achieve in the future. Our sustainability strategy focuses on five pillars, namely ethics, performance growth, human capital, society, and environment. See also "— Business Overview — Strategy" above.

In order to support all pillars of governance and compliance, our management is committed to being the partner of choice for our customers, suppliers, joint venture partners and the communities in which we operate. We apply ethical business practices in how operate. All our personnel are required to support this commitment through real implementation in their daily work. In order to increase awareness of business ethics and ethical behavior, we carry out trainings and socialization activities to build sustainable communication. We are also committed to the practice of fair business competition, protecting customer data privacy, and implementing fair and transparent procurement management practices that support the involvement of local parties and prioritize the use of domestic products. In 2021, we received five awards related to the implementation of good corporate governance (GCG), and used assessments based on quality, cost, delivery, and service (QCDS) in our procurement process to select suppliers. In addition 376 our employees attended and received 24 information security system certifications so that they are better able to track and solve IT security problems.

In our performance growth pillar, we purpose to strengthen and transform our business model and operations while driving innovation and digitization to support a sustainable business. We consistently operate responsibly and demonstrate consistent and resilient performance in facing global challenges and changes. We will strengthen and transform our business and operating models through digitization and establish a lean structure to support the company's operational and economic performance. We believe the quality of products and services is the most important factor in running our business. With good quality products and services, we can maintain customer satisfaction for the Company’s sustainability. The main foundations in the telecommunications business are connectivity, platforms, and services. We carry out risk mitigation and continuous improvement of our network, information technology, and reaction to cyber security threats to ensure the readiness of our production equipment. We also evaluate the services that we provide through engagement of external parties who serve as a complaint channel for all our customer. We also continue to develop innovation and digitization to build services based on customer needs for an enhanced customer experience. Our Company of course will be judged on its economic performance. We are committed to providing strong financial performance and shareholder returns through sustainable growth. We are always pushing for sustainable long-term value enhancement both in existing businesses and through specific business platform expansion initiatives. In 2021, the total revenues and total profit-of-the-year increased 5.0% and 14.1% year on year, respectively.

As regards confidential and personal data protection, our Cyber Security Operation Center has been operating with teams working 24 hours a day, seven days a week to protect confidential data and information from misappropriation and misuse by anticipating and promptly responding to cyber-attacks and other security threats. Effective information sharing among teams and departments was key to the prompt monitoring and detection of such threats, effective incident response management, vulnerability assessments, and instilling cyber-security awareness among all employees and partners. We also have internal policies, procedures, and guidelines in place to increase cyber-security awareness among our employees, for instance through the use of strong passwords for accessing their corporate account or accounts and internal databases, restricted information and data or applications, enabling multi-factor authentication features, and regularly updating our employees on existing or past cyber-attacks, best practices (such as how to handle phishing emails). Our IT risk management system is periodically reviewed and certified by an independent consultant, and we conduct security checks on our IT infrastructure on a daily basis. We organize training sessions and programs focusing on cyber-security for our employees which allows our employees to obtain various levels of certifications which further allows us to efficiently organize our response in case of cyber-attacks or if a vulnerability has been identified in our systems by mobilizing our employees with the most relevant skillset. Our senior management is involved in formulating our cyber-security strategy, related policies and overseeing their implementation.

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We manage human capital while still paying attention to societal needs. Our personnel are our partners in achieving business and operational success. Our human resources are driven by a shared passion to innovate and transform into a digital telecommunication company. HR management prioritizes social aspects, such as fair recruitment, equality, diversity, healthy industrial relations, occupational health & safety implementation, human rights, as well as career and self-development. We also invest in our employees and more broadly in digital talents within and outside the Telkom Group. We believe in an inclusive workplace and equal access to training and career opportunities, which helps us to recruit, motivate and further develop talented employees who can serve our customers with professionalism wherever we operate. We are committed to implementing labor practices based on international business norms and regulations. We support and respect human rights, gender equality and non-discriminatory social and corporate practices. We have female employees at all levels of our organization, including managerial positions at around 24.5%, and we follow the principle of equal pay for equal work. We also support the Indonesian Ministry of Manpower's and the International Labor Organization's initiatives toward a child-labor-free Indonesia. A decent and safe workplace is one of the key factors that affect employee performance. Therefore, we strive to create a conducive work atmosphere by providing the latest digital-based work facilities that allow employees to be mobile and collaborate optimally. Employee workspaces are equipped with various facilities to make it easier to work and interact with others comfortably and safely. Our Occupational Health, Safety, and Environment Management System is designed to reduce the risk of work accidents.

Telkom cares about customer satisfaction with our products/services and believes it is responsible for the social impact of its operating activities. We manage social issues through innovation, philanthropy, community empowerment programs, social investment, infrastructure, and other assistance as a form of social responsibility. We always want to have a positive impact on the entire community. Besides responding to the increasing demand for digital services, we have modernized infrastructure in several areas. We provide modern broadband to cities to support government programs related to broadband provision and wider access, which is expected to support economic growth. We invested in digital telecommunications infrastructure including fiber optic on land, submarine cable at sea, and satellites in the air. We ensure that the electronic devices accompanying our products and services comply with regulations in Indonesia and ensure security for customers. In addition, we run the Telkom Integrated Quality Assurance (TIQA) program as a form of product and service guarantee to consumers. We also engage with the communities in which we operate through various partnership programs and initiatives, such as food aid distribution, vaccine distribution and access to medicines, digital education for the community, supporting the independence of people with disabilities, clean water, and sanitation aid, provision of public lighting with renewable energy sources, supporting business development of MSME’s, SME digital platform utilization program, smart village *Nusantara*, building suspension bridges to facilitate mobility and drive rural economic potential, contributing to provide decent housing, together with community mitigating the impact of climate change in coral reef rehabilitation, mangrove cultivation, reforestation and also waste management. Consistent with the Government's initiatives to continue infrastructure development (including through investments in internet networks) in rural areas, we provide free internet access to communities located in areas with weak or deficient internet access, often located in rural areas and less developed provinces of Indonesia.

In 2021, we invested approximately Rp348.04 billion in social responsibility and partnership programs throughout Indonesia. In response to the COVID-19 pandemic, we assist the Government in efforts to overcome the COVID-19 pandemic by distributing vaccines to the public through the Joint Vaccine Center. We also provided personal protective equipment and devices free of charge to medical personnel and doctors throughout Indonesia, call center services related to convalescent plasma donors, ambulance and oxygen cylinder aid for communities around Telkom’s operational area, and support for vaccination implementation to SOE Foundation for Indonesia in big cities in Indonesia with a target of 25,000 vaccines distributed through *Sentra Vaksin Bersama* (SVB) or Joint Vaccine Centers in five big cities with a total of 42,871 vaccine doses distributed.

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We strive to operate sustainably with the least negative environmental impact. We understand the importance of creating an environmentally friendly work culture in the company's and subsidiaries' operations to enable a consistent internal program. In addition, we also seek to expand the scope of our environmental management externally. Although our operations do not have direct contact with the environment, Telkom continues to make efforts to contribute to environmental conservation by minimizing the impact of the telecommunications industry on the environment. Several environmental aspects include energy consumption and emissions resulting from the operation and use of technological equipment. We also see the importance of waste management, especially electronic waste when the technical equipment is used up. Some of the implemented programs include energy efficiency activities, use of renewable energy, waste management, water consumption and management, the use of more energy-efficient hardware and an eco-friendly corporate culture. The implementation of environmental policies is carried out collectively and supervised by the head of the relevant unit. For example, we are using equipment that helps us minimize our electricity consumption in our office buildings, such as LED lamps, reflective glass (to reduce incoming heat and the use of air conditioning), cooling system management, zoning lighting systems, capacitor banks to optimize electricity consumption, automatic devices to schedule time periods during which certain equipment do not need to operate (and consume electricity), and we also plan to install rooftop solar panels to increase our use of renewable energy in our office buildings. We have also implemented similar measures on our fixed network (for instance optimizing the use of air conditioning in rooms that require fresh air to cool down certain equipment, using newer devices to decrease energy consumption, or increasing the use of renewable energy through the installation of solar panels). We installed solar cell panels at 615 Mitratel site locations in 2021. We have also installed automatic water taps in most of our office buildings and use water from air conditioner condensation for reducing our water consumption. We have also implemented policies to incentivize our employees to use online dissemination of information (as opposed to hard copies), virtual meetings, and other digital processes to decrease our paper consumption. Currently, we implement a paperless system for sending invoices to customers. This is in line with the company's goal of digitizing and reducing paper usage. Bills are sent to customers through the digital channel including applications (MyIndiHome and MyTelkomsel), e-mail, outbound calls, and running text on Pay TV service.

As another example of our corporate culture, we emphasize a culture of sustainability that emphasizes attention to environmental, social, and governance (ESG) aspects in each of our business policies. In addition, we seek to build a culture that encourages responsible thinking and behavior through programs carried out with the community as well as within the company.

The Telecommunications Industry in Indonesia

The Indonesian economy recorded a GDP contraction of 2.07% in 2020 (computed at constant market prices, based on preliminary results available as at February 2021), according to the Indonesian Central Bureau of Statistics, mainly due to the negative impact of the COVID-19 pandemic. GDP attributable to the information and communication sector, however, increased by 10.58% in 2020. This growth demonstrates changes in behavior during the COVID-19 pandemic, as companies, agencies and individuals increased their demand for information and communication services, in particular as more and more people worked or studied from home. The Indonesian GDP bounced back in 2021 with 3.69% growth from a 2.07% contraction in 2020. In the fourth quarter of 2021, Indonesia's economy expanded by 1.06% and 5.02% on a QoQ and YoY basis respectively. All sectors experienced growth, primarily driven by government spending, production sectors, higher domestic consumption and strong export/import demand, according to the Indonesian Central Bureau of Statistics and Bank of Indonesia. In October 2021, the IMF in the World Economic Outlook Update projected that the Indonesian economy will grow 5.9% in 2022.

Indonesia's telecommunications industry has been experiencing advancement in recent years, primarily driven by growth in fixed and mobile broadband subscriptions. The main drivers behind the growth are increased data usage with greater affordability, service improvement and smartphone penetration. The shifting trend from legacy services (such as voice and SMS) to data services has been continuing, supported by cheaper smartphones as well as a growing youth segment. Data traffic has grown, however, SMS and voice service traffic has decreased significantly. Over The Top applications have become part of Indonesian life (including voice and video calls) as due to advances in such applications, they are now easier to use and offer improved quality of service. As a result, customers have replaced the usage of legacy SMS and voice services with Over The Top applications, which has resulted in a steeper decline of the legacy business. The rise of the digital economy has been embraced by Indonesian people across the socioeconomic spectrum, which continues to cause profound changes in economic activities. The pace of such changes increased in 2020 but moderated in 2021 due to the COVID-19 pandemic and containment measures implemented by the Government and private sector players.

The telecommunications industry, especially the mobile segment, has been characterized by increased competition in recent years, particularly as operators have been offering promotions which include bonus data allowances in order to attract new customers. Customers have become sensitive to data pricing, which has led to lower margins for telecommunications operators. The ensuing heightened price competition for data services in Indonesia during the first half of 2019 brought significant adverse financial consequences for telecommunications operators, leading to a subtle decline of pricing for a more reasonable level by the end of 2019. This decline in prices, in particular for mobile data services, continued in 2020. However, competion and prices stabilized in late 2021 as the industry began to consolidate further.

Based on our internal calculation and publicly available data, the penetration of SIM cards in the cellular industry in Indonesia is quite high, is excess of 100%, making continued growth in penetration increasingly limited. There were approximately 373.9 million cellular subscribers in Indonesia as of December 31, 2021, representing a 5.2% increase from approximately 355.5 million cellular subscribers as of December 31, 2020. By subscriber numbers, based on publicly available data disclosed by market players and our own internal data, the three largest cellular operators in Indonesia are Telkomsel, Indosat and XL Axiata, which collectively accounted for more than 79.4% of the market share based on the estimated number of total subscribers as of December 31, 2021. The SIM card registration requirements that ended March 31, 2018, resulted in a significant decrease in the number of mobile subscribers at the end of 2018 of 21.8%, leading to a small growth in the number of subscribers in 2019. The impact of such registration requirements on the number of subscribers faded in 2020. The number of subscribers slightly increased in 2020 and 2021. As of December 31, 2021, Telkomsel remained the largest cellular provider in Indonesia with a market share of approximately 59.3%, representing a 0.4% increase from approximately 58.9% market share as of December 31, 2020. In addition, we were and are still subject to intense competition in our industry.

Data consumption in the mobile segment continued to increase, and it is expected that the consumption level per user will continue to grow from the current average data consumption per user. Such growth in data consumption will require significant capital expenditure in order to provide the necessary increase in capacity and coverage to accommodate such growth. The MoCI has publicly announced a restructuring plan for spectrum allocation among telecommunication operators to facilitate the transition from 3G and 4G to 5G. The scheduled migration from analog TV to digital TV will free up a 112 MHz bandwidth in the 700 MHz spectrum which is suitable for use of 5G in 2022. This additional spectrum available for re-allocation and other spectrum available as a result of the restructuring plan, once completed, will empower MNOs to strengthen and maximize the quality of 4G LTE and develop their offering of 5G services to their respective customers, especially in areas where data service capacity is dense. Wider spectrum bandwidth allows more efficient signal transmission for better coverage with fewer transmitters. Moreover, it also enables MNOs to provide higher speed and capacity to deliver a better digital lifestyle experience to all Indonesians.

Data is the main revenue driver for telecommunications companies, with significant increases in traffic volumes projected for the near future, driven primarily by streaming of HD/Ultra HD video, video on demand, gaming and an increase in network-connected devices that need fixed and mobile connections. To support the expected increase in traffic, telecommunications companies will need to invest in rollout of additional BTS and will thus require supplemental tower infrastructure, either in the form of macro or micro towers. Data traffic growth will be supported by 4G technology and telecommunications companies have begun deploying 4G BTS throughout Indonesia. Telecommunications companies have widespread 3G/4G coverage across Java and adjacent islands, where they typically build a wide thin layer of coverage and then invest in capacity to meet demand as subscriber adoption and usage increases. As a result of lower margins for telecommunications companies caused by the shift in focus to data business from legacy services, cost savings have become imperative, and as a result tower lease rates have come under pressure from telecommunications companies requesting lower lease rates.

The demand for fixed broadband services in Indonesia remained steady in 2021, especially in large cities, marked by an increase in total broadband subscribers, despite the economic downturn caused by the COVID-19 pandemic. Such increase in demand was primarily due to an increase in consumption driven by the demand of home entertainment that was accelerated as a result of containment measures implemented in connection with the COVID-19 outbreak (such as working from home and school/studying from home). Indonesian users increasingly expect high-quality internet connectivity to their homes as evidenced by the level of investment made by the Government and private enterprises for the development of fiber optic networks. Currently, the national fixed broadband market is still dominated by a limited number of companies. We and PT First Media Tbk ("First Media") are the leading companies in the fixed broadband industry, followed by PT Supra Primatama Nusantara ("Biznet Home"), PT Eka Mas Republik (an affiliate of Smartfren Telecom which operates under the "MyRepublic" Singapore Franchise) and PT XL Axiata (“XL Home”), based on the number of subscribers and our internal estimates and information published by these companies. Given that obtaining licenses and "right of way" access to lay cables from local municipal governments remains time-consuming in Indonesia, barriers to entry in the market remain high. As of December 31, 2021, we had more than 8.6 million fixed broadband subscribers. However, given the low penetration of fixed broadband services in Indonesia, smaller players are aggressively expanding their coverage regions with intention of having an impact in selected targeted regions. In order to entice new subscribers, other operators have been offering pay-TV and TV-on-demand bundles, as well as packages with other value added services to further monetize their active subscribers. These offerings include services such as home security and home cloud.

Competition

Business Competition Law

The Indonesian telecommunications sector is regulated by the Telecommunications Law, which became effective on September 8, 2000. The Telecommunications Law sets guidelines for industry reforms, including industry liberalization, to facilitate the entry of new operators as well as to increase transparency and competition. The Telecommunications Law abolished the concept of "organizing entities" in the industry, which terminated the special status of Telkom and Indosat as the organizing bodies responsible for coordinating telecommunications services domestically and internationally. In order to increase competition, the Telecommunications Law prohibits monopolistic practices and unfair competition among fellow telecommunications operators.

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The Telecommunications Law is implemented through various Government regulations and ministerial regulations, including: (i) Government Regulation No.52/2000, (ii) MoCI Regulation No.1/PER/M.KOMINFO/01/2010 (on provision of telecommunications networks) as lastly amended by MoCI Regulation No. 5/2021("MoCI Regulation No.1/2010, as amended") and (iii) MoCI Regulation No.7 of 2018 on Electronic Integrated Business Licensing Services in the Sector of Communications and Informatics as lastly amended by MoCI Regulation No. 6 of 2021 ("MoCI Regulation No.7/2018, as amended"), (iv) Decree of the Minister of Transportation No.KM33 of 2004 (on monitoring of fair competition of the fixed network and basic telephone service operations) ("Minister of Transportation Decree No.33/2004") and (v) Decree of the Minister of Transportation No.KM.4 of 2001 (on the national basic technical plan 2000 for the national telecommunications development) ("National Technical Telecommunications Plan") as has been amended several times, most recently by MoCI Regulation No.14 of 2018 on Fundamental Technical Plan of National Telecommunications Plan ("MoCI Regulation No.14/2018"). Along with the Telecommunications Law, the National Technical Telecommunications Plan provides the basic vision of the Government for the development of Indonesia's telecommunications sector.

The Government encourages healthy competition and transparency in the telecommunications sector, even though the Government does not prevent operators from obtaining a dominant position or increasing their dominance in the market through specific regulations. Nevertheless, the Government prohibits market leading operators from abusing their dominant position.

Competition in the telecommunications sector, like all Indonesian business sectors, is also governed more generally by the Business Competition Law. The Business Competition Law prohibits agreements and activities which amount to unfair business competition and an abuse of a dominant market position. Pursuant to the Business Competition Law, the KPPU was established as Indonesia's antitrust regulator with the authority to enforce the provisions of the Business Competition Law.

The Business Competition Law is implemented by various regulations, including Government Regulation No.57/2010 (on mergers and acquisitions potentially causing monopolistic practices or unfair business practices) ("GR No.57/2010"). GR No.57/2010 permits voluntary consultation with the KPPU prior to a merger or acquisition, which will result in the KPPU issuing a non-binding opinion. GR No.57/2010 also requires that a mandatory report be made to the KPPU after a merger or acquisition is completed if the transaction exceeds certain asset or sales value thresholds. Further, on October 14, 2019, KPPU issued Regulation No. 3 of 2019 on Assessment of Merger or Consolidation of Business Entities or Share Acquisitions of Companies ("KPPU Regulation No.3/2019"). Under KPPU Regulation No.3/2019, asset acquisitions which meet the set regulatory threshold must be reported to KPPU. In addition, as at the date hereof, a new implementing regulation relating to the Business Competition Law is still being prepared by the Government following the adoption of the Job Creation Law. Such governmental regulation will, among other things, determine the scope and amounts of sanctions imposed on parties responsible for breaching the Business Competition Law.

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Cellular

We operate our cellular service business through our 65% majority-owned subsidiary, Telkomsel.

As of December 31, 2021, Telkomsel remained the largest cellular provider in Indonesia, with approximately 176.0 million cellular subscribers and a market share of approximately 59.3% based on our internal estimate of number of total subscribers. We believe the next largest providers were Indosat and XL Axiata, based on number of subscribers as of December 31, 2021. Other smaller operators that provide cellular services in Indonesia, include PT Hutchison 3 Indonesia ("Hutchison"), which is part of the Hutchison Asia Telecom Group and operates under the "3" or "Tri" brand and PT Smartfren Telecom Tbk ("Smartfren Telecom"), which is part of the Sinar Mas Group. The penetration of SIM cards in the cellular industry in Indonesia is high, well over 130%, making continued growth in penetration increasingly difficult. There were approximately 373.9 million cellular subscribers in Indonesia as of December 31, 2021, compared to approximately 355.5 million as of December 31, 2020. This 5.2% increase was primarily due to effective marketing campaigns used in the cellular industry with initiatives to gain and retain customers. The Government's reinforcement of the prepaid SIM registration policy, as customers no longer have the freedom of accumulating several numbers provided by various operators, had initially caused a slight lower penetration in the customer base and the number of starterpacks across the industry because customers had to select their preferred operator and phone number. Consequently, we noticed that customers tended to remain with their respective chosen operators for a longer period of time as a result of this policy. The impact of this policy, however, faded in 2020 and had only an insignificant impact on our customer base. The Government's registration policy, however, has resulted in a better-quality customer base with a higher proportion of active subscribers and more efficient SIM card production costs. Due to a reduction in the number of starterpacks, operators can provide better quality services to customers. Additionally, operators are focusing more on offering renewal promotions than on new starterpack promotions. We believe the registration policy, assuming continued implementation, will also have positive long-term impact and support the emergence of healthier competition in the industry.

The shifting trend from legacy services (such as voice and SMS) to data services continues to develop, driven by cheaper prices of smartphones as well as the rapidly growing youth customer segment. Data traffic has grown significantly, while SMS service traffic has decreased. Since 2017, Telkomsel has seen a steep decrease in voice usage. Minutes of usage per mobile subscriber also started to decrease in the second half of 2017. These trends continued in 2019 to 2021 and are likely to continue in the forseeable future, as they are attributable to the substitution of traditional voice and SMS services to Over the Top based calling and messaging services as smartphone penetration in Indonesia has risen.

The following table sets out information as of December 31, 2021 for Telkomsel

	Unit	Telkomsel
Launch date	year	1995
Neutral - 2G, 3G and/or 4G spectrum allocation (GSM 900 MHz)	MHz	15
Neutral - 2G, 3G and/or 4G spectrum allocation (GSM 1.8 GHz)	MHz	22.5
Neutral - 2G, 3G and/or 4G spectrum allocation (2.1 GHz)	MHz	15
Time Division Duplex (TDD) technology (2.3 GHz)	MHz	50 [1)]
Subscriber	million	176.0

Note:
(1) Comprises additional spectrum in the 2.3 GHz frequency that Telkomsel won following an auction process.

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Fixed Services

We compete with other major fixed broadband service providers with brands such as First Media, Biznet Home, MNC Play and MyRepublic. Of our major competitors, First Media has the largest number of customers. In recent years, it has been facing competition from MNC Play and MyRepublic that primarily target the affluent household market in Greater Jakarta. Biznet is competitive in the corporate segment, particularly in Java and Bali. On the other hand, our IndiHome service focuses on the mass market across Indonesia, and our focus in recent years has been to upgrade DSL customers to fiber based broadband in order to deliver better quality of service and expand our digital services. We have faced increasing competition since 2019, including from a new entrant, a subsidiary of the electricity company Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara (PLN) that started offering internet and TV services in 2019 through its ICON+ subsidiary. Supported by PLN, this new market entrant benefits from a wide coverage outside Java. In 2020, we have seen increased demand for fixed broadband services because the COVID-19 outbreak has increased the pace of digitalization in all aspects of life. Our main competitors have increasingly engaged in marketing activities and network expansions in urban and rural areas of Indonesia in 2020 and sought to capture such increase in demand. A number of local competitors emerged as increased demand for fixed broadband services resulted in unserved local markets, such as such as Balifiber in East Java and Citranet & Gmedia in Central Java.

Data Center

We are committed to providing the highest quality of data center solutions to our customers in Indonesia and the Asia Pacific. Supported by our proprietary self-owned submarine cable network, our comprehensive co-location services are designed to be flexible, modular, seamless and scalable in order to meet our customers' business needs. A number of other companies, including DCI Indonesia, Indosat Ooredoo, Moratelindo, IDC Indonesia, NTT Communication, Global Axcess System, Biznet, Centrin Online, Cyber TechTonic Pratama, and JupiterDC also provide data center solutions in Indonesia. In the Asia Pacific region, our subsidiary, Telin, competes with other major data center providers in Singapore and Hong Kong.

International Direct Dialing (IDD)

We compete in traditional IDD services (non-VoIP) in Indonesia primarily with Indosat. However, due to the development of digital technology, our IDD services also face competition from VoIP and other Over The Top voice services such as Skype, WhatsApp and Line.

Voice over Internet Protocol (VoIP)

We have operated our voice service through VoIP technology since 2002. VoIP uses data communications to transfer voice traffic over the internet, which usually provides substantial cost savings to subscribers. A number of other companies, including XL Axiata, Indosat, PT Atlasat Solusindo, PT Gaharu Sejahtera, PT Satria Widya Prima, PT Primedia Armoekadata Internet, PT Jasnita Telekomindo and IP Telecom also provide licensed VoIP services in Indonesia.

Satellite

The Asia Pacific region, and especially Southeast Asia, continues to need satellites for both telecommunications and broadcasting infrastructure, due to the characteristics of the region as an archipelago. The capabilities provided by satellites include cellular backhaul, broadband backhaul, enterprise network, occasional usage TV, military and Government network, video distribution, DTH television, flight communication and disaster recovery.

We compete with a number of other satellite operators with satellites covering Southeast Asia and South Asia, and several operators are in the process of developing satellites with coverage over these regions. The Telkom-3S satellite became operational in April 2017 and the Merah Putih Satellite became operational in September 2018. The Telkom-3S satellite, operates at orbital slot 118 E and the Merah Putih Satellite operates at orbital slot 108 E.

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Tower

The tower market experienced demand disruption during 2017-2019 as a result of mobile industry consolidation and spectrum reallocation. XL acquired Axis in 2014 while Flexi effectively ceased its operations in the same year. Bakrie Telecom ceased its operations gradually from January 1, 2016. The four largest mobile network operators also reallocated the 1,800 MHz spectrum band in anticipation of 4G LTE technology rollout. As the mobile network industry reconfigured its network requirements, tower market demand experienced setbacks in 2015-2016. As a result, new market opportunities opened for tower operators that allowed co-location by multiple telecommunications providers in the following year. In 2019, tenancy demand was more stable as a result of mobile broadband expansion. Generally, in the last three years, there has been significant mergers and acquisition activity in the Indonesian tower sector making it one of most active in the region. MNOs are seeking opportunities to hive off their tower assets to free up more cash to expand network coverage and capacity for ensuring the best mobile service to their end-customers.

In 2021, demand for new towers and increased due to the increase in data demand caused by the COVID-19 outbreak and related containment measures such as travel restrictions and work-from-home or study-from-home incentives and programs. Incremental revenue captured by mobile operators due to this increase in data demand, however, was not proportionate to such increase due to downward pressure on prices resulting from increased competition among mobile operators. We believe the Indonesian tower market has strong fundamentals and offer growth opportunities with predictable revenue associated with long-term contracts for use of towers and co-location.

We are also actively preparing to adapt and transition our tower business to provide fiber optic services. This is in response to a global trend of telecommunication tower providers morphing into infrastructure companies in response to expected 5G rollouts, the deployment of more diverse network technologies and the emergence of new business models that require agility and companies which are more data driven. We have already initiated this change to an infrastructure company business model to support the growth of our tower business and the deployment of 5G in Indonesia.

As of December 31, 2021, we had approximately 36,761 towers, including 28,206 towers owned by Mitratel, 555 owned by Telkom (but operated by Mitratel), and approximately 8,000 towers owned by Telkomsel. A number of other companies, including PT Tower Bersama Infrastructure Tbk, PT Profesional Telekomunikasi Indonesia, and PT Solusi Tunas Pratama Tbk also provide tower business in Indonesia.

Others

The dynamic development of the telecommunications sector has opened up new opportunities, particularly with the increasing growth of Over The Top services which provide substitute services to basic telecommunications services such as voice and SMS. Certain Over The Top service providers are particularly popular, including WhatsApp, Facebook, and Line, among others. The presence of these Over The Top services has affected the use of legacy services, which resulted in decreasing traffic in the past two to three years.

Legal Basis and Regulation

The framework for the telecommunications industry comprises specific laws, Government regulations, ministerial regulations and ministerial decrees enacted and issued from time to time.

Telecommunications Law

The telecommunications sector is primarily governed by the Telecommunications Law, which became effective on September 8, 2000. The Telecommunications Law sets guidelines for industry reforms, including industry liberalization, facilitation of new entrants, and enhanced transparency and competition.

The Telecommunications Law eliminated the concept of "organizing entities" thereby ending our and Indosat's responsibility for coordinating domestic and international telecommunications services, respectively. To enhance competition, the Telecommunications Law prohibits monopolistic practices and unfair competition among telecommunications operators.

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The Telecommunications Law was implemented through several Government Regulations, Ministerial Regulations and Ministerial Decrees. The most important of such regulations include:

- Law No.36 of 1999 on Telecommunications, as partly amended by the Job Creation Law.
- Government Regulation No.52/2000 on Telecommunication Operations.
- Government Regulation No.53/2000 on the Use of Radio Frequency Spectrum and Satellite Orbit.
- Government Regulation No.46/2021 on Post, Telecommunications and Broadcasting.
- MoCI Regulation No.1/2010, as amended on Operation of Telecommunication Networks has been revoked in part by Ministerial Regulation No.5/2021 with respect to the Operation of Telecommunication.
- MoCI Regulation No.13/2019 on Telecommunication Service Operations as amended by MoCI Regulation No.1 of 2021 on the Second Amendment to MoCI Regulation No.13/2019) on Implementation of Telecommunication Services ("MoCI Regulation No.13/2019, as amended").
- MoCI Regulation No.5/2021 on Operation of Telecommunication.
- MoCI Regulation No.14/2018 on the Fundamental Technical Plan of National Telecommunications.

On October 18, 2019, MoCI issued MoCI Regulation No.13/2019 , which harmonizes several aspects in the telecommunications services regime. This new rule amends MoCI Regulation No.8/2015.

On February 2, 2021, the Government issued GR No.46/2021 as an implementing regulation for the Omnibus Law. Such regulation regulates, among other things, the basic framework for the provision of telecommunication services in Indonesia, telecommunication infrastructure sharing, the renting and/or utilization of telecommunication networks, standards applicable to telecommunication devices, and the broadcasting industry (including migration to fully-digital broadcasting).

Telecommunications Regulators

The authority to regulate the telecommunications industry is held by the MoCI. Pursuant to authorities assigned to it under the Telecommunications Law, the Minister of Communication and Informatics sets policies, regulates, supervises and controls the telecommunications industry in Indonesia. The DGPI regulates the postal and telecommunications sectors in Indonesia, including with respect to licensing, numbering, interconnection, universal service obligation and business competition. The Directorate General of Posts and Informatics Resources and Equipment of the MoCI (“DGRE”) regulates matters relating to radio frequency spectrum and standardization of telecommunications equipment in Indonesia.

On July 11, 2003, MoCI promulgated the Telecommunications Regulatory Authority Regulation, in which, it delegated its authority to regulate, supervise and control the Indonesian telecommunications sector to the ITRA, while maintaining the authority to formulate policies for the industry. The ITRA was chaired by the DGPI and comprised nine members, including six members of the public and three members selected from Government institutions (a representative member from DGRE, the DGPI and a Government representative appointed by MoCI), until the Government dissolved it in 2020, based on Presidential Decree No.112 of 2020. ITRA’s former duties and functions are now assumed by the DGPI as set out in MoCI Regulation No.1 of 2021.

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Classification and Licensing of Telecommunications Providers

The Telecommunications Law organized telecommunications services into following three categories: (i) provision of telecommunications networks; (ii) provision of telecommunications services; and (iii) provision of special telecommunications services.

Licenses issued by MoCI are required for each category of telecommunications services. Ministerial Decree No.21/2001, as amended by Ministerial Regulation No.8/2015, has been revoked by Ministerial Regulation No.13/2019. Ministerial Regulation No.13/2019, as amended several times, with the latest amendment by Ministerial Regulation No.1/2021 concerning the Implementation of Telecommunication Services, regulates the operation of all telecommunications services and requires a permit issued by the Ministry of Communication and Information for the provision of such services by any person.

MoCI Regulation No.1/2010, which classifies network operations into fixed and mobile networks, was amended by Ministerial Regulation No.7/2015 concerning Telecommunications Operations. Furthermore, the classification of the operation of telecommunications networks into the operation of fixed networks and the operation of mobile networks, as well as the classification of the operation of telecommunications services into the operation of basic telephony services, the provision of value-added services and the operation of multimedia services, are regulated by Government Regulation No. 46/2021 concerning Post, Telecommunications, and Broadcasting.

IDD Services

We have a license to provide IDD services under MoCI Decree No.082/TEL.01.02/2021. We offer IDD fixed line services to customers using the "007" IDD access code.

Cellular

Cellular telephone service is provided in Indonesia on radio frequency spectrum in the 1.8 GHz (neutral technology), 2.1 GHz (neutral technology), 900 MHz (neutral technology) and 2.3 GHz (BWA/TDD). The MoCI regulates the use and allocation of radio frequency spectrum for mobile cellular networks. Telkomsel has obtained frequency allocation for cellular services on the 800 MHz, 900 MHz, 1.8 GHz, 2.1 GHz, and 2.3 GHz frequencies. The allocation of frequency is regulated by:

- MoCI Decree No.549 of 2019 (on the determination of Radio Frequency Bands as a Result of Rearrangement of Radio Frequency Bands of 800 MHz and 900 MHz for the Implementation of Cellular Mobile Networks);
- MoCI Decree No.1164 of 2015 (on the Stipulation of the Use of the 1800 MHz Radio Frequency Band in the 1762.5 - 1785 MHz Radio Frequency Range Paired with 1857.5 - 1880 MHz for PT Telekomunikasi Selular);
- MoCI Decree No.620 of 2020 (on the Correct Amount and Payment Due Date for Radio Frequency Spectrum Usage Fees in the Tenth Year for Radio Frequency Band Licensing for the Operation of Cellular Mobile Networks on the 800 MHz, 900 MHz and 1800 MHz Radio Frequency Bands by PT Telekomunikasi Selular);
- MoCI Decree No.356 of 2018 (on the Determination of Radio Frequency Bands Resulting from the Refarming of 2.1 GHz Radio Frequency Bands for the Implementation of Cellular Mobile Networks);
- MoCI Decree No.806 of 2019 (on the Extension of the Determination of the 2.1 GHz Radio Frequency Band in the 1935 - 1940 MHz Range paired with 2125 - 2130 MHz Range of PT Telekomunikasi Selular); and
- MoCI Decree No.1896 of 2017 (on the Establishment of PT Telekomunikasi Selular as the Winner of 2.3 GHz Radio Frequency Band User Selection in 2017 for the Implementation of Cellular Mobile Networks).

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Interconnection

The Telecommunications Law expressly prohibits monopolistic and unfair business practices and requires network providers to allow users to access other users or obtain services from other networks by paying interconnection fees agreed upon by each network operator. Government Regulation No.52/2000 (on telecommunications services) provides that interconnection charges between two or more network operators must be transparent, mutually agreed upon and fair.

On March 31, 2021, the MoCI issued Regulation No.5/2021 Telecommunication Provision which provides that interconnection must be provided by telecommunications network operators that provide basic telephony services based on requests from other telecommunications operators in a transparent and non-discriminatory manner. In the implementation of interconnection, telecommunications network operators are required to provide services to each other at the agreed service level. The Regulation contemplates an IP-based interconnection and contemplates that basic telephony operators must prepare to provide such IP-based interconnections. These IP-based interconnections were carried out by the agreement and readiness of the telecommunications operator. The new scheme does not change howinterconnection charges are determined. MoCI Regulation No.5/2021 requires operators that will change the RIO is required to submit a proposal for RIO changes to the MoCI. ROI of telecommunication network operator with a dominant position is subject of evaluation by DGPI of MoCI. DGPI of MoCI determines the telecommunication network operator that provides interconnection services with a dominant position which is one that control 50% (fifty percent) or more of the total operating revenues of the entire operation of telecommunication networks in basic telephony services or control the largest share of operating revenues of the total operating revenues of all telecommunication Network operators from basic telephony services.

The Government has stipulated in MoCI regulation No.5/2021 that the transition period of interconnection services regime from TDM-based to IP-based is started on July 1, 2021 to December 31, 2024. It is expected that, in 2025, all interconnection services will be IP-based.

VoIP

In January 2007, the Government implemented interconnection regulations and a five-digit access code system for VoIP services pursuant to MoCI Decree No.06/P/M.KOMINFO/5/2005 ("MoCI Decree No.6/2005"). Under MoCI Decree No.6/2005, the prefix for VoIP, which was originally 01X, was changed to 010XY. On April 27, 2011, the MoCI issued Regulation No.14/PER/M.KOMINFO/04/2011, as partly revoked by MoCI Regulation No.11 of 2014 and MoCI Regulation No.7/2018, as amended, which imposed quality control standards in relation to VoIP services on VoIP providers and this became effective three months thereafter, to which we and other operators must adhere.

IPTV

The IPTV business is regulated by MoCI Regulation No.13/2019, as amended. Government Regulation No.52/2005 (on broadcasting implementation of the broadcasting subscription institute) provides that subscription based broadcasting can be conducted using satellites, cables and terrestrial transmitters. Broadcasting using satellite can have a nationwide range, while cables and terrestrial transmitters can only cover a particular region. Under MOCI Regulation No.13/2019, as amended, IPTV is a type of service that combines radio and television, video, audio, text and data services broadcast over an internet protocol network with guaranteed level of quality, security and reliability, and that also provides for two-way or interactive communication between the service provider and customers.

On April 27, 2011, we and PT Indonusa Telemedia, formerly known as TelkomVision ("Indonusa") as a consortium obtained a license to operate IPTV services. Since February 25, 2021, we individually hold an IPTV Telecommunication Service Operation License, so that we may offer a wider range of multimedia services.

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Satellite

In Indonesia, the use of radio spectrum frequency for satellite is governed under MoCI Regulation No.21 of 2014 on the Use of Radio Frequency Spectrum for Satellite Service and Satellite Orbit ("MoCI Regulation No.21/2014"). MoCI Regulation No.21/2014 requires foreign satellite operators to obtain a landing right license to operate in Indonesia which requires such foreign satellite operators to coordinate with domestic satellite operators, including us, to ensure that no Indonesian satellite and terrestrial systems will be disrupted by their operation. As recently introduced by GR No.46/2021, subject to MoCI's approval, spectrum allocations can be re-assigned to different telecommunication network operators, which was previously only possible in the event of a merger or acquisition.

Consumer Protection

Under the Telecommunications Law, each network provider is required to protect consumer rights in relation to, among others, quality of services, tariffs, and compensation. Customers injured or damaged by negligent operations may file claims against negligent providers. Telecommunications consumer protection regulations provide service standards for telecommunications operators.

USO

All telecommunications operators, whether network or service providers, are bound by a USO regulation that requires them to assist in providing telecommunications facilities and infrastructure for the interest of offering equal access to telecommunications throughout all regions of Indonesia, which telecommunications operators generally do by way of financial contribution. MoCI Regulation No.10/2018 stipulated, among others, that when selecting a provider of telecommunications access and services in rural areas (as part of the Government's USO program), the selection process would be conducted by the Rural Telecommunications and Informatics Center (*Balai Telekomunikasi dan Informatika Pedesaan* or "BTIP"). Subsequent regulations renamed BTIP the Telecommunications and Information Accessibility Agency (*Badan Aksesibilitas Telekomunikasi dan Informasi* or "BAKTI").

USO payment requirements are calculated as a percentage of our and Telkomsel's unconsolidated gross revenues, net of bad debts and/or interconnection charges and/or connection charges. Pursuant to GR No.80/2015, the USO tariff rate as of the date hereof is 1.25% of gross revenue, net of bad debts and/or interconnection charges and/or connection charges. In September 2016, the MoCI issued MoCI Regulation No.17/2016 (on guideline of the implementation of tariffs for non-tax state revenue applicable to the USO), as amended by MoCI Regulation No.19/2016, effective as of November 4, 2016 ("MoCI Regulation No.19/2016"). Pursuant to such regulation, certain revenues are excluded from the computation of the gross revenues used for purposes of assessing the USO charged to telecommunications operators.

Telecommunications Regulatory Charges

On November 9, 2015, the Government issued GR No.80/2015 which sets the types of non-tax state revenues that apply to the MoCI derived from various services, including telecommunications.

Based on GR No.80/2015, an upfront fee is paid at twice the amount of the offering price submitted by each bidding process winner, while an annual license fee for telecommunications operations is paid based on the amount of the lowest offering price from the bidding process winner. The MoCI stipulates the amount and timing of payment for the radio frequency spectrum right of use.

Further, telecommunications equipment and devices for research, development, education and disaster handling purposes can be used after obtaining a utilization period statement letter. After the utilization period as set out in the statement letter has expired, the respective equipment and devices which will be re-used for its original purposes must be certificated, subject to a 50% certification fee. Telecommunications equipment and devices with a local content in excess of 50% are charged a certification fee equal to 50% of the regular certification fee and a testing fee as set out in GR No.80/2015.

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Under GR No. 80/2015, the following amounts can be deducted from the gross revenue used as the basis for assessing the telecommunications right of use fee: (i) receivables which have been written off in connection with telecommunications operations and (ii) interconnection fee obligation and/or the interconnectedness received by the telecommunications operator, which is the right of use of another party. These deductions are further governed by a MoCI regulation.

Telecommunications Towers

Operating telecommunications towers involves a number of relevant Government bodies. On March 30, 2009, the Minister of Home Affairs Regulation No.18/2009, Minister of Public Works Regulation No.07/PRT/M/2009, MoCI Regulation No.19/PER.M.KOMINFO/03/2009 and Head of the Investment Coordinating Board Regulation No.3/P/2009 (on guidelines for the construction and shared use of telecommunications towers) (together, "Tower Construction Joint Decree") were issued effectively representing a joint regulation.

Based on the Tower Construction Joint Decree, the construction of telecommunications towers requires construction permits from the relevant governmental authorities. The Tower Construction Joint Decree also stipulates that the construction of telecommunications towers must observe the zoning and spatial planning applicable in the relevant region of Indonesia. The Tower Construction Joint Decree states that the license for telecommunications tower construction is to be issued by regents or mayors, and for Jakarta Province, its Governor. The Tower Construction Joint Decree also provides for tower construction standards and requires that telecommunications towers be made generally available for shared use by telecommunications service providers. The owner of a telecommunications tower is allowed to collect a fee, which is determined by reference to investment and operational costs, return on investment and profits earned. Monopolistic practices in the ownership and management of telecommunications towers are prohibited. The Tower Construction Joint Decree stipulates that telecommunications providers that own telecommunications towers and other tower owners are obligated to allow other telecommunications operators to utilize their telecommunications towers without discrimination, with due regards to the technical capacity of the respective tower.

Under GR No.46/2021, a telecommunication service provider that have passive telecommunication infrastructure (including telecommunication towers) has to give access to such infrastructure to other telecommunication providers. GR No.46/2021 states that such use of passive telecommunication infrastructure must be based on cooperation and mutual agreement between the parties involved in a fair, reasonable and non-discriminative manner. The terms and conditions of any such cooperation agreement to be entered into by telecommunication players still remain to be seen, pending the issuance of further guidelines from the MoCI (if any).

Content Provider Service

Content provider service is regulated by MoCI in accordance with MoCI Regulation No. 13/2019, as amended.

C. ORGANIZATIONAL STRUCTURE

We have adopted a strategic control approach to the management of our Group, which we believe provides productive flexibility throughout our business entities in accordance with the characteristics of each CFU.

In implementing this strategic control approach:

1. the role of the corporate office is focused on providing, creating, and implementing our overall corporate strategy (*i.e.* directing overall strategy and portfolio strategy); and

2. we seek to empower each CFU and Regional Business Unit in line with their respective particular characteristics.

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In order to synchronize our organizational structure with our business characteristics as well as with the dynamic business challenges we face, our parenting strategy based on customer segmentation and geography in order to achieve structural and operational alignment with our business portfolios. As a result of this transformation, our strategic control over our subsidiaries is mapped into five CFUs, each being a unit that manages subsidiaries that operate business portfolios in a particular customer segment, as discussed in greater detail below:

- Our *mobile customer facing unit* is responsible for relationships and interactions with mobile customers.
- Our *consumer customer facing unit* is responsible for relationships and interactions with consumer customers.
- Our *enterprise customer facing unit* is responsible for relationships and interactions with small medium enterprises, government institutions, and corporate customers.
- Our *wholesale and international business customer facing unit* is responsible for relationship and interactions with wholesale customers and other licensed operators.
- Our *digital services customer facing unit* is responsible for supporting digital services for all of our customers.

In order to support our parenting strategy, we have four functional units which perform certain specified internal corporate functions. Our functional units are discussed in greater detail below:

- Our *strategic portfolio functional unit* is responsible for creating corporate value through the optimization and harmonization of functional business units and corporate management, realize synergies within each CFU and subsidiaries, maximize cross-CFU and subsidiaries synergies and optimize synergies among SOEs, merger and acquisition planning and execution.
- Our *network and IT solutions functional unit* is responsible for promoting integrated network and IT infrastructure across our CFUs and subsidiaries.
- Our *finance and risk management functional unit* is responsible for implementation cost and capital efficiency program and maximizing the value of our assets as well as managing the overall risk of the Group.
- Our *human capital management functional unit* is responsible for talent management upgrading human resources capabilities, organization structure and workforce planning, design, and implementation, industrial relation, learning, assessment and community development.

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The table below sets forth our operating companies and significant subsidiaries organized under the relevant CFU, including those subsidiaries that hold our principal telecommunications licenses, our percentage ownership interest, direct and indirect, and our voting power in each subsidiary as of December 31, 2021

Subsidiary	Customer Facing Unit	Country of Incorporation	Percentage of Ownership Interest (Direct and Indirect) (%)	Voting Power (%)
PT Telekomunikasi Selular (Telkomsel)	Mobile	Indonesia	65	65
PT Telkom Akses (Telkom Akses)	Consumer	Indonesia	100	100
PT Finnet Indonesia (Finnet)	Enterprise	Indonesia	60	60
PT Infomedia Nusantara (Infomedia)	Enterprise	Indonesia	100	100
PT Multimedia Nusantara (Metra)	Enterprise	Indonesia	100	100
PT Telkom Satelit Indonesia (Telkomsat)	Enterprise	Indonesia	100	100
PT PINS Indonesia (PINS)	Enterprise	Indonesia	100	100
PT Sigma Cipta Caraka (Sigma)	Enterprise	Indonesia	100	100
PT Metra Digital Media (MD Media)	Enterprise	Indonesia	100	100
PT Administrasi Medika (Ad Medika)	Enterprise	Indonesia	100	100
PT Sigma Tata Sadaya (STS)	Enterprise	Indonesia	100	100
PT Dayamitra Telekomunikasi (Mitratel)	Wholesale and International	Indonesia	71.87	71.87
PT Infrastruktur Telekomunikasi Indonesia (Telkom Infra)	Wholesale and International	Indonesia	100	100
PT Telekomunikasi Indonesia International (Telin)	Wholesale and International	Indonesia	100	100
PT Melon Indonesia (Melon)	Digital Services	Indonesia	100	100
PT Metraplasa (Metraplasa)	Digital Services	Indonesia	60	60
PT Metra-Net (Metranet)	Digital Services	Indonesia	100	100

A complete list of our subsidiaries and investments in associated companies, and our ownership percentage of each entity, as of December 31, 2021, is contained in Notes 1d and 11 to our Consolidated Financial Statements included elsewhere in this report.

D. PROPERTY AND EQUIPMENT AND RIGHT OF USE OF ASSETS

Our property and equipment is primarily used for telecommunications operations, which mainly consist of transmission and installation equipment, cable network and switching equipment. A description of these is contained in Note 13 to our Consolidated Financial Statements and "Business Overview — Network Infrastructure and Development." See "Item 5. Operating and Financial Review and Prospects — Liquidity — Capital Expenditures" for material plans to construct, expand or improve our property and equipment.

Except for ownership rights granted to individuals in Indonesia, reversionary rights to land rests with the Government, pursuant to Agrarian Law No. 5 of 1960. Land title is designated through land rights, including Right to Build (*Hak Guna Bangunan* or "HGB") and Right of Use (*Hak Guna Usaha* or "HGU"). Land title holders enjoy full use of the land for a specified period, subject to renewal and extensions. In most instances, land rights are part of right of use of assets, freely tradable and may be placed as security under loan agreements.

We lease several pieces of land located throughout Indonesia together with rights to build and use such land for periods varying from 10 to 50 years, which will expire between 2022 and 2070. We hold registered rights to build and right to use for most of our properties. Pursuant to Government Regulation No. 18 of 2021 on Right to Manage, Land Right, Apartment Unit, and Land Registration, the maximum initial period for the right to build is 30 years and is extendable for an additional 20 years. The right to build can further be renewed for an additional period of 30 years. We are not aware of any environmental issues that could affect the utilization of our property and equipment and right of use assets. Please refer to Note 14 to our Consolidated Financial Statements.

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All assets owned by our Company have been pledged as collateral for bonds. Please refer to Note 21b.(i) to our Consolidated Financial Statements. Certain property and equipment of our subsidiaries with gross carrying value amounting to Rp22,939 billion as of December 31, 2021 have been placed as collateral for loan agreements. Please refer to Notes 20, 21c and 21d to our Consolidated Financial Statements.

Insurance

As of December 31, 2021, our property and equipment (excluding land rights), with net carrying amount of Rp161,287 billion was insured against fire, theft, earthquake and other specified risks, under blanket policies totaling Rp29,601 billion, HK$8 million, SG$360 million, and MYR72 million, and first loss basis amounted to Rp2,750 billion. Management believes that the insurance coverage is adequate to cover potential losses from the insured risks.

Additionally, in 2021, we obtained proceeds from an insurance claim on lost and broken property and equipment, with a total value of Rp133 billion.

Disclosure of Iranian Activities under Section 13(r) of the Exchange Act

Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012 added Section 13(r) to the Exchange Act. Section 13(r) requires an issuer to disclose in its annual or quarterly reports, as applicable, whether it or any of its affiliates knowingly engaged in certain activities, transactions or dealings relating to Iran or with designated natural persons or entities involved in terrorism or the proliferation of weapons of mass destruction. Disclosure is required even where the activities, transactions or dealings are conducted outside the United States by non-United States affiliates in compliance with applicable law, and whether or not the activities are sanctionable under U.S. law.

As of the date of this report, we are not aware of any activity, transaction or dealing by us or any of our affiliates in 2021 that requires disclosure in this report under Section 13(r) of the Exchange Act, except as set forth below.

Our subsidiary, Telkomsel, is party to international roaming agreements with Mobile Telecommunication Company of Iran and Irancell Telecommunications Services Company, which are or may be Government-controlled entities. In 2021, we recorded gross revenues of US$251 from transactions under these agreements. The amount of our net profits earned under these agreements is not determinable, but it does not exceed our gross revenues from these agreements. The purpose of these agreements is to provide Telkomsel's customers with coverage in areas where Telkomsel does not own networks, and for this reason Telkomsel intends to continue the activities covered by these agreements

We also provide telecommunications services in the ordinary course of business to the Embassy of Iran in Jakarta, Indonesia. We recorded gross revenue of approximately Rp25.8 million from these services in 2021. The amount of our net profits earned under these services is not determinable, but it does not exceed our gross revenues from these services. As one of the primary providers of telecommunications services in Indonesia, we intend to continue providing such services, as we provide to the embassies of many other nations.

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion and analysis should be read in conjunction with our Consolidated Financial Statements included elsewhere in this Form 20-F. These Consolidated Financial Statements were prepared in accordance with IFRS as issued by the IASB.

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A discussion of the changes in our financial condition and results of operations for the fiscal years ended December 31, 2020 and 2019, has been omitted from this Form 20-F, but may be found in "Item 5. Operating and Financial Review, of the Telkom 2020 annual report on Form 20-F for the year ended December 31, 2020, filed with the SEC on April 30, 2021, which is available free of charge on the SEC's website at www.sec.gov and our website at www.telkom.co.id.

A. OPERATING RESULTS

Overview

We are the principal provider of local, domestic and international telecommunications services in Indonesia, as well as the leading provider of mobile cellular services through our majority-owned subsidiary, Telkomsel. Our objective is to become the preferred digital telecommunications company in the region. As of December 31, 2021, we had approximately 176.0 million mobile cellular subscribers through Telkomsel, 9.0 million subscribers on our fixed wireline network, and 129.1 million broadband subscribers (consisting of 120.5 million mobile broadband subscribers and 8.6 million fixed broadband IndiHome subscribers). We also provide a wide range of other communication services, including telephone network, interconnection services, multimedia, data and internet communication-related services, satellite transponder leasing, leased line, intelligent network and related services, cable television and VoIP services. We also operate multimedia businesses such as content and applications. We intend to continue to cope with market and industry challenges that may arise from time to time by leveraging our customer base, network quality, brand name and strategic execution capabilities.

The Indonesian gross domestic product increased by 5.07% annually on average between 2016 and 2019 but the gross domestic product suffered a 2.07% contraction in 2020, according to the Indonesian Central Bureau of Statistics (computed at constant market prices as at February 2021). This contraction in 2020 was mainly due to the negative impact of the COVID-19 pandemic and related containment measures. Inflation decreased from an average of 3.12% between 2016 and 2019 to 1.68% in 2020, according to the Indonesian Central Bureau of Statistics. In the second quarter of 2021, Indonesia's economy expanded by 3.3% and 7.1% on a QoQ and YoY basis respectively. All sectors experienced growth, primarily driven by government spending, production sectors, higher domestic consumption and strong export/import demand, according to the Indonesian Central Bureau of Statistics and Bank of Indonesia. A decrease in the inflation rate due to depressed demand could create deflationary pressure making it more difficult to stimulate economic growth, which in turn would affect our enterprise segment. Overall the decline in inflation did not materially affect our Company. The Rupiah depreciated from an average of Rp13,307 to one U.S. Dollar in 2016 to an average of Rp14,572 to one U.S. Dollar in 2020 and reached its lowest value against the U.S. Dollar in April 2020 at Rp16,741 to one U.S. Dollar, according to data from Bank Indonesia. In 2021, the Rupiah has remained stable against U.S. dollar due to favourable coal prices and surging demand from other countries including China. Though the exposure of our Company and our subsidiaries to foreign exchange rates is not material, we are exposed to foreign exchange risk on sales, purchases and borrowings that are primarily denominated in U.S. Dollar and Japanese Yen.

See "Item 11. Quantitative and Qualitative Disclosure about Market Risk – Foreign Exchange Rate Risk."

The growth in our revenues in 2021 compared with 2020 was largely driven by increases in revenues from data, internet, and information technology services that increased by 8.5% and from IndiHome that increased by 18.5%.

Our operating results in 2021 compared with 2020 also reflected an increase in expenses. This increase was mainly driven by an increase in operation, maintenance, and telecommunication service expense of 10.3% and an increase in depreciation and amortization expenses of 9.6% as a result of our infrastructure development to better serve our customers, particularly for internet and data services. The adoption of IFRS 16 (Amortization of Right-of-use Assets) also contributed to the one-off increase in depreciation and amortization expense in 2021. See Note 14 to our Consolidated Financial Statements.

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Key Performance Indicators

We use certain key performance indicators to monitor and manage our business. We use these indicators to evaluate our business, measure our performance, identify trends affecting our business, formulate business plans, and make strategic decisions. We believe these indicators provide useful information to investors in understanding and evaluating our operating results in the same manner we do. The key indicators that we use to evaluate the performance of our business are set forth below:

Number of Fixed Broadband Subscribers

We track the number of our broadband subscribers (e.g., our IndiHome subscribers) as an indicator of our competitiveness and ability to capture increased or new revenue streams in the future, as we expect an increase in the use of broadband internet at home, a further diversification of digital services offered to customers, and the development and continuation of megatrends that favor an increase in the consumption of digital services.

Number of Mobile Broadband Subscribers

We track the number of our mobile cellular subscribers (through Telkomsel) as an indicator of competitiveness and the ability to capture growth opportunities generated by increased consumption of internet data and digital services on cellular phones.

Number of BTS

We track the number of our BTS as an indicator of the strength and the competitiveness of our network. It is also an indicator of our ability to capture growth opportunities.

Operating Profit

Operating profit is equal to total revenues, primarily comprising telephone revenues, data, internet, and information technology service revenues, network revenues, IndiHome revenues, and other revenues, and total expenses, mainly comprising operations, maintenance, and telecommunications service expenses, depreciation and amortization expenses, personnel expenses, marketing expenses, general and administrative expenses, interconnection expenses, and other expenses. Changes in those line-items have a direct impact on our operating profit and depend on a variety of factors, as further discussed below under "– Principal Factors Affecting our Financial Condition and Results of Operations."

Profit for the Year

Profit for the year is equal to operating profit minus finance costs, plus finance income, share of loss of long-term investment in associates, minus income tax and impairment of long-term investments in associated companies.

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Principal Factors Affecting our Financial Condition and Results of Operations

Increase in Data, Internet, and Information Technology Services

In Indonesia, mobile phones have become the primary tool for telecommunication, both for voice calls as well as in terms of internet usage. The growing popularity of smartphones has contributed to the growth of traffic in 2021. As a result, ARPU slightly decreased from approximately Rp44,000 in 2020 to approximately Rp43,600 in 2021. This decrease in ARPU was mainly due to the negative impact of the COVID-19 pandemic on the overall Indonesian economy as well as mobility restrictions which led to consumption shifting from mobile to Wi-Fi coupled with the affordability concerns.

The share of our revenue generated by data, internet, and information technology services revenues has been increasing in the last few years and accounted for 57.4% of our consolidated revenues for 2021. A key driver of this trend is the increase in revenue from cellular data and internet.

We expect that revenue from cellular data and internet will continue to increase and contribute to a larger portion of our consolidated revenues in line with an expected continued increase in the prevalence of smartphone usage in Indonesia. We also intend to increase such revenues by focusing our marketing efforts to encourage customers who only utilize mobile voice and SMS services to commence utilizing mobile broadband services We also intend to continue our promotion of mobile package options in order to encourage existing mobile broadband services customers to increase their use of such services. In addition, we believe there is opportunity for growth in non-cellular internet, data communication and internet technology revenue, particularly through greater adoption of broadband internet at homes in Indonesia through our IndiHome service, as penetration of broadband internet at homes in Indonesia is still relatively low.

Increase in revenue generated by IndiHome

Since launch in 2015, the number of IndiHome subscribers has increased significantly. The number of IndiHome subscribers increased by 7.3% from 8.0 million subscribers in 2020 to 8.6 million subscribers in 2021. This increase drove an increase in revenue generated by IndiHome subscriptions.

We believe there is opportunity for further growth in revenue generated by IndiHome, particularly due to an increase in the use of broadband internet at home in Indonesia, as penetration of broadband internet at home in Indonesia is still relatively low. We seek to continue to increase such revenue as we continue to invest in improving our broadband infrastructure. We also continue to have promotions to encourage customers to buy various additional services, such as speed upgrades, additional set-top boxes, and the minipack package upgrade.

In addition, due to increased data consumption caused by the COVID-19 outbreak and containment measures implemented by the Government and companies, such as work-from-home or study-from-home initiatives, and increased consumption of digital services such as online shopping, revenue generated by IndiHome increased in 2020 and 2021.

Declining Legacy Cellular Telephone Revenues

The rapid development of new technologies, new services and products, and new business models has resulted in distinctions between local, long-distance, wireless, cable and internet communication services being lessened and has brought new competitors into the telecommunications market. Traditional cellular services, such as voice and SMS services, are subject to increasing competition from non-traditional telecommunications services, such as Over The Top products including instant voice, messaging services and other mobile services. As a result, our cellular telephone revenues, which comprise usage charges and monthly subscription charges for mobile voice and SMS services, have flattened in recent years, and in 2017 began to decline. We expect that such revenues will continue to decline in the future. Our cellular telephone revenues decreased by 24.5% from Rp19,510 billion in 2020 to Rp14,737 billion in 2021. In addition, we also expect that the contribution of revenues from cellular phone services to our consolidated revenues will continue to decrease in the future, as we expect that contribution from data, internet and information technology services will continue to grow and comprise a greater percentage of our consolidated revenues in the future. Our revenues from cellular phone services accounted for 10.2% of our consolidated revenues for 2021 compared to 14.2% for 2020. See "Item

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3 Key Information — Risk Factors — Risks Related to our Business — Risks Related to our Fixed and Cellular Telecommunications Business."

Variations in operation and maintenance expenses

Our operation and maintenance expenses primarily comprise expenses associated with network maintenance to improve our mobile cellular and fixed broadband services. In 2021, our operations and maintenance expenses increased compared to 2020. We expect that our operation and maintenance expenses will remain relatively stable or increase slightly in the future in line with our expected growth in subscribers and traffic as well as the investments that we intend to make to continue developing our network infrastructure, particularly for internet and data service, in order to increase in our network capacities to better serve our customers. Our operation and maintenance expenses increased by 7.6%, from Rp19,956 billion in 2020 to Rp21,467 billion in 2021. This increase was primarily due to more selective investments and delays in the incurrence of certain project expenses in 2020 due to the COVID-19 pandemic which were then executed in 2021.

Increase in Depreciation and Amortization Expenses

The telecommunications industry is characterized by rapid and significant changes in technology. Our technology can become obsolete faster than expected. We also need to acquire new technologies necessary to compete under rapidly evolving circumstances on commercially acceptable terms. In 2019, the adoption of IFRS 16 (Amortization of Right-of-use Assets) also contributed to the increase in depreciation and amortization expenses. See Note 14 to our Consolidated Financial Statements.

We expect depreciation and amortization expenses will increase in the future due to the development of our network for improving broadband services we provide for both mobile and fixed broadband.

Telkom's Consolidated Statements of Profit or Loss and Other Comprehensive Income

The following table sets out our Consolidated Statements of Profit or Loss and Other Comprehensive Income For the Years ended December 31, 2019, 2020 and 2021. Each item is expressed as a percentage of total revenues or expenses.

	2019		2020		2021		
	(Rp billion)	%	(Rp billion)	%	(Rp billion)	%	(US$ million)
REVENUES							
Telephone revenues							
Cellular	28,019	20.7	19,510	14.3	14,737	10.3	1,034
Fixed line	2,888	2.1	2,100	1.5	1,730	1.2	121
Total telephone revenues	**30,907**	**22.8**	**21,610**	**15.8**	**16,467**	**11.5**	**1,155**
Interconnection revenues	**6,290**	**4.6**	**7,686**	**5.6**	**7,787**	**5.4**	**546**
Data, internet, and information technology service revenues							
Cellular data and internet	52,858	39.0	59,502	43.6	64,500	45.0	4,526
Internet, data communication, and information technology services	9,072	6.7	9,744	7.1	10,272	7.2	721
Short Messaging Service ("SMS")	6,954	5.1	4,817	3.5	4,754	3.3	334
Others	1,029	0.8	1,753	1.3	2,698	1.9	189
Total data, internet, and information technology service revenues	**69,913**	**51.6**	**75,816**	**55.6**	**82,224**	**57.4**	**5,770**
Network revenues	**1,845**	**1.4**	**1,671**	**1.2**	**1,880**	**1.3**	**132**
IndiHome revenues	**18,325**	**13.5**	**22,214**	**16.3**	**26,325**	**18.4**	**1,847**
Other services							
Manage service and terminal	1,672	1.2	1,293	0.9	2,048	1.4	144
Call center service	799	0.6	845	0.6	1,081	0.8	75
E-health	523	0.4	549	0.4	640	0.4	45
E-payment	566	0.4	499	0.4	487	0.3	34
Sales of peripherals	1,109	0.8	0	0	0	0	0
Others	2,369	1.7	1,987	1.5	1,859	1.3	130
Total other services	**7,038**	**5.2**	**5,173**	**3.8**	**6,115**	**4.3**	**429**
Total revenues from contract with customer	**134,318**	**99.1**	**134,170**	**98.3**	**140,798**	**98.3**	**9,880**
Revenues from lessor transaction	**1,239**	**0.9**	**2,277**	**1.7**	**2,412**	**1.7**	**169**
Total revenues	**135,557**	**100.0**	**136,447**	**100.0**	**143,210**	**100.0**	**10,048**

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	2019		2020		2021		
	(Rp billion)	%	(Rp billion)	%	(Rp billion)	%	(US$ million)
EXPENSES							
Operation, maintenance, and telecommunications service expense							
Operation and maintenance	20,417	22.0	19,956	21.3	21,467	22.4	1,506
Radio frequency usage charges	5,736	6.2	5,930	6.3	6,097	6.4	428
Leased lines and CPE	4,709	5.1	3,353	3.6	5,003	5.2	351
Concession fees and USO charges	2,370	2.6	2,411	2.6	2,472	2.6	173
Electricity, gas, and water	1,102	1.2	946	1.0	898	0.8	63
Cost of SIM cards and vouchers	645	0.7	487	0.5	673	0.8	47
Project Management	460	0.5	538	0.6	519	0.5	37
Insurance	246	0.3	378	0.4	432	0.5	30
Vehicles rental and supporting facilities	386	0.4	334	0.4	305	0.3	22
Cost of sales of peripherals	1,109	1.2	57	0.1	66	0.1	5
Others	273	0.3	185	0.2	201	0.2	14
Total operation, maintenance, and telecommunications service expenses	**37,453**	**40.3**	**34,575**	**37.0**	**38,133**	**39.8**	**2,676**
Depreciation and amortization	**27,204**	**29.3**	**28,925**	**30.9**	**31,714**	**33.2**	**2,225**
Personnel expenses							
Salaries and related benefits	7,945	8.6	8,272	8.8	8,661	9.1	608
Vacation pay, incentives, and other benefits	3,538	3.8	4,321	4.6	4,999	5.2	351
Periodic pension benefit cost	840	0.9	804	0.9	1,137	1.2	80
Net periodic post-employment health care benefit cost	167	0.2	253	0.3	263	0.3	18
Obligation under the Labor Law	136	0.1	258	0.3	254	0.3	17
LSA expense	290	0.3	290	0.3	153	0.2	11
Other post-employment benefit cost	33	0.0	81	0.1	23	0.0	2
Long service employee benefit cost	—	—	53	0.1	3	0.0	0
Others	63	0.1	58	0.1	31	0.0	2
Total personnel expenses	**13,012**	**14.0**	**14,390**	**15.4**	**15,524**	**16.3**	**1,089**
Marketing expenses	**3,416**	**3.7**	**3,482**	**3.7**	**3,633**	**3.8**	**255**
General and administrative expenses							
General expenses	1,651	1.8	1,805	1.9	2,043	2.1	143
Professional fees	793	0.9	981	1.0	789	0.8	55
Allowance for expected credit losses	1,899	2.0	2,344	2.5	477	0.5	33
Travelling	410	0.4	275	0.3	321	0.3	24
Training, education, and recruitment	461	0.5	308	0.3	284	0.3	20
Meeting	276	0.3	184	0.2	249	0.3	17
Social contribution	200	0.2	223	0.2	213	0.2	15
Collection expenses	176	0.2	193	0.2	212	0.2	15
Research and development	45	0.0	52	0.1	82	0.1	6
Others	296	0.3	199	0.2	346	0.4	24
Total general and administrative expenses	**6,207**	**6.7**	**6,564**	**7.0**	**5,016**	**5.2**	**352**
Interconnection expenses	**5,077**	**5.5**	**5,406**	**5.8**	**5,181**	**5.4**	**364**
Unrealized gain on changes in fair value of investments	58	0.1	129	0.1	3,432	3.6	241
Gains (losses) on foreign exchange - net	(89)	(0.1)	(86)	(0.1)	50	0.1	4
Other income - net	837	0.9	810	0.9	162	0.2	12
Total expenses	**92,901**	**100.0**	**93,498**	**100.0**	**95,635**	**100.0**	**6,709**
Operating profit	**43,994**		**43,958**		**47,653**		**3,344**
Finance income	1,095		800		558		39
Finance costs	(5,452)		(4,602)		(4,394)		(308)
Share of loss of long-term investment in associates - net	(166)		(246)		(78)		(5)
Impairment of long-term investment in associated companies	(1,172)		(763)		—		—
Profit before income tax	**38,299**		**39,147**		**43,739**		**3,070**
Income tax (expense) benefit	(10,439)		(9,257)		(9,640)		(677)
Profit for the year	**27,860**		**29,890**		**34,099**		**2,393**
Other comprehensive income (losses) - net	(2,189)		(3,581)		1,980		138
Total comprehensive income for the year	**25,671**		**26,309**		**36,079**		**2,531**
Profit for the year attributable to owners of the parent company	19,068		21,052		24,877		1,746
Total comprehensive income for the year attributable to owners of the parent company	17,029		17,840		26,884		1,886
Basic and diluted earnings per share (in full amount)							
Profit per share	192,49		212.51		251.13		0.02
Profit per ADS (100 Series B Shares per ADS)	19,248,51		21,251.29		25,112.50		1.76

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Please note that the above table should be read in conjunction with the below discussion on comparability of financial information of and for the financial years ended December 31, 2021 and 2020. See "— New Standards and Interpretations."

Financial Overview

Year ended December 31, 2021 compared to year ended December 31, 2020

Revenues

Total revenues increased by Rp6,763 billion, or 5.0%, from Rp136,447 billion in 2020 to Rp143,210 billion (US$10,048 million) in 2021. This increase was primarily due to an increase in data, internet and information technology service revenues, IndiHome revenues, interconnection revenues, and other revenues but was partially offset by a decrease in cellular telephone revenues and SMS revenues.

a. Cellular Telephone Revenues

Cellular telephone revenues represented 10.3% of our consolidated revenue in 2021. Cellular revenues decreased by Rp4,773 billion, or 24.5%, from Rp19,510 billion in 2020 to Rp14,737 billion (US$1,034 million) in 2021. This decrease was primarily due to a decrease in usage of voice services because customers increasingly choose to use non-traditional telecommunications services, such as Over the Top services, as an alternative to voice services.

b. Fixed Line Telephone Revenues

Fixed line telephone revenues decreased by Rp370 billion, or 17.6%, from Rp2,100 billion in 2020 to Rp1,730 billion (US$121 million) in 2021. This decrease in fixed line telephone revenues was primarily due to a decrease in voice service usage due to customers shifting to Over the Top services, as an alternative to voice services.

c. Interconnection Revenues

Interconnection revenues comprise interconnection revenues from our fixed line network and interconnection revenues from Telkomsel's mobile cellular network, including incoming international long-distance revenues from our IDD service (TIC-007).

Interconnection revenues increased by Rp101 billion, or 1.3%, from Rp7,686 billion in 2020 to Rp7,787 billion (US$546 million) in 2021, primarily due to an increase in voice wholesale traffic between countries and SMS A2P (application to person) services.

d. Data, Internet and Information Technology Service Revenues

Our data, internet and information technology service revenues accounted for 57.4% of our consolidated revenues in 2021, compared to 55.6% in 2020. Data, internet and information technology service revenues increased by Rp6,408 billion, or 8.5%, from Rp75,816 billion in 2020 to Rp82,224 billion (US$5,770 million) in 2021. This increase was primarily due to:

- an increase in cellular data and internet revenues by Rp4,998 billion, or 8.4%, from Rp59,502 billion in 2020 to Rp64,500 billion in 2021. This increase was primarily driven by an increase in mobile broadband subscribers from 115.9 million subscribers as of December 31, 2020 to 120.5 million subscribers as of December 31, 2021. The increase in such revenues also reflected increased mobile traffic data due to the impact of COVID-19 on customers' habits (for instance increased use of digital services). For additional information on factors driving the growth of our cellular data and internet revenues, see "— Principal Factors Affecting our Financial Condition and Results of Operations — Increase in Data, Internet, and Information Technology Services;"

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- an increase in other data and internet revenues by Rp945 billion, or 53.9%, from Rp1,753 billion in 2020 to Rp2,698 billion in 2021, primarily due to an increase in volume of collocation data center and value added services; and

- an increase in internet, data communication and information technology service revenues by Rp528 billion, or 5.4%, from Rp9,744 billion in 2020 to Rp10,272 billion in 2021, primarily due to an increase in volumes of enterprise solutions services such as enterprise connectivity and IT services.

Such increases were partially offset by a decrease in SMS revenues of Rp63 billion, or 1.3%, from Rp4,817 billion in 2020 to Rp4,754 billion in 2021. This decrease was primarily due to increased competition from non-traditional telecommunications services, such as Over The Top products including instant voice, messaging services and other mobile services.

e. Network Revenues

Network revenues increased by Rp209 billion, or 12.5%, from Rp1,671 billion in 2020 to Rp1,880 billion (US$132 million) in 2021, primarily due to an increase in leased lined and VSAT revenue from the enterprise segment due to higher demand as a consequence to the COVID-19 pandemic recovery.

f. IndiHome Revenues

IndiHome revenues increased by Rp4,111 billion, or 18.5%, from Rp22,214 billion in 2020 to Rp26,325 billion (US$1,847 million) in 2021. The increase was primarily due to an increase in the number of fixed broadband subscribers from 8.0 million as of December 31, 2020 to 8.6 million as of December 31, 2021. Data traffic of IndiHome increased from 24.5 million terabytes in 2020 to 32.6 million terabytes in 2021 due to the impact of COVID-19 on customers' habits (for instance increased use of digital services and more generally the internet during periods customers studied or worked from home).

g. Other Services

In 2021, revenues from other services increased by Rp942 billion, or 18.2%, from Rp5,173 billion in 2020 to Rp6,115 billion (US$429 million) in 2021. The increase was primarily due to:

- an increase in manage service and terminal revenues by Rp755 billion, or 58.4%, from Rp1,293 billion in 2020 to Rp2,048 billion in 2021, primarily due to an increase in management service revenues from the enterprise segment due to the recovery of delayed projects as a consequence of the COVID-19 pandemic. This increase was also in line with our business strategy to adapt our product mix so as to reduce the share of our revenue sourced from the sale of lower margin products such as hardware products;

- an increase in call center services revenue by Rp236 billion, or 27.9% from Rp845 billion in 2020 to Rp1,081 billion in 2021, primarily due to an increase in telecommunication services and supporting facilities services sales; and

- an increase e-health revenue by Rp91 billion or 16.6% from Rp549 billion in 2020 to Rp640 billion in 2021, primarily due to an increase in enterprise health services sales such as smart platform and ICT services.

This increase in our other services revenue was partially offset by:

- a decrease in others revenues by Rp128 billion, or 6.4%, from Rp1,987 billion in 2020 to Rp1,859 billion in 2021 due to lower demand in our other products; and

- a decrease in e-payment revenues by Rp12 billion, or 2.4%, from Rp499 billion in 2020 to Rp487 billion in 2021 due to lower transaction volume.

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h. Revenues from Lessor Transactions

Revenues from lessor transaction increased by Rp135 billion or 5.9% from Rp2,277 billion in 2020 to Rp2,412 billion (US$169 million) in 2021. This increase resulted primarily from increased rental revenues from the telecommunication towers, which reflected an increase in the number of tenants.

Expenses

Total expenses increased by Rp2,137 billion, or 2.3%, from Rp93,498 billion in 2020 to Rp95,635 billion (US$6,709 million) in 2021. This increase in expenses was attributable primarily to increases in depreciation and amortization as well as operation, maintenance and telecommunication services expenses.

a. Operation, Maintenance, and Telecommunications Service Expenses

Operation, maintenance, and telecommunications service expenses increased by Rp3,558 billion, or 10.3%, from Rp34,575 billion in 2020 to Rp38,133 billion (US$2,676 million) in 2021.

This increase in operation, maintenance and telecommunications service expenses was primarily attributable to:

- an increase in leased line and CPE expenses by Rp1,650 billion, or 49.2%, from Rp3,353 billion in 2020 to Rp5,003 billion in 2021, in line with the increase in network revenue and also as a result of the implementation of our business strategies to adapt our product mix so as to reduce the share of our revenue sourced from the sale of lower margin products such as hardware products;

- an increase in operation and maintenance expenses by Rp1,511 billion, or 7.6%, from Rp19,956 billion in 2020 to Rp21,467 billion in 2021. This increase was primarily due to a number of projects that were delayed in 2020 as a result of the COVID-19 pandemic being executed in 2021;

- an increase in cost of SIM cards and vouchers by Rp186 billion or 38.2% from Rp487 billion in 2020 to Rp673 billion in 2021, primarily due to an increase in cellular services of mobile segment and games services of digital segment;

- an increase in radio frequency usage charges by Rp167 billion or 2.8% from Rp5,930 billion in 2020 to Rp6,097 billion in 2021, primarily due to an increase in service usage of data and cellular internet;

- an increase in insurance expense by Rp54 billion or 14.3% from Rp378 billion in 2020 to Rp432 billion in 2021; and

- an increase in the cost of sales of peripherals by Rp9 billion, or 15.8%, from Rp57 billion in 2020 to Rp66 billion in 2021, primarily due to an increase in sales of handsets by our subsidiary PINS, which reflected an increase in demand for such products.

b. Depreciation and Amortization

Depreciation and amortization increased by Rp2,789 billion, or 9.6%, from Rp28,925 billion in 2020 to Rp31,714 billion (US$2,225 million) in 2021 in line with the development of our network infrastructure both for our mobile and fixed businesses, whose related assets are subject to depreciation and amortization.

c. Personnel Expenses

Personnel expenses increased by Rp1,134 billion, or 7.9%, from Rp14,390 billion in 2020 to Rp15,524 billion (US$1,089 million) in 2021. This increase was primarily due to:

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- a 15.7% increase in vacation pay, incentives and other benefits to our employees in the amount of Rp678 billion, from Rp4,321 in 2020 to Rp4,999 billion in 2021;
- an increase in salaries and related benefit by Rp389 billion or 4.7% from Rp8,272 billion in 2020 to Rp8,661 billion in 2021; and
- an increase in periodic pension benefit cost by Rp333 billion or 41.4% from Rp804 billion in 2020 to Rp1,137 billion in 2021.

Such increase was primarily due to an increase in the total number of employees.

This increase in our personnel expenses was partially offset by:

- a decrease in long service awards expenses by Rp137 billion, or 47.2%, from Rp290 billion in 2020 to Rp153 billion in 2021;
- a decrease in other post-employment benefit cost by Rp58 billion, or 71.6%, from Rp81 billion in 2020 to Rp23 billion in 2021; and
- a decrease in long service employee benefit cost by Rp50 billion, or 94.3%, from Rp53 billion in 2020 to Rp3 billion in 2021 due to lower post-employment benefit plan.

d. Marketing Expenses

Marketing expenses increased by Rp151 billion, or 4.3%, from Rp3,482 billion in 2020 to Rp3,633 billion (US$255 million) in 2021. This increase was primarily due to increased advertising and promotions expenses.

e. General and Administrative Expenses

General and administrative expenses decreased by Rp1,548 billion, or 23.6%, from Rp6,564 billion in 2020 to Rp5,016 billion (US$352 million) in 2021, primarily due to a 79.7% decrease in the allowance for expected credit losses in the amount of Rp1,867 billion from Rp2,344 billion in 2020 to Rp477 billion in 2021. This decrease in the allowance for expected credit losses was primarily due to a lesser expected negative impact of the COVID-19 pandemic on our customers' creditworthiness. This decrease in our general and administrative expenses was partially offset by an increase in general expense by Rp238 billion or 13.2%.

f. Interconnection Expenses

Interconnection expenses decreased by Rp225 billion, or 4.2%, from Rp5,406 billion in 2020 to Rp5,181 billion (US$364 million) in 2021, reflecting our strategic focus on increasing operating profit.

g. Unrealized gain on changes in fair value of investments

We had a gain on changes in fair value of investments of Rp3,432 billion (US$241 million) in 2021 compared with gain on changes in fair value of investments of Rp129 billion in 2020 due to an increase of unrealized gain from investment valuation of GoTo and MDI.

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h. Gains (Losses) on Foreign Exchange - net

We had a gain on foreign exchange-net of Rp50 billion (US$4 million) in 2021 compared with a loss on foreign exchange-net of Rp86 billion in 2020.

i. Other Income - net

Other income decreased by Rp648 billion, or 80.0%, from Rp810 billion in 2020 to Rp162 billion (US$12 million) in 2021 due to our lower other income related to dividends from our subsidiaries, proceeds from the insurance claim on lost and broken property and equipment, and final tax on construction services and leases.

Operating Profit and Operating Profit Margin

As a result of the foregoing, our operating profit increased by Rp3,695 billion, or 8.4%, from Rp43,958 billion in 2020 to Rp47,653 billion (US$3,344 million) in 2021. Our operating profit margin increased from 32.2% in 2020 to 33.3% in 2021.

Finance Income

Finance income decreased by Rp242 billion or 30.3%, from Rp800 billion in 2020 to Rp558 billion (US$39 million) in 2021, due to lower interest rates, which was partially offset by higher cash deposits.

Finance Costs

Finance costs decreased by Rp208 billion or 4.5%, from Rp4,602 billion in 2020 to Rp4,394 billion (US$308 million) in 2021, in line with decreased bank interest rates.

Impairment of Long-term Investment in Associated Companies

We had an impairment of long-term investment in associated companies of Rp763 billion in 2020 primarily due to full impairment of our investment in two companies. We did not have any impairment of long-term investment in associated companies in 2021.

Profit before Income Tax and Pre-tax Profit Margin

As a result of the foregoing, our profit before income tax increased by Rp4,592 billion, or 11.7%, from Rp39,147 billion in 2020 to Rp43,739 billion (US$3,070 million) in 2021. Our pre-tax profit margin was 28.7% for 2020 and 30.5% for 2021.

Income Tax (Expense) Benefit

Our income tax expense increased by Rp383 billion, or 4.1%, from Rp9,257 billion in 2020 to Rp9,640 billion (US$677 million) in 2021, as a result of lesser fiscal stimulus from the Government which decided to lower corporate income taxes, among other measures, to mitigate the negative effects of the COVID-19 pandemic in Indonesia and the deferred tax income of Rp541 billion in 2020 compared to the deferred tax expense of Rp83 billion in 2021.

Other Comprehensive Income (Losses) – Net

We recorded other comprehensive income of Rp1,980 billion (US$138 million) for 2021 compared to other comprehensive expense of Rp3,581 billion for 2020, primarily due to actuarial gain of Rp1,955 billion recognized in 2021 relating to our Defined Benefit Pension Plan ("DBPP").

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Total Comprehensive Income for the Year

As a result of the foregoing, our total comprehensive income for the year increased by Rp9,770 billion, or 37.1%, from Rp26,309 billion in 2020 to Rp36,079 billion (US$2,531 million) in 2021.

Profit for the Year Attributable to Owners of the Parent Company

Profit for the year attributable to owners of the parent company increased by Rp3,825 billion, or 18.2%, from Rp21,052 billion in 2020 to Rp24,877 billion (US$1,746 million) in 2021.

Total Comprehensive Income for the Year Attributable to Owners of the Parent Company

Total comprehensive income for the year attributable to owners of the parent company increased by Rp9,044 billion, or 50.7%, from Rp17,840 billion in 2020 to Rp26,884 billion (US$1,886 million) in 2021.

Profit per Share

Our profit per share increased by Rp38.62 or 18.2%, from Rp212.51 in 2020 to Rp251.13 in 2021.

Segment Overview

In 2021, we realigned our operating segments for financial reporting purposes to align with our new parenting strategy which is based on customer segmentation. As such, we have adopted five main operating segments, described in more details as follows:

- Our *mobile segment* includes operating results of customer-facing lines of business that provide cellular services, which consists of Telkomsel.
- Our *consumer segment* includes operating results of customer-facing lines of business that provide services to individual and residential-based customers.
- Our *enterprise segment* includes operating results of customer-facing lines of business that provide services to corporations and institutional-based customers.
- Our *wholesale and international business segment* includes operating results of customer-facing lines of business that provide interconnection and other types of licensing services for OLO and international customers.
- Our *other segment* includes operating results of customer-facing lines that provide digital services.

For more detailed information regarding our segment information, see Note 33 to our Consolidated Financial Statements. Our segment results for 2019, 2020, and 2021 were as follows:

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Telkom's Results of Operation by Segment

	Years Ended December 31,				
	2019	2020	2021		2021-2020
	(Rp billion)	(Rp billion)	(Rp billion)	(US$ million)	(%)
Mobile					
Revenues					
External revenues	87,897	83,720	84,267	5,912	0.7
Inter-segment revenues	3,163	3,297	3,097	217	(6.1)
Total segment revenues	91,060	87,017	87,364	6,130	0.4
Segment results	34,196	32,966	34,435	2,416	4.5
Depreciation and amortization	(14,233)	(19,715)	(20,333)	(1,427)	20.0
Provision recognized in current period	(521)	(83)	(99)	(7)	19.3
Consumer					
Revenues					
External revenues	17,706	20,957	24,930	1,749	19.0
Inter-segment revenues	786	1,148	187	13	(83.7)
Total segment revenues	18,492	22,105	25,117	1,762	13.6
Segment results	2,588	4,561	5,894	414	29.2
Depreciation and amortization	(3,529)	(3,990)	(6,566)	(461)	67.3
Provision recognized in current period	(665)	(511)	(285)	(20)	(44.2)
Enterprise					
Revenues					
External revenues	18,701	17,729	19,141	1,343	8.0
Inter-segment revenues	16,834	18,591	22,395	1,571	20.5
Total segment revenues	35,535	36,320	41,536	2,914	14.4
Segment results	(1,233)	(544)	(307)	(22)	(43.6)
Depreciation and amortization	(2,744)	(3,276)	(3,909)	(274)	21.9
Provision recognized in current period	(973)	(1,390)	(13)	(0)	(98.1)
Wholesale and International Business					
Revenues					
External revenues	10,609	13,501	14,255	1,000	5.6
Inter-segment revenues	16,265	16,139	18,072	1,268	12.0
Total segment revenues	26,874	29,640	32,327	2,268	9.1
Segment results	5,763	6,497	9,192	645	41.5
Depreciation and amortization	(3,264)	(5,069)	(4,702)	(330)	(1.0)
Provision recognized in current period	(121)	(267)	5	0	(101.9)
Others					
Revenues					
External revenues	197	219	205	14	(6.4)
Inter-segment revenues	1,289	1,550	2,395	168	54.5
Total segment revenues	1,486	1,769	2,600	182	47.0
Segment results	(60)	107	199	14	(86.0)
Depreciation and amortization	(21)	(25)	(20)	(1)	(20)
Provision recognized in current period	(13)	(8)	(33)	(2)	312.5

Please note that the above table should be read in conjunction with the below discussion on comparability of financial information of and for the financial years ended December 31, 2021 and 2020. See "— New Standards and Interpretation." See also "— Financial Overview — Year ended December 31, 2021 compared to year ended December 31, 2020" in Item 5 to our annual report on Form 20-F for the financial year ended December 31, 2020 filed with the SEC on April 30, 2021 and available free of charge on the SEC's website at www.sec.gov and our website at www.telkom.co.id.

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Year ended December 31, 2021 compared to year ended December 31, 2020

Mobile Segment

Our mobile segment revenues increased by Rp547 billion, or 0.7%, from Rp83,720 billion in 2020 to Rp84,267 billion in 2021. The increase was primarily due to:

- an increase in cellular data and internet revenues by Rp4,998 billion, or 8.4%, primarily reflecting a increase in revenue from data services due to customers shifting to Over the Top services, as an alternative to voice and SMS services; and

- an increase in the number of mobile broadband subscribers from 115.9 million subscribers as of December 31, 2020 to 120.5 million subscribers as of December 31, 2021. Mobile data traffic increased by 43.3% from 9.7 million terabytes to 13.8 million terabytes.

This increase was partially offset by the decrease in cellular service revenues by Rp4,763 billion, or 24.5% in 2021 compare with 2020. This decrease was primarily due to customers choosing to use non-traditional telecommunications services.

Consumer Segment

Our consumer segment revenues increased by Rp3,973 billion, or 19.0%, from Rp20,957 billion in 2020 to Rp24,930 billion in 2021, primarily due to an increase in IndiHome revenues by Rp3,893 billion, or 19.6%, resulting from an increase in the number of IndiHome subscribers from 8.0 million as of December 31, 2020 to 8.6 million as of December 31, 2021. Data traffic of IndiHome increased from 24.5 million terabytes in 2020 to 32.6 million terabytes in 2021, reflecting increase usage of digital services and of the internet by customers, in particular as a consequence of changing habits due to the COVID-19 pandemic and related measures implemented by the Government (for instance working-from-home or study-from-home initiative).

The increase in our consumer segment revenues was partially offset by a decrease in fixed line telephone revenues by Rp176 billion, or 16.4%, primarily due to the decrease in the usage of voice service due to the competition of other cellular services.

Enterprise Segment

Our enterprise segment revenues increased by Rp1,412 billion, or 8.0%, from Rp17,729 billion in 2020 to Rp19,141 billion in 2021, primarily due to:

- an increase in other telecommunication services revenues by Rp914 billion, or 21.4%, primarily due to an increase in manage service and terminal revenues by Rp755 billion or 58.4%, an increase in call center service revenues by Rp237 billion or 30.6%, and an increase in e-health service revenues by Rp91 billion or 16.6%;

- an increase in network revenues by Rp321 billion, or 41.9%, primarily due to the increase in leased lines and VSAT revenue for the enterprise product segment due to higher demand as COVID-19 pandemic declining; and

- an increase in data, internet and information technology services by Rp153 billion or 1.6% primarily due to the increase demand of enterprise's product related to digital business. Such increase reflected our strategic focus on business lines which tend to generate recurring revenue streams and to be profitable, especially those that provide enterprise solutions services such as enterprise connectivity, data center and cloud services.

This increase was partially offset by a decrease fixed line revenues by Rp189 billion, or 22.6%, primarily due to declining voice services demand.

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Wholesale and International Business Segment

Our wholesale and international business segment revenues increased by Rp754 billion, or 5.6%, from Rp13,501 billion in 2020 to Rp14,255 billion in 2021, mainly due to:

- an increase in data, internet and information technology services revenue by Rp681 billion, or 29.6%, primarily due to an increase in internet, data communication and information technology services by Rp391 billion or 23.5% from data centers managed by Telin and an increase in others services revenue by Rp290 billion or 45.9%;

- an increase in interconnection revenues by Rp143 billion, or 2.0%, primarily due to an increase in voice wholesale traffic between countries and SMS A2P (application to person) services; and

- an increase in revenue from lessor transaction by Rp135 billion, or 5.9%, primarily due to an increase in revenue from tower lease rental which was in line with an increase in the number of tenants.

This increase in wholesale and international business segment revenues was partially offset by:

- a decrease in other telecommunications services revenues by Rp69 billion, or 14.9%. This decrease in other services revenues was primarily due to a decrease in others revenues by Rp68 billion, or 17.3%, which principally reflected decreased sales of devices, a decrease in construction revenue from TelkomInfra and a decrease in call center service revenues by Rp1 billion or 1.4%; and

- a decrease in telephone revenues by Rp15 billion or 5.5% due to a decrease in cellular revenue by Rp10 billion, or 12.0% and a decrease in fixed line revenue by Rp5 billion, or 2.6%.

Other Segment

Our other segment revenues decrease by Rp14 billion, or 6.4%, from Rp219 billion in 2020 to Rp205 billion in 2021 due to an increase in adjustments and eliminations by Rp127 billion or 42.5% compared to 2020. The decrease was partially offset by the increase of data, internet and information technology service revenues resulting from an increase in others services of Rp40 billion, or 28.6% related to our digital business.

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B. LIQUIDITY

Liquidity Sources

The main source of our corporate liquidity is cash generated by operating activities and long-term and short-term loans under credit facilities available from banks. See "— Internal Liquidity Sources" and "— External Liquidity Sources" below for additional information. We aim to maintain a strong financial position and have enough liquidity for our operations and to support our growth. Our main cash requirements consist of operating expenses, cash payments relating to the acquisition of properties and purchase of equipment, repayment of borrowings from banks, payment of salaries, payment of cash dividends and corporate income tax. See "— Cash Flows" below for additional information. See also our consolidated statement of cash flows included in our Consolidated Financial Statements included in this annual report on Form 20-F. We seek to keep optimizing our balance sheet and financing capabilities.

We divide our liquidity sources into internal and external liquidity sources.

A. Internal Liquidity Sources

To fulfill our obligations, we rely primarily on our internal liquidity. As of December 31, 2021, we had Rp38,311 billion (US$2,688 million) in cash and cash equivalents available, representing an increase of Rp17,722 billion, or 86.1%, from Rp20,589 billion as of December 31, 2020. In addition, in 2021, we realized cash proceeds of Rp18,463 billion from the initial public offering of Mitratel.

Cash receipts from revenues comprised primarily cash receipts from revenues from customers, which amounted to Rp143,902 billion (US$10,097 million) in 2021, and were used for the payment of operating expenses, the acquisition of property and equipment, the payment of cash dividends and the repayment of loans and other borrowings.

Our internal liquidity strength is reflected in our current ratio, which we calculate as current assets divided by current liabilities. As of December 31, 2020 and 2021, our current ratio was 0.68 and 0.89, respectively.

B. External Liquidity Sources

Our primary external sources of liquidity are short and long-term bank loans, bonds and notes, other borrowings and two-step loans. We had external liquidity from loans and other borrowings of Rp68,579 billion as of December 31, 2021.

External Liquidity Sources

As of December 31, 2021, we had undrawn loan facilities which included the following sources of unused liquidity:

- a credit facility with BCA in the amount of Rp2,650 billion;
- a credit facility with Bank Mandiri in the amount of Rp12,150 billion;
- a credit facility with BTPN Bank in the amount of Rp1,480 billion;
- a credit facility with BNI in the amount of Rp4,496 billion;
- a credit facility with BRI in the amount of Rp1,000 billion;
- a credit facility with HSBC Bank in the amount of Rp2,237 billion;
- a credit facility with Bank of China in the amount of Rp1,600 billion;

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- a credit facility with Bank CIMB Niaga in the amount of Rp796.6 billion and US$54,656,707;
- a credit facility with DBS Bank in the amount of Rp275 billion;
- a credit facility with Citibank in the amount of Rp500 billion;
- a credit facility with Permata Bank in the amount of Rp792.8 billion; and
- a credit facility with MUFG Bank in the amount of Rp2,940 billion.

Cash Flows

The following table sets out information concerning our consolidated cash flows, as set out in (and prepared on the same basis as) our Consolidated Financial Statements for 2019, 2020 and 2021:

	Years Ended December 31,			
	2019	2020	2021	
	(Rp billion)	(Rp billion)	(Rp billion)	(US$ million)
Net cash flows:				
provided by operating activities	58,966	65,317	68,353	4,797
used in investing activities	(35,875)	(35,099)	(37,914)	(2,660)
used in financing activities	(22,175)	(27,910)	(12,775)	(897)
Net increase in cash and cash equivalents	916	2,308	17,664	1,240
Effect of exchange rate changes on cash and cash equivalents	(109)	40	59	3
Allowance for expected credit losses	(1)	—	(1)	0
Cash and cash equivalents at beginning of year	17,435	18,241	20,589	1,445
Cash and cash equivalents at end of year	18,241	20,589	38,311	2,688

Year ended December 31, 2021 compared to year ended December 31, 2020

As of December 31, 2021, total cash and cash equivalents amounted to Rp38,311 billion, an increase of Rp17,722 billion, or 86.1%, from Rp20,589 billion as of December 31, 2020.

In 2021, operating activities generated the largest cash receipts which amounted to Rp148,234 billion, or 68.9% of total cash receipts, followed by financing activities which generated cash receipts of Rp65,075 billion, or 30.3% of total cash receipts, and investing activities which generated cash receipts of Rp1,696 billion, or 0.8% of total cash receipts. In total, cash receipts increased by Rp50,610 billion, or 30.8%, compared to 2020.

In 2021, cash used for operating activities amounted to Rp79,881 billion, or 40.5% of total cash disbursements, followed by cash used for financing activities which amounted to Rp77,850 billion, or 39.4% of total cash disbursements, and cash used for investing activities which amounted to Rp39,610 billion, or 20.1% of total cash disbursements. Compared to 2020, cash disbursements increased by Rp35,254 billion, or 21.8%.

Cash Flows from Operating Activities

Net cash generated by operating activities in 2021 was Rp68,353 billion (US$4,797 million), compared to Rp65,317 billion in 2020, representing an increase of Rp3,036 billion, or 4.6%.

Cash receipts from operating activities in 2021 amounted to Rp148,234 billion, an increase of Rp8,783 billion, or 6.3%, compared to 2020. Cash receipts principally originated from:

- cash receipts from customers and other operators of Rp143,902 billion;

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- cash receipts from tax refund of Rp3,768 billion; and
- cash receipts from finance income of Rp564 billion.

Cash disbursements from operating activities in 2021 amounted to Rp79,881 billion, an increase of Rp5,747 billion, or 7.8%, compared to 2020. The cash disbursements were primarily used for:

- cash payments for expenses of Rp44,811 billion;
- cash payments to employees of Rp13,262 billion;
- cash payments for corporate and final income taxes of Rp9,679 billion;
- cash payments for short-term lease and low-value lease assets of Rp5,308 billion;
- cash payments for finance costs of Rp4,426 billion;
- cash payments for value added taxes - net of Rp2,084 billion; and
- cash receipts from (payments for) others - net of Rp311 billion.

Cash Flows used in Investing Activities

Net cash flows used in investing activities in 2021 amounted to Rp37,914 billion (US$2,660 million), compared to Rp35,099 billion in 2020, representing an increase of Rp2,815 billion, or 8.0%.

Cash receipts from investing activities amounted to Rp1,696 billion, an increase of Rp1,221 billion, or 257.1%, compared to 2020. The cash receipts principally originated from:

- proceeds from (placement in) other current financial assets - net of Rp807 billion;
- proceeds from sale of property and equipment of Rp756 billion; and
- proceeds from insurance claims of Rp133 billion.

Cash disbursements from investing activities in 2021 amounted to Rp39,610 billion, an increase of Rp4,036 billion, or 11.3%, compared to 2020. The cash disbursements were used for:

- purchases of property and equipment of Rp29,923 billion;
- additional of long-term investments in financial instrument of Rp6,358 billion, primarily consisting of the subscription for convertible bonds in GoTo and other equity investments;
- purchases of intangible assets of Rp2,845 billion;
- increase in advance and other assets - net of Rp442 billion; and
- additional contribution on long-term investments in associated companies of Rp42 billion.

Cash Flows used in Financing Activities

Net cash flows used in financing activities in 2021 amounted to Rp12,775 billion (US$897 million), compared to Rp27,910 billion in 2020, representing a decrease of Rp15,135 billion, or 54.2%.

Cash receipts from financing activities amounted to Rp65,075 billion in 2021, an increase of Rp40,606 billion, or 165.9%, compared to 2020. The cash receipts principally originated from:

- proceeds from loans and other borrowings of Rp46,612 billion; and
- proceeds from initial public offering of subsidiary of Rp18,463 billion.

Cash disbursements from financing activities amounted to Rp77,850 billion in 2021, an increase of Rp25,471 billion, or 48.6%, compared to 2020. The cash disbursements were used for:

- repayments of loans and other borrowings of Rp43,740 billion;
- cash dividends paid to the Company's stockholders of Rp16,643 billion;
- cash dividends paid to non-controlling interests of subsidiaries of Rp13,242 billion; and
- repayments of principal portion of lease liabilities of Rp4,225 billion.

Current Assets

As of December 31, 2021, our current assets were Rp61,288 billion (US$4,300 million) compared to Rp46,529 billion as of December 31, 2020, an increase of Rp14,759 billion, or 31.7%. This increase was primarily due to:

- an increase in our cash and cash equivalents of Rp17,722 billion, or 86.1%, from Rp20,589 billion as of December 31, 2020 to Rp38,311 billion as of December 31, 2021, primarily due to an increase in cash deposited with banks in the amount of Rp17,841 billion;
- an increase in contract assets by Rp1,294 billion, or 124.9%, from Rp1,036 billion as of December 31, 2020 to Rp2,330 billion as of December 31, 2021, primarily due to an increase in Enterprise Segment's contract assets from government customers;
- an increase in assets held for sale of Rp779 billion, or 1,997.4%, from Rp39 billion as of December 31, 2020 to Rp818 billion as of December 31, 2021. As of December 31, 2020 and 2021, the equipment units of Telkomsel with the carrying amount of Rp39 billion and Rp818 billion, respectively, to be exchanged, and therefore the equipment units were reclassified as assets held for sale in the consolidated statement of financial position; and
- an increase in contract costs of Rp202 billion, or 44.5%, from Rp454 billion as of December 31, 2020 to Rp656 billion as of December 31, 2021.

This increase was partially offset by:

- a decrease in trade and other receivables of Rp2,849 billion, or 24.7%, from Rp11,554 billion as of December 31, 2020 to Rp8,705 billion as of December 31, 2021, primarily due to a decrease in third parties and related parties receivables by Rp1,864 billion and Rp965 billion, respectively;
- a decrease in other current financial assets by Rp810 billion, or 62.2%, from Rp1,303 billion as of December 31, 2020 to Rp493 billion as of December 31, 2021, primarily due to a decrease in time deposits of Rp778 billion;
- a decrease in prepaid income taxes by Rp782 billion, or 72.5%, from Rp1,079 billion as of December 31, 2020 to Rp297 billion as of December 31, 2021, primarily due to an increase in our subsidiaries corporate income tax;

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- a decrease in our prepaid other taxes of Rp408 billion, or 13.9%, from Rp2,945 billion as of December 31, 2020 to Rp2,537 billion as of December 31, 2021, primarily due to a decrease in VAT payable by Telkom and its subsidiaries;

- a decrease in inventory by Rp204 billion, or 20.8%, from Rp983 billion as of December 31, 2020 to Rp779 billion as of December 31, 2020, primarily due to a decrease in component, SIM cards and blank prepaid vouchers; and

- a decrease in other current assets of Rp185 billion, or 2.8%, from Rp6,547 billion as of December 31, 2020 to Rp6,362 billion as of December 31, 2021 due to the decrease of advances paid by the customers.

Current Liabilities

As of December 31, 2021, our current liabilities were Rp68,695 billion (US$4,819 million) compared to Rp68,500 billion as of December 31, 2020, an increase of Rp195 billion, or 0.3%. This increase was primarily due to:

- an increase in accrued expenses of Rp1,620 billion, or 11.4%, from Rp14,265 billion as of December 31, 2020 to Rp15,885 billion as of December 31, 2021 due to an increase in accrued expenses for operation, maintenance, and telecommunication services of Rp523 billion and an increase in salaries and benefit of Rp781 billion;

- an increase in other tax liabilities of Rp892 billion, or 62.7%, from Rp1,422 billion as of December 31, 2020 to Rp2,314 billion as of December 31, 2021, due to a Rp396 billion increase in VAT payable by our subsidiaries;

- an increase in current maturities of lease liabilities of Rp720 billion, or 15.0%, from Rp4,805 billion as of December 31, 2020 to Rp5,525 billion as of December 31, 2021;

- an increase in customers deposits of Rp392 billion, or 19.4%, from Rp2,024 billion as of December 31, 2020 to Rp2,416 billion as of December 31, 2021, primarily due to an increase in customer deposit from new IndiHome customers which can be used to deduct the billing in 13th month or can be refund to customer who want to deactivate the services;

- an increase in current income tax liabilities of Rp318 billion, or 24.6%, from Rp1,291 billion as of December 31, 2020 to Rp1,609 billion as of December 31, 2021, due to an increase in corporate income tax payable by Telkom by Rp276 billion; and

- an increase in trade and other payable of Rp202 billion, or 1.1%, from Rp17,577 billion as of December 31, 2020 to Rp17,779 billion as of December 31, 2021 due to an increase in trade payables to third parties by Rp456 billion.

This increase was partially offset by:

- a decrease in contract liabilities of Rp1,037 billion, or 13.2%, from Rp7,832 billion as of December 31, 2020 to Rp6,795 billion as of December 31, 2021, primarily due to decrease in advances from customers for mobile and enterprise amounting Rp892 billion and Rp723 billion, respectively. This decrease was offset by increase in advances from customers for WIB amounting Rp470 billion; and

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- a decrease in short-term bank loans and current maturities of long-term liabilities of Rp2,912 billion, or 15.1%, from Rp19,284 billion as of December 31, 2020 to Rp16,372 billion as of December 31, 2021, primarily due to a decrease in short-term bank loans of Rp3,252 billion and an increase in current maturities of long-term liabilities of Rp340 billion. We primarily decreased our short-term bank loans to have less debt to use for working capital purposes. The increase in current maturities of long term liabilities was primarily due to an increase in bonds and notes of Rp1,722 billion. This increase was offset by a decrease in two-step loans of Rp46 billion and a decrease of bank loans of Rp1,337 billion.

Working Capital

As of December 31, 2021, our working capital, defined as the difference between current assets and current liabilities as of the same date, increased by Rp14,564 billion compared to our working capital as of December 31, 2020. As at December 31, 2021, our current assets were lower than our current liabilities, resulting in a current ratio, defined as our current assets divided by our current liabilities, of 0.89 as of December 31, 2021. We closely monitor our working capital and generally try to lower it to maintain it at an optimal level so that we may manage our working capital efficiently, without restricting our ability to meet our current liabilities. This decrease in working capital was primarily due to**:**

- an increase in current assets of Rp14,759 billion, or 31.7%, from Rp46,529 billion as of December 31, 2020 to Rp61,288 billion as of December 31, 2021. See"— Current Assets."

- an increase in current liabilities of of Rp195 billion, or 0.3%, from Rp68,500 billion as of December 31, 2020 to Rp68,695 billion as of December 31, 2021. See"—Current Liabilities."

We believe that our available cash, working capital, cash generated by future operations, and borrowings from banks and other financial institutions are sufficient for our present requirements. We expect that our working capital requirements will continue to be addressed by various funding sources, including cash from operating activities, bank loans and potential offerings of debt securities in the capital markets.

Capital Structure

Our capital structure as of December 31, 2021 is described as follows:

	Amount (Rp billion)	Portion (%)
Short-term debt	6,682	3.5
Long-term debt	61,897	32.5
Total debt	**68,579**	**36.1**
Equity attributable to owners of the parent company	121,631	63.9
Total	**190,210**	**100.0**

As of December 31, 2021, our net debt to equity ratio was 0.25 and our debt service coverage ratio was 1.6 times, indicating our strong ability to meet our debt obligations. Our debt levels are primarily driven by our plans to develop our existing and new strategic businesses. In determining our optimum debt levels, we also consider our debt ratios with reference to regional peers in the telecommunications industry.

For further information on our Company's management policies related to capital, see Note 36 to our Consolidated Financial Statements.

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Indebtedness

Consolidated total indebtedness (consisting of short-term bank loans, long-term liabilities, current maturities of long-term liabilities and other borrowings) as of December 31, 2019, 2020 and 2021 were as follows:

	As of December 31,			
	2019	2020	2021	
	(Rp billion)	(Rp billion)	(Rp billion)	(US$ million)
Indonesian Rupiah	65,085	63,256	67,587	4,742
U.S. Dollar(1)	1,315	1,007	671	47
Japanese Yen(2)	491	418	285	20
Malaysian Ringgit(3)	66	41	36	3
Total	**66,957**	**64,722**	**68,579**	**4,812**

Notes:
(1) The amounts as of December 31, 2019, 2020 and 2021 translated into Rupiah at Rp13,882.5, Rp14,050 and Rp14,252.50 = US$1, respectively, being the Reuters average rates for U.S. Dollar at each of those dates.
(2) The amounts as of December 31, 2019, 2020 and 2021 translated into Rupiah at Rp127.79, Rp136.03 and Rp123.84 = Yen 1, respectively, being the Reuters average rates for Yen at each of those dates.
(3) The amount as of December 31, 2019, 2020 and 2021 translated into Rupiah at Rp3,391.77, Rp3,481.17 and Rp3,421.97 = Ringgit 1, being the Reuters average rates for Ringgit.

Of our total indebtedness, as of December 31, 2021, Rp21,897 billion**,** Rp22,221 billion, Rp14,549 billion, and Rp9,912 billion were scheduled for repayment in 2022-2023, 2024-2025, 2026 and thereafter, respectively.

For further information on our Company's indebtedness, see Notes 20 and 21 to our Consolidated Financial Statements.

Capital Expenditures

In 2021, we incurred capital expenditures of Rp30,329 billion (US$2,129 million) for not only increasing capacity but also to improve the quality of our services. Our capital expenditures are grouped into the following categories for planning purposes:

- Broadband services, which consist of mobile (4G and 5G) and fixed broadband access;
- Network infrastructure, which consists of core transmission network, submarine cable systems, metro-ethernet and Regional Metro Junction ("RMJ") and IP backbone;
- Data centers, IT, applications and content, as well as service node; and
- Capital expenditure supports, such as capital expenditure for the construction or maintenance of telecommunications towers.

Of our Rp30,329 billion capital expenditure in 2021, Telkom, as the parent company, incurred capital expenditures of Rp15,347 billion (US$1,077 million), Telkomsel incurred capital expenditures of Rp10,540 billion (US$740 million) and our other subsidiaries incurred capital expenditures of Rp4,442 billion (US$312 million). The following table set forth our capital expenditure breakdown between Telkom as a parent company, Telkomsel and our other subsidiaries for the periods indicated.

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	Years Ended December 31,			
	2019	2020	2021	
	(Rp billion)	(Rp billion)	(Rp billion)	(US$ million)
Telkom (parent company)	16,956	15,205	15,347	1,077
Subsidiaries				
Telkomsel	11,849	9,820	10,540	740
Others	7,680	4,254	4,442	312
Subtotal for subsidiaries	**19,529**	**14,074**	**14,982**	**1,052**
Total for Telkom Group	**36,485**	**29,279**	**30,329**	**2,129**

Material Commitments for Capital Expenditures

As of December 31, 2021, we had material commitments for capital expenditures under contractual arrangements totaling Rp10,825 billion (US$759 million), principally relating to procurement and installation of data, internet and information technology, cellular, transmission equipment and cable network in Indonesia. We also have capital expenditure planned for investments outside Indonesia, in particular, in relation to Telin, which will extend its fiber optic network with the laying of a 15,000 km of submarine cable in collaboration with the Bifrost Cable System consortium which will connect Singapore, Indonesia, the Philippines, Guam and the west coast of North America and is expected to be completed in 2024.

The following table sets forth information on our committed capital expenditures under contractual arrangements as of December 31, 2021.

Currencies	Amounts in Foreign Currencies	Equivalent in Rupiah
	(in millions)	(in billions)
Rupiah	—	10,355
U.S. Dollar	31.00	448
Euro	1.36	22
HKD	0.02	0
Total		**10,825**

For a more detailed discussion regarding our material commitments for capital expenditures, see Note 34a to our Consolidated Financial Statements.

Source of Funds

We have historically funded our capital expenditures primarily with cash generated from operations. In 2022, we expect that our capital expenditure to revenue ratio will range approximately from 24% to 27%. We expect that the most significant proportions of capital expenditure will be allocated to the development of infrastructure to support broadband services, both for mobile and fixed line broadband services. A portion of our capital expenditure is allocated to our subsidiaries, primarily to Telkomsel. We expect to fund the above commitments with our internal and external source of funds.

The realization and use of future capital expenditures may differ from the amounts indicated above due to various factors, including but not limited to changes in the Indonesian and global economy, the Rupiah/U.S. Dollar or other applicable foreign exchange rates, the availability of supply or vendor or other financing on terms acceptable to us, and also any technical or other problems in the implementation.

Critical Accounting Policies, Estimates and Judgments

For a complete discussion of our critical accounting policies, estimates and judgments, see Note 2ab to our Consolidated Financial Statements.

New Standards and Interpretations

For new standards, amendments to standards and interpretations not yet adopted in 2021 which have not been applied in preparing the Consolidated Financial Statements, see Note 39 to our Consolidated Financial Statements. For amendments to standards and interpretations adopted in 2021 which have been applied in preparing the Consolidated Financial Statements, see Note 2a. Such amendments had no material impact on our Consolidated Financial Statements.

C. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES, ETC.

We are conducting research on network infrastructure to find access technologies capable of delivering data to customers at higher speeds, with lower delays and better performance. Examples of such technologies include Fixed Mobile Convergence, Wi-Fi 6 and 5G. We consider digital connectivity as a key factor in ensuring that we will retain our leading position as a digital telecommunications player in Indonesia. We also collaborate with technology owners in activities that aim to enhance our current products and services while creating new business models to generate new streams of revenue. For example, we are actively developing and ramping up our 5G capabilities, remodeling our network for such technology and developing 5G new uses in collaboration with technology owners. In addition, to closely collaborating with our partners to ensure we have the right 5G technology, architecture, and network in place, we closely work with our sales and marketing department to assess Indonesian customers' needs and expectations in terms of 5G services and affordability.

The quality of Wi-Fi at home is very important to our customers. We research Wi-Fi technologies, to maximize customer experience and enable to access more of our products and services. Wi-Fi 6 (802.11ax) is the newest technology that is comparable to 5G technology. It has the ability to handle traffic in a crowded or noisy environment while still providing high speed throughput, capacity and performance to our customers. In addition, to improve our customer experience, we also developed an optical network terminal ("ONT") with dual band capability to solve noise issues that often occur in customers' homes. We develop our system to support many of our developing services. For example, IoT services that becoming increasingly prevalent, in particular smart home systems, and these need different solutions that guarantee communication with the platform. The growing gaming community also has specific service requirements that enhance their experience. In addition, to support the implementation of low-cost Wi-Fi enterprise services, we carry out research on Wi-Fi controllers, such as cloud-based Wi-Fi controllers that are practically open and able to integrate with specific AP (Access Point).

We conduct research on infrastructure services, such as triple play services (video, voice and internet), and service quality and experience. We are constantly trying to identify the best technology for the use and development of TV and video platforms, video conferencing platforms, voice communication platforms such as the IP Multimedia Subsystem (IMS) and Session Border Controller (SBC) for telephony services, infrastructure virtualization (edge cloud, virtual content delivery network & virtual set-top box) to provide the best quality of services and the best customer experience. Those service node technologies have been evolving with the use of cloud native virtual technology that enhances speed, flexibility of deployment and operating efficiency. Our research, among other things, aims to identify and develop network technology and service management that can improve customer experience in accessing and using media and telecommunications services in this digital era.

We believe that our assessment and testing of future technologies and the IoT will contribute to our long-term success, particularly in terms of updating our knowledge and developing our human capital. This may create opportunities for additional revenues and cost savings in the future. The Low Power Wide Area Network (LPWAN) especially LoRa, IoT platform, and 5G technology are among the technologies that we have begun to explore in relation to the IoT. Our research aims to pave the way towards a future in which smart factories, intelligent machines and networked processes are brought together to implement "Industry 4.0" initiatives. Our research has shown that the provision of space telecommunications infrastructure is increasingly important and therefore, we are studying non-geostationary orbit (NGSO) satellite technology, high altitude platform stations (HAPs), drones and balloons.

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As the main connectivity provider in the region, we are also concerned about cyber security and Distributed Denial of Service (DDoS) attacks that have been massively targeting ISPs and business customers in recent years. To mitigate the risk and to protect our valuable business customers from DDoS attacks, we have conducted research on and guided the implementation of carrier grade anti-DDoS solutions that can detect DDoS attacks and divert the traffics to a scrubbing system that will scrub the DDoS traffic and re-route clean traffic to our customers. As one of the main broadband internet service providers in Indonesia based on the number of subscribers and coverage, especially through our retail high-speed internet provider, IndiHome, we have conducted research on endpoint security, including Internet Protocol version 6 (IPv6). We are also researching security mechanisms that can be deployed within our digital factory, so that security will be inherent in our DevSecOps (Development-Security-Operation) methodology in providing our digital applications for enriching our customer's digital lifestyle securely as smartphone use increases. We have also developed our internal Data Breach Management Recommendations which offer guidance for mitigating the financial and reputational impact of data breaches and cyber incidents. A "data breach" refers to an incident resulting in exposure to potential unauthorized access of personal data within the possession of an organization or under its control. Data breaches often lead to financial losses and a loss of consumer trust. Hence, we must prevent and manage the risk of data breaches. The recommendations we have developed contain steps that should be considered and the parties that should be responsible for preventing and responding to data breaches involving our digital services.

In 2021, we set up a special task force called ITDRI (Indonesia Telecommunication and Digital Research Institute) which is embedded in our Telkom Corporate University Center (TCUC) to enhance our focus on research and innovation of digital platforms that are already demanded by our customers and technologies that have been adopted elsewhere which our CFUs believe there would be a market for in Indonesia. We want to create a pipeline of research, innovation and learning that continually delivers the latest technology to our customers and enhance our customers' experience. Example of these technologies include artificial intelligence (AI) and blockchain. When we believe a technology is mature and there is a business case for its adoption, then we will task our research and innovation team to take things forward. In this connection, Telkom already has the Amoeba program which is an intrapreneurship program for product creation and talent development. We hope that the Amoeba program can help us to create digital products/services needed or demanded by the market.

Our research and development activities include our open innovation program where we aim to leverage the creativity of Indonesian digital technology entrepreneurs with the aim of integrating the products and services that they develop into our business. In practice, our products and services are designed and developed according to the needs of consumers in the current digital era. In connection with our efforts to develop such products and services, we continued our Digital Amoeba and Indigo programs (previously known as Indigo Creative Nation program). Digital Amoeba aims to capture and accelerate innovation internally at Telkom and its subsidiaries. Indigo is Telkom's open innovation program in collaboration with digital startups to develop Indonesia's digital creative industry while developing Telkom's digital business portfolio. Our subsidiary, PT Metra Digital Investama, also known as MDI Ventures, manages and invests venture funds in potential digital startups. We also provide office facilities for nurturing creativity such as shared meeting rooms, classrooms and common areas for entrepreneurs which are known as Digital Innovation Lounges ("DILo") and Digital Valley ("DiVa"). Through MDI Ventures, we manage 20 innovation hubs in 17 locations in Indonesia: 17 Digital Innovation Lounges (DILo), and 3 Digital Valleys (DiVa). In mid-2021, Indigo underwent rebranding and has been progressively integrating its ecosystem to provide end-to-end support for Indonesia's digital creative industry. DiLo has been rebranded to IndigoSpace and DiVa to IndigoHub. We shifted both IndigoSpace and IndigoHub from just coworking spaces that provide office facilities to becoming digital community enablers and growth partners for startups by providing practical guidance, support to validate business ideas and products, and support to connect startups to the local markets. Through this vast ecosystem, during 2021, Indigo conducted 471 community events that facilitated and engaged 273 startups throughout the nation.

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We conduct incubation and acceleration activities and provide mentorships to assist startups to develop and validate their customer, product, business model, and market validation. We occasionally provide seed financing in the form of equity to startups that we believe are commercially viable. We also support startups to commercialize their products and services and obtain follow-on funding. As of December 31, 2021, 55 teams were actively validating new products and new processes, with 25 projects prioritized for accelerated development to potentially integrate into our business portfolio. Since 2013, Indigo has incubated 196 startups. As of December 31, 2021, 110 startups had started commercial operations and an additional 4 startups had received funding from domestic and foreign investors. Some of startups have synergized with us in providing digital products and solutions such as:

- BIOPS: BIOPS provides IoT solutions for farmers that monitor soil fertility, rain density, temperature, and control crop irrigation with the goal of increasing farmers' productivity and harvest quality. We have combined BIOPS solutions and Tribe Agree capabilities in digitizing tens of hectares of smart farms in Malang and Lampung.

- ATOM**:** ATOM is a tool for developing mobile applications without the need to have programming language skills. We use ATOM as a platform for making prototyping mobile apps projects for BUMN innovations managed by ITDRI.

- Tumbasin**:** Tumbasin is an application platform that helps people shop at traditional markets with a vision of empowering traditional markets with technology. Tumbasin collaborates with Tribe Agree to sell agricultural products through Agree Market to traditional markets.

- Educourse**:** Educourse provide an e-learning education platform that has thousands of courses using STEAM (Science, Technology, Engineering, Arts, and Mathematics) blended learning approaches with AI and AR for a better learning experience. Educourse collaborates with Pijar Mahir to provide STEAM learning for pre-employment cardholders (*Kartu Prakerja)***.**

- Verihubs: Verihubs provides AI-based e-KYC solutions that utilizes face recognition and two-factor authentication technologies. We have used Verihubs solutions to complement Tribe Financial Service products such as QREN and MPS. The need for paperless KYC processes has significantly increased during the COVID-19 pandemic and is expected to become the new norm for financial institutions.

Beside synergy value, some Indigo startups have been successful in obtaining follow-on-funding in 2021. Verihubs, one of the startups from the 2020 batch has successfully secured fundings from external investors such as Insignia Venture Partners, Central Capital Ventura, and Armand Ventures. The company has also become one of the few Indonesian startups being accepted to Y Combinator, a US-based startup accelerator which is currently considered the best accelerator program in the world. Another startup that secured fundings from external investors is Riliv, which received funding from East Ventures, one of the top-tier Indonesian VC firms. Six Indigo startups, Opsigo, IZY, Ctscope, Manpro, BIOPS, Digides, ETAB, and Fammi.ly were also selected to join HUB.ID, a startup accelerator program run by the Indonesian Kominfo, which focuses on creating synergy values between startups and Indonesian government agencies and state-owned enterprises.

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Our subsidiary PT Metra Digital Investama ("MDI Ventures") handles various corporate venture capital initiatives. It identifies investment opportunities, raises funds, aims to create synergies, in particular with Telkom Group companies and businesses, and maximize value creation, manages a significant investment portfolio and provides operational assistance and advice to startups after investing in them. Based in Jakarta, MDI Ventures has operations in Singapore and the United States. The focus of these investments is on high growth business verticals that are or will be able to deliver enhanced digital experience and best services to customers, such as financial technology, healthcare, logistic, agri-food tech, consumer, deep tech, among others. In 2021, MDI invested in more than 20 portfolio and new companies. Since 2016, MDI Ventures has invested in more than 57 startups in 12 countries. A number of these companies were the targets of mergers and acquisitions or even completed initial public offerings. MDI Ventures has collaborated with many Indonesian SOEs to build a digital ecosystem and accelerate the pace of digitalization of the Indonesian economy. MDI Ventures also collaborates with global investors to invest in global startups, and with global startup incubators and accelerators to support Telkom's Indigo Creative Nation program. As at the date hereof, MDI Ventures' fund management activities include managing the following funds (in addition to managing handling Telkom's fund management activities):

- PT Telkomsel Mitra Inovasi's TMI Fund: TMI focuses on funding startups that can create synergies and value creation for Telkomsel and typically invests in early to mid-stage startups. TMI has invested in 17 startups since 2019 with investments in various sectors, including fintech, logistics, edutech, healthcare and agriculture. In 2021, TMI successfully deployed 5 new investments to startups, such as Skor, Feedloop, Evermos, Privy.id and Klikdaily. In addition, TMI managed to close a top-up investment to its existing portfolio, Sekolahmu.

- Centauri Fund: launched in collaboration with KB Financial Group (KookMin Bank) from South Korea with a focus on growth-stage startups across Indonesia, Southeast Asia and South Korea. The fund has an initiative to provide support from their corporate backers and to bridge the border gap between the focus regions. In 2021, Centauri closed five investments into companies such as Cermati, Evermos and Cakap, raised additional funds from external limited partners and had a portfolio company (Runsystem) go public on the Indonesia Stock Exchange.

- Arise Fund: Started its operation in 2021 in collaboration with Finch Capital Netherlands and which mainly focuses on early-stage Indonesian startups developing innovative technologies. Arise successfully completed its first fundraising in August 2021 with commitments from several prominent investors, such as Metrodata Electronics Tbk. Arise successfully made its first investment in Luwjistik. This was followed by investment in other companies such as GoCement, Delos, and Agriaku. Some of Arise's portfolio companies ave received Term Sheets from new investor with valuations higher than at which Arise made its initial investment.

In 2021, MDI and TMI held its annual Nex-BE Fest 2021 (Next Billion Ecosystem Festival) in which we bring together Telkom Group companies, startups and State-Owned Enterprise companies in focused sectors such as Agriculture, Healthcare, and Fintech to collaborate in a synergistic manner. Through this event, startups and SOEs have one-on-one meetings to explore mutually beneficial business initiatives that they should pursue. The collaborative event aims to connect enterprises in related sectors with MDI and TMI startups to create new synergies or new businesses for generating new revenue.

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D. TREND INFORMATION

In spite of the current COVID-19 pandemic and declining use of voice and SMS services, we believe favorable external factors and post-pandemic economic recovery will support our ability to continue to drive revenue growth from both cellular and non-cellular data, internet and information technology services. The Indonesian GDP contracted by 2.07% in 2020, according to the Indonesian Central Bureau of Statistics (computed at constant market prices, based on preliminary results available as at February 2021), after two decades of expansion. Almost all sectors of the Indonesian economy experienced negative growth during the COVID-19 pandemic in 2020, except for those related to essential goods and services, including the information and communication sector – the GDP increased by 10.58%. The Indonesian GDP bounced back in 2021 with 3.69% growth from a 2.07% contraction in 2020. In the fourth quarter of 2021, Indonesia's economy expanded by 1.06% and 5.02% on a QoQ and YoY basis respectively. All sectors experienced growth, primarily driven by government spending, production sectors, higher domestic consumption and strong export/import demand, according to the Indonesian Central Bureau of Statistics and Bank of Indonesia. In October 2021, the IMF in the World Economic Outlook Update projected that the Indonesian economy will grow 5.9% in 2022. The projection assumes that Indonesia will avoid another severe COVID-19 spike, achieve 70% vaccine coverage in 2022 in most provinces, and maintain accommodative monetary and fiscal policies. It is also expected to benefit from a demographic dividend which should have a positive impact on economic growth and its growing working population should result in an improvement in Indonesia's Purchasing Power Parity (PPP) growth. The transition of the Indonesian economy toward digitalization, whose pace increased during the COVID-19 pandemic, is expected to continue in the future and spread across multiple sectors of the economy. While Indonesia is expected to benefit from digitalization, it will face key challenges in implementing its digitalization projects across multiple sectors such as logistics, education, healthcare, Government administration, finance and insurance. The Government expects that the improvement in digital technology will create job opportunities, increase efficiency in business operations, better services and unlock various markets by making them more accessible through digitalization.

The Government has established several national digitalization projects. The three main digitalization projects that have an impact on Telkom are the following:

- Making Indonesia 4.0: This project offers an opportunity for Telkom to enter into partnerships with various manufacturing companies to provide IoT solutions.

- One Data Indonesia: This project will enable the public sector to make data driven decisions. Therefore, we expect that this will provide opportunities for Telkom to propose and provide high volume data storage through data centers and cloud solutions with big data and analytic solutions.

- Presidential Direction for Infrastructure Development: The Government's National Medium Term Development Plan 2020-2024 set out targets for Indonesia's digital transformation, including that 60% of districts (*kecamatan*) be covered by fixed broadband and 95% of villages (*desa*) be covered by mobile broadband by 2024.

In the shorter run, the ongoing COVID-19 pandemic is expected to have an effect on our results of business operations and financial condition in the financial year ending December 31, 2022. As at the date hereof, the potential economic impact on Indonesia and the global economy brought by, and the duration of, the COVID-19 pandemic is highly uncertain, subject to change and difficult to estimate or predict. Whereas we are closely monitoring the current situation and potential developments, there is still uncertainty as to the full extent of the potential impact on our business, operations, prospects and results of operations.

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Governments of many countries, including Indonesia, have imposed lock-down measures and travel restrictions in response to the pandemic. On March 31, 2020, by virtue of Presidential Decree No.11 of 2020, the President of Indonesia declared COVID-19 a Public Health Emergency (*Darurat Kesehatan Masyarakat*). Under certain conditions, regional governments are allowed to impose enhanced measures they consider necessary within the respective territory under their authority. For example, the regional government of the Jakarta Province (classified as a "red zone area", having been identified as an area of high COVID-19 transmission, and where Telkom's head office is located) has implemented enhanced PSBB measures, including restrictions on travel, transportation and use of public facilities, quarantines and work-from-home orders, as well as other social and physical distancing measures. In compliance with these initiatives, we also implemented protocols for safeguarding the health of our employees, preventing contagion and supporting our business continuity, including, among others, stopping non-essential travels, limiting gatherings in our corporate offices and branches, assigning teams to alternate work schedules or sites, and establishing work-from-home protocols.

Governmental measures such as those described above have had a severe impact on economic activities and we expect that this will cause a decline in revenue in various business segments. In October 2021, the IMF in the World Economic Outlook Update projected that the Indonesian economy will grow 5.9% in 2022. We believe that consumer services and mobile services may prove resilient and record positive growth even in the context of economic downturns. We have witnessed that lock-down measures including travel restrictions and work-from-home orders have increased the use of our fixed and mobile broadband services as businesses and consumers carry out more online activities and transactions. However, we expect that the slowdown in overall economic growth will eventually have an effect on our results of operations and financial condition and we are in the process of implementing measures to address any changes in consumption. Our measures include managing network load and configuration to adapt to changes in traffic pattern, supply chain stabilization to ensure sufficient capacity, and providing support to customers to address their increasing demand for working collaboration, learning activities and entertainment.

E. OFF-BALANCE SHEET ARRANGEMENTS

As of December 31, 2021, we had no off-balance sheet arrangements that were reasonably likely to have a current or future material effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

F. TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

The following table sets forth information on certain of our material contractual obligations as of December 31, 2021:

Contractual Obligation	By Payment Due Date				
	Total (Rp billion)	Less Than 1 Year [7] (Rp billion)	1-3 years [7] (Rp billion)	3-5 years [7] (Rp billion)	More than 5 years [7] (Rp billion)
Long-Term Debts[1][4]	46,009	9,690	17,195	11,812	7,312
Lease Liabilities[2]	15,888	5,525	5,026	2,737	2,600
Interest on Long-Term Debts and Lease Liabilities[5]	15,979	3,922	5,848	3,185	3,024
Unconditional Purchase Obligations[3]	10,825	10,825	—	—	—
Total	**88,701**	**29,962**	**28,069**	**17,734**	**12,936**

Notes:
(1) See Notes 20 and 21 to our Consolidated Financial Statements.
(2) Related to the lease of the slot site of the tower, transmission installation and equipment, power supply, data processing equipment, office equipment, vehicles, and CPE assets.
(3) Capital expenditure committed under contractual arrangements.
(4) Excludes the related contractually committed interest obligations.
(5) See "Item 3 Key Information — Business Overview — Risk Factors — Risk Related to Our Business — Financial Risk — We are exposed to interest rate risk."
(6) Less than 1 year = 2021, 1-3 years = 2022-2023, 3-5years = 2024-2025, more than 5 years = 2026, and thereafter.

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See Note 34 to our Consolidated Financial Statements for further details on our contractual commitments. In addition to the above contractual obligations, we had long-term liabilities for defined pension benefits and post-employment health care benefit plan. In 2021, we contributed Rp226 billion to our Defined Benefit Pension Plan and post-employment health care benefit plan. See Note 30 to our Consolidated Financial Statements.

G. SAFE HARBOR

All information that is not historical in nature disclosed under "Off-Balance Sheet Arrangements" and "Tabular Disclosure of Contractual Obligations" is deemed to be a forward-looking statement. See "Forward-Looking Statements."

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. DIRECTORS AND SENIOR MANAGEMENT

In accordance with Law No. 40 of 2007 on Limited Liability Companies (as amended by the Job Creation Law) and OJK Rule No.33/POJK.04/2014 on the Board of Directors and the Board of Commissioners of Issuers or Public Companies ("OJK Rule No.33/2014"), we have a Board of Commissioners and a Board of Directors. These boards are separate and no individual may be a member of both boards.

The members of the Board of Commissioners and Board of Directors are elected and dismissed by shareholders' resolutions at a GMS. As stated in our Articles of Association, to be elected, candidates must be nominated and approved by the Government as the holder of the Dwiwarna Share. The term of office for each Commissioner and Director commences at the closing of the GMS which appoints such Commissioner or Director or such other time as specified by such GMS, and terminates at the closing of the fifth AGMS held after his/her appointment. Shareholders, through a GMS, have the right to discharge a Commissioner or Director at any time before the expiration of his/her term of office.

Board of Commissioners

Our Board of Commissioners is responsible for supervising and advising the Board of Directors. Our Board of Commissioners consists of five members, one of whom is designated as the President Commissioner.

As of December 31, 2021, the Board of Commissioners consisted of nine members as listed below:

Name	Age	Commissioner Since	Position
Bambang Permadi Soemantri Brojonegoro	55	2021	President Commissioner/Independent Commissioner
Ismail	52	2019	Commissioner
Marcelino Rumambo Pandin	55	2019	Commissioner
Arya Mahendra Sinulingga	50	2021	Commissioner
Rizal Mallarangeng	57	2020	Commissioner
Isa Rachmatarwata	55	2021	Commissioner
Wawan Iriawan	58	2020	Independent Commissioner
Bono Daru Adji	53	2021	Independent Commissioner
Abdi Negara Nurdin	53	2021	Independent Commissioner

Each of our Commissioners was a citizen of and domiciled in Indonesia as of December 31, 2021. In accordance with OJK Rule No.33/2014 which requires 30% of our Board of Commissioners to be independent, four Commissioners have been designated as Independent Commissioners. Our Independent Commissioners are Bambang Permadi Soemantri Brojonegoro, Wawan Iriawan, Bono Daru Adji and Abdi Negara Nurdin. The principal duty of our Independent Commissioners, in addition to exercising supervision, is to represent the interests of minority shareholders.

Set forth below is a brief biography of each of our Commissioners:

Bambang Permadi Soemantri Brojonegoro assumed the role of President Commissioner/Independent Commissioner in June 2021. Previously, Prof. Dr. Bambang P.S. Brodjonegoro served as a Vice Minister of Finance (2013-2014), Minister of Finance (2014-2016), Minister of Planning and National Development/ Head of Bappenas (2016-2019), and Minister of Research and Technology / Head of BRIN (2019-2021). He is now also a Commissioner of PT TBS Energi Utama Tbk (2021-now), Independent Commissioner of PT Astra International Tbk (2021-now), President Commissioner & Chairman of the Audit Committee of PT Bukalapak.com (2021-now), Commissioner of PT Combiphar (2021-now), President Commissioner of PT Oligo Infrastruktur (2021-now), Commissioner Independent PT Indofood (2021-now), and President Commissioner PT Nusantara Green Energy. He holds his Ph.D in Urban and Regional Planning from University of Illinois at Urbana-Champaign, Amerika Serikat (1995-1997), Master of Urban Planning, University of Illinois at Urbana-Champaign, Amerika Serikat (1991-1993), and a bachelor degree in Economic, Universitas Indonesia (1985 -1990).

Ismail assumed the role of Commissioner in May 2019. Dr. Ismail has also served as Director General of Post and Information Technology Devices Resources, Ministry of Communication and Information Technology since 2016. Previously, he served as Director of Broadband Development, Ministry of Communication and Information Technology (2014-2016), Chairman of Indonesia Telecommunication Regulation Authority (2018-2019), Deputy Chairman of Indonesia Telecommunication Regulation Authority (2016-2018), Director of Telecommunications, Ministry of Communication and Information (2012-2014), Director of IT System Operations, Financial Transaction Reports and Analysis Center (2008-2012). Dr. Ismail holds a doctorate in electrical and informatics engineering from the Institut Teknologi Bandung, Bandung (2010), a master degree in Physics engineering from Universitas Indonesia, Jakarta (1999) and a bachelor degree in physics engineering from the Institut Teknologi Bandung, Bandung (1993).

Marcelino Rumambo Pandin assumed the role of Commissioner in May 2019. Previously, Dr. Marcelino R. Pandin served as a member of the Committee of the World Observatory on Subnational Government Finance and Investment initiative of the OECD, Paris (2018-2019), and Senior Policy Adviser at United City and Local Government (UCLG) Asia Pacific, Jakarta (2017-2019). He holds his Ph.D. in Technology and Innovation from University of Queensland, Australia (2007), a master degree in philosophy from Judge Business School University of Cambridge, Cambridge (1999), and a bachelor degree in architecture from the Institut Teknologi Bandung, Bandung (1991).

Arya Mahendra Sinulingga assumed the role of Commissioner in June 2021. Arya Mahendra Sinulingga has also served as Special Staff III to the Minister of State-Owned Enterprises since 2019. Previously, he served as a Drainage & Marine Consultant, Bandung (1995-2001), Expert Staff to the Chairman of the Regional House of Representatives and Spatial Consultant of North Sumatra Province (2001-2004), Member of the Indonesian Broadcasting Commission (2004-2007), President Director of PT Hikmat Makna Aksara (Sindo Weekly) and Corporate Secretary of PT Global Mediacom Tbk (2008-2014), Company Secretary of PT MNC Tbk (2010-2014), News Director & Corporate Secretary Global TV (2010-2018), Editor in Chief Global TV (2011-2014), Director PT MNC Investama Tbk and Editor in Chief RCTI (2014-2015), News Director of PT MNC Tbk and Director of PT MCI (2014-2018), President Comissioner of PT Hikmat Makna Aksara (2014-2019), President Director of PT IDX Channel and Deputy Director iNews TV (2015-2018), President Comissioner of PT MNC Infotainment Indonesia (2017-2018), Corporate Secretary Director of PT MNC Tbk (2018-2019), Commissioner of PT INALUM (2019-2021), Member of the Board of Trustees, Universitas Sumatera Utara (2020-now), Head of Public Communication Division of PMO Implementing KPCPEN (2021-now). He holds a bachelor degree in Civil Engineering from the Institut Teknologi Bandung, Bandung (1995).

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Rizal Mallarangeng assumed the role of Commissioner in June 2020. He also served as Commissioner of PT. Energi Mega Persada since 2021. Previously, Rizal Mallarangeng served as Executive Director of Freedom Institute (2001-2020), Founder of Freedom Corp. (2016) and Founder of Fox Indonesia (2009). He holds a bachelor degree in communication science, Universitas Gadjah Mada, Yogyakarta (1990), a master degree in comparative politics from Ohio State University, United States (1994), and a doctoral degree in comparative politics, Ohio State University, United States (2000).

Isa Rachmatarwata assumed the role of Commissioner in June 2021. Isa Rachmatarwata has also served as Director General of Budget of Financial Institution, Ministry of Finance since 2021. Previously, he served as the Head of Insurance Bureau at the Capital Market and Financial Institutions Supervisory Agency (BAPEPAM/LK/replaced by OJK) – (2005-2012), Senior at the Fiscal Policy Agency, Ministry of Finance (2013), Expert Staff for Financial Services and Capital Market Policy and Regulation, Ministry of Finance (2013-2017), Director General of State Assets, Ministry of Finance (2017-2021). He holds a master degree in Mathematics from the Institut Teknologi Bandung, Bandung (1990), Master of Mathematics (Actuarial Science) from University of Waterloo, Canada (1994).

Wawan Iriawan assumed the role of Commissioner in June 2020. Previously, Wawan Iriawan served as Managing Partner at Iriawan & Co Lawfirm (1990-2000). He holds a bachelor degree in law from Universitas Jenderal Soedirman, Central Java (1987), a master degree in law from Universitas Padjajaran, Bandung (2005), and a doctoral degree in law from Universitas Padjajaran, Bandung (2018).

Bono Daru Adji assumed the role of Independent Commissioner in June 2021. Previously, Bono Daru Adji served as Head of the Standard Committee (Dewan Standar) of the Indonesian Capital Market Legal Consultants Association (HKHPM) (2018-2021), Member of the Disciplinary Committee (Komite Disiplin) of the Indonesian Stock Exchange (2019-now). He holds a bachelor degree in law from Universitas Trisakti (1993), a master degree in law from Monash University (1995).

Abdi Negara Nurdin assumed the role of Commissioner in June 2021. Previously, Abdi Negara Nurdin served as Senior Advisor for Badan Ekonomi Kreatif (2015-2019), Member of LMKN (Lembaga Manajemen Kolektif Nasional), Supervisory Board (2015-2016). He also served as Co-Founder PT. Hijau Multi Kreatif (2005-now), Founder Maleo Music (2009-now), Commissioner of PT NSA (2015-now), Co-Founder – Producer Give.ID (2019-now), Commissioner of PT Sugih Reksa Indotama (2020-now), Commissioner of PT. Nagara Sains Ekosistem (2021-now).

Board of Directors

Our Board of Directors is responsible for our overall management and day-to-day operations under the supervision of the Board of Commissioners. The Board of Directors consists of nine members, including a President Director.

The following table sets forth the functions and authority of our Directors.

Role		Functions and Authority
Director of Consumer Services	1.	Responsible for the business strategy to drive disruptive competitive growth through winning competition and growing the fixed and digital life and smart platform segment business portfolio.
	2.	Oversees our parenting strategy by implementing strategic control, coordination and subsidiary performance management over the consumer CFU, in order to create company value through optimizing and harmonizing relations between our Company and our subsidiaries and managing the operations of subsidiaries under the consumer CFU.
Director of Enterprise and Business Service	1.	Responsible for the business strategy to drive disruptive competitive growth through winning competition and growing the enterprise digital segment business portfolio (enterprise, government and business).

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Role		Functions and Authority
	2.	Oversees our parenting strategy by implementing strategic control, coordination and subsidiary performance management over the enterprise CFU, in order to create company value through optimizing and harmonizing relations between our Company and our subsidiaries and managing the operations of subsidiaries under the enterprise CFU.
Director of Wholesale and International Service	1.	Responsible for the business strategy to drive disruptive competitive growth through winning competitions and growing the wholesale and international segment business portfolio.
	2.	Oversees our parenting strategy by implementing strategic control, coordination and subsidiary performance management over the wholesale and international CFU, in order to create company value through optimizing and harmonizing relations between our Company and our subsidiaries and managing the operations of subsidiaries under the wholesale and international CFU.
Director of Digital Business		Responsible for the formulation and availability of an innovation strategy to optimize the digital services business and explore digital business opportunities.
Director of Network, Information Technology and Solution	1.	Responsible for the business strategy to leverage our existing resources in order to develop and exploit our established businesses and services by utilizing infrastructure and IT solutions to support our business portfolio synergistically.
	2.	Oversees our parenting strategy over the network, IT and solutions functional unit in order to create company value through optimizing and harmonizing the functional management of network and IT solutions within our Group.
Director of Strategic Portfolio		Responsible for the formulation and availability of the corporate level strategy, including directional strategy, portfolio strategy and parenting strategy, and exploring new sources of growth through alliances and acquisitions and synergies.
Director of Finance and Risk Management	1.	Responsible for the formulation and availability of the corporate level strategy, including portfolio strategy and parenting strategy with regard to financial operations and procurement in order to encourage optimal financial performance and assets supply in realizing disruptive strategic growth within our Group.
	2.	Unless otherwise stipulated by the Board of Directors, the Director of Finance is acting as Telkom's representative at shareholders' general meeting of Telkom's subsidiaries.
	3.	Oversees our parent company's strategy over the financial functional unit for controlling asset management and asset leverage by implementing strategic control, coordination and subsidiary performance management, with the ultimate goal of creating company value through optimizing and harmonizing relations between our Company and our subsidiaries.
Director of Human Capital Management	1.	Responsible for disseminating our corporate strategy, including directional strategy, portfolio strategy and parenting strategy on aspects related to the development of human capital, employee organization, corporate culture, leadership architecture and industrial relations.
	2.	Oversees human capital management within the Telkom Group and supervises the Pension Fund and Telkom Foundation (*Yayasan* Telkom) by implementing strategic control, coordination and foundation performance management in order to create Company value through optimizing and harmonizing relations between our Company and our subsidiaries and managing the operations of subsidiaries under the human capital management functional unit.

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As of December 31, 2021, the Board of Directors consisted of nine members as listed below:

Name	Age	Director Since	Position
Ririek Adriansyah	57	2019	President Director(1)
Heri Supriadi	56	2020	Director of Finance and Risk Management(2)
Herlan Wijanarko	56	2020	Director of Network, Information Technology and Solution
FM Venusiana R.	55	2020	Director of Consumer Service
Muhamad Fajrin Rasyid	35	2020	Director of Digital Business
Budi Setyawan Wijaya	49	2020	Director of Strategic Portfolio
Bogi Witjaksono	54	2021	Director of Wholesale and International Service
Afriwandi	50	2020	Director of Human Capital Management
Edi Witjara(3)	49	2019	Director of Enterprise and Business Service

Notes:
(1) This position is of the same level as Chief Executive Officer ("CEO").
(2) This position is of the same level as Chief Financial Officer ("CFO").
(3) Previously the Director of Human Capital Management

Each of our Directors was a citizen and domiciled in Indonesia as of December 31, 2021. Set forth below is a brief biography of each of our Directors:

Ririek Adriansyah assumed the role of President Director in May 2019. He previously served as President Commissioner of Telkomsel (2019-2021), President Director of Telkomsel (2015-2019), Director of Wholesale and International Service (2014), Director of Compliance and Risk Management (2012-2013), President Director of Telin (2011-2012), Director of Marketing and Sales of Telin (2010-2011), and Director International Carrier Service of Telin (2008-2010). Mr. Adriansyah holds a bachelor degree in electrical engineering from Institut Teknologi Bandung, Bandung (1989).

Heri Supriadi assumed the role of Director of Finance and Risk Management in June 2020. He previously served as President Commissioner of PT Telkomsel Mitra Inovasi (2019-2020), President of Commissioner of PT Fintech Karya Nusantara (2019-2020), and Director of Finance of Telkomsel (2012-2020), and Vice President Subsidiary Performance of PT Telkom Indonesia. Mr. Supriadi holds a bachelor degree in industrial engineering from Institut Teknologi Bandung (1991), master degree in business administration from Saint Mary's University, Canada (1997), and doctoral degree in business management specialization from Universitas Padjajaran, Bandung (2013).

Herlan Wijanarko assumed the role of Director of Network, Information Technology and Solution in June 2020. He is also served as a President Commissioner of PT Dayamitra Telekomunikasi (2020-present). He previously served as President Director of Mitratel (2018-2020), EGM Service Operation Division (2016-2018), Deputy EGM Infra Operation & Maintenance (2015-2016), Deputy EGM Network Infrastructure & Access (2014-2015), Deputy EGM IP Network & Operation (Jan 2014 – July 2014), GM Northwest West Java (Bekasi) (2013-2014), GM Network Regional West Java Region (2010-2013), GM Central Java Regional, Regional Network (2009-2010), and GM Regional Network for Eastern Indonesia (2007-2009) of PT Telkom Indonesia. Mr. Wijanarko holds a bachelor degree in electrical engineering from Institut Teknologi Bandung (1989), and a master degree in management from Sekolah Tinggi Manajemen Bisnis Telkom, Bandung (2005).

FM Venusiana R. assumed the role of Director of Consumer Service of Telkom in June 2020. She also served as President Commissioner of PT Telkom Access since 2020. She previously served as Director of Network of Telkomsel (Jan 2020 – June 2020), Senior VP Procurement of Telkomsel (2017-2019), Senior VP Consumer Marketing of Telkomsel (2016-2017), and Executive VP Area Jabodetabek West Java of Telkomsel (2013-2016). Mrs. Venusiana holds a bachelor degree in electrical engineering from Universitas Diponegoro, Semarang (1992), and a master degree in management from Universitas Hasanuddin, Makassar (2004).

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Muhamad Fajrin Rasyid assumed the role of Director of Digital Business in June 2020. He also served as President Commissioner of PT Metranet since 2020, Commissioner of PT MDI since 2020, and Commissioner of PT Sigma Cipta Caraka since 2020. He previously served as Co-Founder & President of Bukalapak (2011-2020), President Director of Suitmedia (2011-2014), and Consultant at The Boston Consulting Group (BCG) (2009-2011). Mr. Rasyid holds a bachelor degree in informatic engineering from Institut Teknologi Bandung (2009), he completed an executive education program in scaling entrepreneurial ventures from Harvard Business School, United States (2018), and an executive education program in innovations and growth from the Stanford Graduate School of Business, United States (2019).

Budi Setyawan Wijaya assumed the role of Director of Strategic Portfolio in June 2020. He also served as President Commissioner of PT Sigma Cipta Caraka since 2020, President Commissioner of PT Tetranet Application Solutions since 2020, and President Commissioner of PT Jalin Payment Nusantara since 2020. He previously served as President Director of Admedika (2017-2020), President Director of MD Media (2015-2017), and President Director of Melon (2013-2015). Mr. Wijaya holds a bachelor degree in industrial engineering from Sekolah Tinggi Teknologi Telkom, Bandung (1995), and a master degree in management from Sekolah Tinggi Manajemen Bisnis Telkom, Bandung (2003).

Bogi Witjaksono assumed the role of Director of Wholesale and International Services in May 2021. He also served as President Commissioner of PT Telekomunikasi Indonesia International (TELIN) since 2021, and President Commissioner of PT Telkom Infra since 2021. He previously served as Director of Enterprise and Business Service of PT Telkom Indonesia (2019 - 2020), President Commissioner of Telkomsat (2019-2020), President Commissioner of Telkom Metra (Sep-Nov 2019), Deputy President Director / COO of Telkom Satelite (2018-2019), CEO of Patrakom (2015-2019) and Managing Director of Metrasat (2012-2019). Mr. Bogi holds a bachelor degree in Electrical Engineering from Institut Teknologi Surabaya (1985-1989) and a master degree in Telecommunication Engineering (Mobile Communication) from Institut Teknologi Bandung (1993-1995).

Afriwandi assumed the role of Director of Human Capital Management in June 2020. He also served as President Commissioner of Infomedia since 2020, Chairman of the Supervisory Board Telkom Pension Fund since 2020, Chairman of the Board of Trustees, Telkom Education Foundation since 2020, and Chairman of the Board of Trustees, Telkom Health Foundation since 2020. He previously served as SVP Corporate Secretary (2015-2020), Executive General Manager Regional VII (2014-2015), Deputy EGM Divisi Business Service (2013-2014), and General Manager of National Segment of Welfare Service Unit (2012-2013). Mr. Afriwandi holds a bachelor degree in industrial engineering from Sekolah Tinggi Teknologi Telkom (1995), Bandung, and a master degree in management from Universitas Islam Sumatera Utara, North Sumatra (2011).

Edi Witjara assumed the role of Director of Enterprise and Business Service in June 2020. Previously, he was Director of Human Capital Management since May 2019. He has also served as President Commissioner of PT Multimedia Nusantara ("Metra") since 2019 and President Commissioner of Telkom Satelit Indonesia since 2020, and President Commissioner of PINS Indonesia since 2020. Previously, he held various positions at Telkom: he served as Director of Human Capital Management (2019-2020), President Commissioner of Infomedia Nusantara (2019-2020), Board of Supervisor, Global Council of Corporate University (2019-2020), Senior Vice President of Financial Planning Analysis and Control (2018-2019), Chief of Business Program Shared Service Organization (2017-2018), Senior Vice President Financial Planning and Analysis (2016-2018), Commissioner of Telkom Akses (2013-2016), and Vice President of Management Accounting (2013-2016). Dr. Witjara holds a doctorate in strategic business management from Universitas Padjajaran, Bandung (2018), a master degree in business law from Universitas Padjajaran, Bandung (2009) and a bachelor degree in electrical engineering from Sekolah Tinggi Teknologi Telkom, Bandung (1995).

Other than as provided for under our Articles of Association, none of our Commissioners or Directors has any arrangement or understanding with any major shareholder, customer, supplier or with us pursuant to which such person was selected as a Commissioner or Director, nor are any such arrangements, understanding or contracts proposed or is under consideration. There is no family relationship between or among any of the Commissioners or Directors listed above. The business address of our Commissioners and Directors is Jl. Jend. Gatot Subroto Kav.52 Jakarta - 12710, Indonesia.

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B. COMPENSATION

Compensation of Commissioners and Directors

Compensation of Commissioners and Directors are determined by the shareholders at the GMS, who grant authority and authorization to the Board of Commissioners, with prior approval from the holder of the Dwiwarna Share, to decide on the amount of tantiem which will be given to the members of Board of Directors and Board of Commissioners for the 2021 financial year and also as to the amount of the salary or honorarium, including facilities and allowances for the members of Board of Directors and Board of Commissioners for the 2021 financial year. The Nomination and Remuneration Committee is responsible for formulating the honorarium of our Commissioners and Directors, which is further discussed in a joint meeting of our Board of Directors and Board of Commissioners for approval.

Each Commissioner is entitled to monthly remuneration and benefits. They are also entitled to bonuses based on our business performance and achievements.

Each Director is entitled to a remuneration consisting of a monthly salary and other allowances. Directors also receive an annual bonus based on our business performance and achievements. The bonus and incentive are budgeted every year based on a formula prepared by the Nomination and Remuneration Committee and confirmation from the Board of Commissioners before being considered by shareholders at the GMS.

In accordance with regulations relating to SOEs in Indonesia, all of our Commissioners and Directors are entitled to post-employment benefits, including an insurance scheme into which we are required to contribute up to 25% of the salary of our Commissioners and Directors. There are no service contracts providing for benefits to be provided for our Directors or Commissioners upon their termination as Directors or Commissioners. We also provide our Commissioners and Directors with long-term incentives in the form of shares or for our Independent Commissioners in the form of cash.

We budgeted incentives for the current year but will distribute such incentives in the following year after the publication of our Consolidated Financial Statements and having the approval in a GMS. We only distribute cash incentives if we achieve certain performance targets.

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For 2021, the total remuneration paid to the entire Board of Commissioners was Rp128.7 billion. The table below sets forth the remuneration paid to our Commissioners received in 2021:

Commissioners	Honorarium and Other Allowance	Tantiem[1]	Total
		(Rp million)	
Bambang P. S. Brodjonegoro[2]	2,049	-	2,049
Bono Daru Adji [2]	1,831	-	1,831
Abdi Negara Nurdin[2]	1,833	-	1,833
Wawan Iriawan	3,313	6,467	9,780
Arya Mahendra Sinulingga[2]	1,829	-	1,829
Isa Rachmatarwata[2]	1,829	-	1,829
Ismail[3]	3,313	12,808	16,121
Marcelino Rumambo Pandin[3]	3,319	12,808	16,127
Rizal Malarangeng[3]	3,317	6,467	9,784
Rhenald Kasali[4]	1,674	14,600	16,274
Chandra Arie Setiawan[4]	1,502	6,467	7,969
Ahmad Fikri Assegaf[4]	1,501	6,467	7,968
Marsudi Wahyu Kisworo[4]	1,504	13,140	14,644
Alex Denni[4]	1,502	6,467	7,969
Cahyana Ahmadjayadi[5]	-	6,341	6,341
Margiyono Darsasumarja[5]	-	6,341	6,341

Notes:
(1) Tantiem stated as gross tantiem, and included LTI for BoC (Rhenald Kasali and Marsudi Wahyu Kisworo)
(2) Since May 28, 2021.
(3) Up to May 28, 2021.
(4) Up to June 19, 2020.
(5) Tantiem rights for Financial Year 2020.

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For 2021, the total remuneration paid to the entire Board of Directors was Rp298.3 billion. The table below sets forth the remunerations paid to our Directors received in 2021:

Directors	Position	Honorarium and Other Allowances	Tantiem(1)	Total(3)
		Rp (millions)		
Ririek Adriansyah	President Director	5,396	31,626	37,022
Afriwandi	Director of HCM	4,326	13,573	17,899
Heri Supriadi	Director of KMR	4,632	13,573	18,205
FM Venusiana R,	Director of CONS	4,632	13,573	18,205
Edi Witjara	Director of EBIS	4,632	26,882	31,514
Herlan Wijanarko	Director of NITS	4,632	13,573	18,205
Muhamad Fajrin Rasyid	Director of DB	4,632	13,573	18,205
Budi Setyawan Wijaya	Director of SP	4,632	13,573	18,205
Bogi Witjaksono	Director of EBIS(2)	2,555	14,007	16,562
Dian Rachmawan	Director of WINS(3)	1,974	14,588	16,562
Harry Mozarta Zen	Director of KEU(4)	-	14,514	14,514
Siti Choiriana	Director of CONS(4)	-	14,514	14,514
Zulhelfi Abidin	Director of NITS(4)	-	14,514	14,514
Achmad Sugiarto	Director of SP(4)	-	14,007	14,007
Edwin Aristiawan	Director of WINS(4)	-	14,007	14,007
Faizal Rochmad Djoemadi	Director of DB(4)	-	14,007	14,007
Alex J. Sinaga	President Director(5)	-	598	598
Abdus Somad Arief	Director of WINS(5)	-	508	508
Herdy R. Harman	Director of HCM(5)	-	538	538
David Bangun	Director of DSP(5)	-	508	508

Notes:
(1) Tantiem stated as gross tantiem.
(2) Since June 19, 2020.
(3) Up to June 19, 2020.
(4) Served until June 19, 2020. Tantiem rights for the financial year 2020 and LTI for the financial year 2019
(5) Served until May 25, 2019. LTI rights for fiscal year 2019

The total accrued remuneration of Board of Commissioners and Directors for 2021 was Rp427 billion, consisting of tantiem. Neither our Directors nor the directors of our subsidiaries will receive benefits upon the termination of their respective employment with our subsidiaries.

C. BOARD PRACTICES

Our Board of Commissioners acts as our overall supervisory and monitoring body with principal functions including planning and development, operations and budgeting in compliance with our Articles of Association, and to carry out the mandate and resolutions of the AGMS and EGMS. The Board of Commissioners does not have the authority to run or manage our Company, except in the exceptional situation when all members of the Board of Directors are suspended for any reason. The Board of Commissioners provides advice and opinions to the AGMS with respect to financial reporting, business development, appointment of auditors, and other important and strategic matters related to corporate actions. The Board of Commissioners also reviews our work plan and budget, keeps abreast of our progress, and in case our Company gives an indication of any decline in the growth of our business immediately requests the Board of Directors to notify the shareholders and provides recommendations on measures for mitigation. Finally, the Board of Commissioners ensures that our corporate governance program is properly applied and maintained in accordance with the applicable regulations.

The Board of Commissioners is obliged to carry out its duties and responsibilities in accordance with our Articles of Association, decisions made during any AGMS and EGMS and applicable laws and regulations.

The Board of Commissioners is assisted by a Board of Commissioners Secretary as well as the Audit Committee, the Nomination and Remuneration Committee and the Planning and Risk Evaluation and Monitoring Committee.

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Meetings of the Board of Commissioners are held once every month. The Board of Commissioners must hold joint meetings with the Board of Directors at least once every three months. Decisions at Board of Commissioners meetings are taken through a process of deliberation and consensus. In the absence of consensus, decisions are based on a majority vote of the Commissioners in attendance or who are represented at the meeting. The quorum for all Board of Commissioners meetings requires attendance in person, through electronic media (such as teleconference or video conference) or by proxy granted to another Commissioner, which shall represent more than one-half of the total number of Commissioners.

The Board of Directors is generally responsible for managing our business in accordance with applicable laws, our Articles of Association and the policies and directives issued by the GMS and the Board of Commissioners. The Board of Directors also is authorized to act for and on our behalf, inside or outside a court of law, on any matter and for any event, with another party.

Meetings of the Board of Directors are held at least once a month and may be convened at any time deemed necessary or at the request of one or more members of the Board of Directors, or at the request of the Board of Commissioners.

Meetings of the Board of Directors are chaired by the President Director. In the event that the President Director is unavailable or absent for any reason, the meeting will be chaired by the Vice President Director. If the Vice President Director is unavailable, the meeting will be chaired by any Director appointed by the President Director. In the absence of the President Director and the Vice President Director and no appointment has been made, any director who has the longest tenure will chair the meeting.

Decisions at Board of Directors meetings are taken through a process of deliberation and consensus. If consensus cannot be reached, decisions are based on a majority vote of the Directors in attendance at the meeting. In the event of a tie, the proposed resolution will be decided by a Director who chairs such Board of Directors meeting. The quorum for all Board of Directors meeting requires attendance in person, or through video conference or by proxy granted to another Director, of Directors representing more than one-half of the total number of Directors. Each Director who is present at a Board of Directors meeting is entitled to cast one vote (and one vote for each other Director represented by proxy).

Individual Directors are charged with specific responsibilities. For more detailed information regarding the functions and authority of each of our Directors, see "— Directors and Senior Management — Board of Directors."

Audit Committee

The Audit Committee operates under the authority of the Audit Committee Charter, which was adopted under a Decree of the Board of Commissioners No. 11/KEP/DK/2021 dated November 29, 2021 in relation to the Charter of the Telkom Group Audit Committee. The Audit Committee Charter is regularly evaluated and, if necessary, amended to ensure compliance with OJK and SEC requirements and other relevant regulations.

The Audit Committee Charter outlines the Audit Committee's purpose, function and responsibilities. It provides that the Audit Committee is responsible for, among other things:

- assisting the Board of Commissioners with the appointment of independent auditors;
- conducting oversight of the integrated audit process;
- providing an independent opinion in the event of differences of opinion between our management and independent auditors;
- approving non-audit services to be performed by our independent auditors;

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- reviewing our Consolidated Financial Statements and the effectiveness of internal controls over financial reporting (ICOFR);
- monitoring the effectiveness of our internal audit;
- monitoring compliance with laws and regulations (including capital market laws) relating to our business;
- monitoring the effectiveness of risk management and internal control;
- monitoring the steps taken by Directors to follow up on the findings of our internal auditors;
- analyzing and providing advice to the Board of Commissioner relating to potential conflicts of interest;
- maintaining confidentiality of documents, data, and information; and
- carrying out additional tasks that are assigned by the Board of Commissioners, especially on financial and accounting related matters as well as other obligations required by the Sarbanes-Oxley Act of 2002.

Subject to the written approval from the Board of Commissioners, the Audit Committee may engage an independent consultant or other professional advisors to assist in carrying out its functions. In addition, the Audit Committee receives and handles complaints.

Audit Committee Independence

OJK Rule No.55/POJK.04/2015 on Establishment and Code of Conduct for Audit Committees (the "OJK Audit Committee Regulation") requires the board of commissioners of a public company to establish an audit committee which is chaired by an independent commissioner. In addition, the OJK Audit Committee Regulation requires each member of such audit committee to be either an independent commissioner or external independent member, with the audit committee comprised of at least three members with at least one independent commissioner presiding over the audit committee as chairman and one external independent member and at least one member of the audit committee having expertise in accounting or finance. We also require at least one external independent member to have expert knowledge (in the context of Item 16A of Form 20-F) in the field of accounting or finance.

In order to be considered independent under the prevailing Indonesian rules, the members of the audit committee may not, among other things:

- be an insider of a public accountant firm, law firm, appraisal firm or other firm that has provided assurance, non-assurance, appraising or consultation services to us within six-month period prior to his or her appointment as an audit committee member;
- have been our executive officer within six-month period prior to his or her appointment as an audit committee member;
- be affiliated with our principal shareholder (owner of at least 20% of its share capital);
- have a family relationship (affiliated) with any member of the board of commissioners or board of directors;
- own, directly or indirectly, any of our shares; and
- have any business relationship, directly or indirectly, that relates to our businesses.

Currently, the Audit Committee consists of six members (including the chairman): (i) Bono Daru Adji (Independent Commissioner and Chairman of the Audit Committee); (ii) Bambang Permadi Soemantri Brojonegoro (Independent Commissioner), (iii) Wawan Iriawan (Independent Commissioner); (iv) Abdi Negara Nurdin (Independent Commissioner); (v) Edy Sihotang (Independent Member and Forensic Audit Expert); and (vi) Emmanuel Bambang Suyitno (Independent Member and Financial Expert).

Committee Financial Expert

See “Item 16A Audit Committee Financial Expert."

Exemption From U.S. Listing Standards For Audit Committees

See “Item 16D Exemptions from the Listing Standards for Audit Committees."

Nomination and Remuneration Committee

Our Nomination and Remuneration Committee operates under the authority of the Board of Commissioner's decree No.12/KEP/DK/2021 dated November 29, 2021, regarding the Charter of Telkom’s Nomination and Remuneration Committee.

The objective of the Nomination and Remuneration Committee is to establish, administer and enforce corporate governance principles in the process of nomination for strategic management positions and the determination of the Board of Directors remuneration. The duties of the Nomination and Remuneration Committee include the following:

- to establish our organizational structure one level below the Board of Directors, with reference to the principles of good corporate governance.
- to assist the Board of Commissioners who are engaged with the Directors in selecting candidates for strategic positions in our Company.
- to give recommendations to the Board of Commissioners to be conveyed to the holder of series A Dwiwarna shares regarding:
  - the composition of the Board of Directors.
  - candidates for the President Director and President Commissioner of all of Company's subsidiaries.
  - candidates for the Board of Directors and Board of Commissioners of our subsidiaries if the relevant subsidiary’s assets or revenues are equal or in excess of 50% of the consolidated assets or consolidated revenues of Telkom, respectively.
- provide recommendations to the Board of Commissioners to be submitted to the General Meeting of Shareholders through the holder of the series A Dwiwarna share concerning the policies, amount and / or structure for the remuneration of the Board of Directors and Board of Commissioners.
- determine remuneration of the Board of Directors and Board of Commissioners in the form of fixed salary or honorarium, allowances and facilities and variable incentives.
- review the employment contract and/or performance statement of each member of the Board of Directors.

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Currently, our Nomination and Remuneration Committee consists of six members (including the chairman and secretary): (i) Wawan Iriawan (Independent Commissioner and Chairman of the Nomination and Remuneration Committee), (ii) Rizal Malarangeng (Commissioner), (iii) Ismail (Commissioner), (iv) Marcelino Rumambo Pandin (Commissioner), (v) Arya Mahendra Sinulingga (Commissioner), and (vi) Abdi Negara Nurdin (Independent Commissioner). In the execution of their tasks, members of the Nomination and Remuneration Committee have to act independently.

D. EMPLOYEES

We manage our human resources strategically, in particular as we are moving towards more digitalization throughout the Telkom Group at a pace which has increased since the beginning of the COVID-19 outbreak. We encourage agile working, including by cross-staffing, teaming up with colleagues from different departments and functions and involving team members with different skills and expertise to work creatively on new services and product development. We are committed to offering a professional, safe and comfortable work environment that foster collaboration, efficiency and the wellbeing of our employees. We believe in an inclusive and non-discriminatory culture and workplace.

We had a total of 23,756 employees (including 20,829 permanent employees, representing 87.7% of our workforce) as of December 31, 2021, consisting of 8,789 Telkom employees (including 8,073 permanent employees) and 14,967 employees (including 12,756 permanent employees) of our subsidiaries. As of December 31, 2021, 23,490 of our employees were located in Indonesia and 266 of our employees were located overseas.

As of December 31, 2021, we had 319 senior management employees, compared with 296 senior management employees as of December 31, 2020. The total number of middle management employees decreased from 6,130 employees as of December 31, 2020 to 6,039 employees as of December 31, 2021. The number of supervisor level employees decreased from 12,480 employees as of December 31, 2020 to 12,213 employees as of December 31, 2021. Other employees decreased from 6,442 employees as of December 31, 2020 to 5,185 employees as of December 31, 2021. We did not employ a significant number of temporary employees in 2021. The following table shows our employee profile by position.

Position	**As of December 31, 2021**			
	Telkom	**Subsidiaries**	**Telkom Group**	**Percentage (%)**
Senior Management	136	183	319	1.4
Middle Management	2,988	3,051	6,039	25.4
Supervisors	4,434	7,779	12,213	51.4
Others	1,231	3,954	5,185	21.8
Total	**8,789**	**14,967**	**23,756**	**100.0**

Our employee profile based on educational background as of December 31, 2021 was dominated by university graduates which accounted for 64.9% of our total employees. This reflects our focus on recruiting highly educated candidates with the right qualifications to support our growth. The following table shows our employee profile by educational background.

Level of Education	**As of December 31, 2021**			
	Telkom	**Subsidiaries**	**Telkom Group**	**Percentage (%)**
Pre University	1,141	1,383	2,524	10.6
Diploma Graduates	666	1,985	2,651	11.2
University Graduates	5,205	10,210	15,415	64.9
Post Graduates	1,777	1,389	3,166	13.3
Total	**8,789**	**14,967**	**23,756**	**100.0**

Digital Talents

We intend to nurture best-in-class digital talents who will be able to help develop our digital capabilities and increase the widespread adoption of digitalization. To reach this goal, we have developed two main strategies.

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Our first strategy consists in developing internal digital talents and develop a digital environment and culture. Our talent development programs and also our corporate culture activation programs are designed to accelerate our transformation into a digital telecommunications company and empower our employees internally by offering training sessions and advice.

Our second strategy consists in acquiring digital capabilities from third parties and create a collaborative ecosystem through partnerships with third parties to further accelerate our transformation into a digital telecommunications company.

As at December 31, 2021, we had identified and developed 2,171 digital talents, including 1,378 talents sourced internally and 793 talents sourced externally. These digital talents participate in training and development programs and can obtain Telkom certifications delivered internally. In 2021, expenses incurred in connection with our digital training and certification programs amounted to approximately Rp109.35 billion.

Compensation and Benefits

We apply a comprehensive compensation and benefit/reward system which comprises: (i) basic allowances (monthly and non-monthly), including various allowances that may be given in case the employee is located in a disaster or conflict areas, holiday allowances, health, housing and transportation allowances, social security, and pension benefits, (ii) career and development allowances and benefits (training, coaching/mentoring, scholarships, career development opportunities), (iii) performance-based compensation such as sales and marketing incentives and other variable performance-based monetary such as bonuses. Our compensation and benefits policies are stated in a collective labor agreement (*Perjanjian Kerja Bersama*), which is reviewed every three years.

Retirement Program

The retirement age for all our employees is 56 years. We have two pension schemes: (a) Defined Benefit Pension Plan ("DBPP"), which is applicable to permanent employees who were permanent prior to July 1, 2002 (other than our Directors) and (b) Defined Contribution Pension Plan ("DCPP") which is applicable to permanent employees (other than our Directors) who were permanent on or after July 1, 2002.

a. Defined Benefit Pension Plan

DBPP is calculated for participants based on years of service, salary level at retirement and is transferable to dependent families if the respective employee passes away. Telkom Pension Fund administers the program while the main source of pension fund comes from us and employee contributions. Employees participate in the program with 18% of their basic salary (before March 2003, the employee contribution rate was 8.4%) while we contribute the remaining balance. The minimum monthly pension benefit for retired employees is approximately Rp600,000 per month, or minimum Rp450,000 per month for spouses of the retired employees. We did not make any contribution to the DBPP for 2017 and 2018. In 2021, we contributed Rp226 billion to the DBPP.

b. Defined Contribution Pension Plan

We operate a DCPP for permanent employees other than Directors who were permanent on or after July 1, 2002. DCPP is managed by several appointed financial institutions pension fund from which employees can choose. Our contribution to the financial institutions pension fund is determined by the portion taken from participating employee's basic salary, which totaled Rp55 billion, Rp41 billion and Rp44 billion, for the years ended December 31, 2019, 2020 and 2021, respectively.

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Management of Employee Relations

Pursuant to Law No. 13 of 2003 on Manpower (as amended by the Job Creation Law, the "**Manpower Law**") and Law No. 21 of 2000 on Employee Union/Labor Union, our employees established SEKAR (*Serikat Karyawan*). As of December 31, 2021, SEKAR represented a total of 6,460 employees or 64.96% of our total workforce (excluding the employees of our subsidiaries).

Pursuant to the Manpower Law and Regulation of the Minister of Manpower and No.28 of 2014 on Procedure for Drafting and Ratifying Corporate Regulation also Drafting and Registering Collective Labor Agreement, SEKAR is entitled to represent employees in the negotiation of collective labor agreements with our management. Our Company and SEKAR entered into a ninth collective labor agreement dated January 19, 2022.

The employees of Telkomsel, PT Infomedia Nusantara, Metra Digital Media and Graha Sarana Duta have also established employees' unions. Telkomsel employees' union (*Serikat Pekerja Telkomsel* or SEPAKAT) represented a total of 4,339 employees or 78.7% of Telkomsel's total employees. Infomedia Nusantara employees' union (*Serikat Pekerja Infomedia Nusantara* or SPIN) represented a total of 175 employees or 57.0% of Infomedia Nusantara's total employees as at December 31, 2021. On the other hand, Metra Digital Media and Graha Sarana Duta's employees' union (*Serikat Pekerja Metra Digital* or SPMD and *Serikat Karyawan Graha Sarana Duta* or SKATA) respectively represented a total of 114 employees 93.0% of their total number of employees) and 654 employees 85.8% of their total number of employees) of each subsidiaries total employees. Neither Telkom nor Telkom Group subsidiaries had experienced material labor action.

E. SHARE OWNERSHIP

As of March 31 2022, none of our Commissioners, Directors or senior managers beneficially owned more than 1.0% of our outstanding shares of common stock. For information regarding share ownership of our Commissioners, Directors and senior management, see Item 7 "Major Shareholders and Related Party Transactions — Major Shareholders."

Employee Stock Ownership Program

The Employee Stock Ownership Program ("ESOP") is an employee-owner scheme that provides our employee with an ownership interest in our Company. At our initial public offering on November 14, 1995, a total of 116,666,475 shares were issued to 43,218 employees. On June 14, 2013, we transferred a portion of our treasury stock to our employees as part of the 2012 annual incentives. On such date, 59,811,400 (equal to 299,057,000 shares after stock split) shares of common stock were transferred to 24,993 employees with a total fair value of Rp661 billion. As of December 31, 2021, 50,987,910 of our shares were owned by 7,743 of our employees and our retirees. From 2014 through 2021, we did not exercise any ESOP. We also provide our Commissioners (except for Independent Commissioners) and Directors with long-term incentives in the form of shares. See "— Compensation — Compensation of Commissioners and Directors."

Stock Split and Depositary Receipt Ratio

At our GMS on April 19, 2013, a stock split with a ratio of 1:5 was approved by our shareholders. New shares of common stock were deposited into shareholders accounts on September 2, 2013 as part of the stock split. In connection with our stock split, effective September 3, 2013, we changed the ratio of our ADSs from one ADS representing 40 shares of common stock, par value Rp250 per share, to one ADS representing 200 shares of common stock, par value Rp50 per share.

On October 26, 2016, we changed the ratio of our ADSs from one ADS representing 200 shares of common stock, par value Rp50 per share, to one ADS representing 100 shares of common stock, par value Rp50 per share.

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ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. MAJOR SHAREHOLDERS

Shareholder Composition

Our authorized capital consists of one Dwiwarna Share and 399,999,999,999 shares of common stock. Our authorized shares, 99,062,216,600 of which are issued and fully paid, consists of one Dwiwarna Share and 99,062,216,599 shares of common stock. The Dwiwarna Share is owned by the Government and carries special voting rights, such as the right to nominate, and to veto the appointment and removal of, any director or commissioner, the right to veto the issuance of new shares and amendments to our Articles of Association, including amendments to merge or dissolve us, to increase or decrease our authorized capital or to reduce our subscribed capital. The material rights and restrictions applicable to the common stock also apply to the Dwiwarna Share, except that the Government cannot transfer the Dwiwarna Share. The Government's ownership of the Dwiwarna Share gives it effective control over our Company even if it reduces its ownership of our common stock, and its rights with respect to the Dwiwarna Share may only be modified by an amendment of our Articles of Association, which the Government may veto.

The table below sets forth the composition of our shareholders as of March 31, 2022.

	Dwiwarna Share	Common Stock	Percentage of Ownership
Government	1	51,602,353,559	52.09
Public		47,459,863,040	47.91
Total	**1**	**99,062,216,599**	**100**

Shareholders Owning More Than 5% of Shares (Major Shareholder)

The table below sets forth the shareholding of our major shareholder which own more than 5% of our shares as of March 31, 2022.

Title of Class	Person or Group	Number of Shares	Percentage of Ownership
Dwiwarna Share	Government	1	-
Common Stock	Government	51,602,353,559	52.09

The percentage of shares held by the Government was 52.09% as of March 31, 2020, 2021 and 2022, respectively.

Shares Owned by Commissioners and Directors

The table below sets forth information regarding persons known to us to own more than 5% of each class of our shares (whether directly or beneficially through the ADSs) as of March 31, 2022. No other persons own 5% or more of our shares of common stock.

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Commissioners or Directors	Number of Shares	Percentage of Ownership
Commissioners		
-	—	—
Directors		
Ririek Adriansyah	1,156,955	<0.01
Budi Setyawan Wijaya	275,000	<0.01
Afriwandi	42,500	<0.01
Herlan Wijanarko	42,500	<0.01
Heri Supriadi	40,000	<0.01
Edi Witjara	32,500	<0.01
Total	**1,589,455**	**<0.01**

Shareholders Owning Less Than 5% of Shares

The table below sets forth the shareholding of our shareholders which owned less than 5% of our shares of common stock as of March 31, 2022.

Group	Number of Shares of Common Stock Owned	Percentage of Ownership
Foreign		
Business Entities	37,739,641,248	38.09
Individuals	20,185,800	0.02
Local		
Business Entities		
Companies	148,652,023	0.15
Mutual Funds	2,323,667,149	2.35
Insurance Companies	2,321,854,260	2.35
Pension Funds	3,981,406,900	4.02
Others Business Entities	80,675,713	0.08
Individuals	843,779,947	0.85
Total	**47,459,863,040**	**47.91**

Relationship with the Government and Government Agencies

Our relationship with the Government is multi-faceted. The Government is our majority and controlling shareholder. It is also our regulator as it adopts, administers and enforces relevant laws that regulate the telecommunications sector, sets tariffs and issues licenses. It is also one of our customers and one of our lenders.

As used in this section, the term "Government" includes the Government of Indonesia and its ministries, directly owned government departments and agencies, but excludes SOEs.

The Government as Shareholder

The Government is our majority and controlling shareholder and owned 52.09% of our issued and outstanding common stock as of March 31, 2022. Its ownership of the Dwiwarna Share gives it special voting and veto rights. Under the relevant laws, the "ownership" of our common stock and the single outstanding Dwiwarna Share is vested in the MoF. In turn, and under the authority of the MoF, the MSOE exercises the rights vested in these securities as our "controlling shareholder."

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As our majority shareholder and controlling shareholder, the Government has an interest in our performance, both in terms of the service we provide to the nation and our ability to operate on a commercial basis. The material rights and restrictions that apply to our common stock also apply to the Dwiwarna Share, except that the Government may not transfer the Dwiwarna Share, and has right of veto with regard to, among other things: (1) the nomination, appointment and removal of our Directors; (2) the nomination, appointment and removal of our Commissioners; (3) the issuance of new shares and (4) any amendments to our Articles of Association, including with respect to actions to merge or dissolve our Company, increase or reduce our authorized capital, or reduce our subscribed capital.

Accordingly, the Government effectively has control over these matters even if it owns less than a majority share of the outstanding shares of common stock. The Government's rights with respect to the Dwiwarna Share will not expire unless there is a change that requires the amendment of our Articles of Association, which would require the consent of the Government as the holder of the Dwiwarna Share.

The Government as Regulator

The Government regulates the telecommunications sector through the MoCI. The MoCI has the authority to issue regulations that implement laws, which are typically broad in scope. Through such decrees the MoCI defines the structure of the industry, determines tariff formulas, establishes our USO, and otherwise controls many factors that could influence our competitive position, operations and financial position. Through the DGPI, the MoCI regulates the allocation of frequencies and sets numbers for fixed telephone lines. We are required to obtain a license from the DGPI for each type of service offered, including licenses for the frequencies we use (as allocated by the MoCI). We and other operators are required to pay frequency usage fees. Telkomsel also holds licenses issued by the MoCI (some of which were previously issued by the Minister of Communications) for the provision of cellular services, and from the Indonesian Investment Coordinating Board in relation to Telkomsel's investments for the development of cellular phone services with national coverage, including the expansion of network coverage. The Government, through the MoCI as regulator, has the authority to issue new licenses for the establishment of new joint ventures and other new arrangements, particularly in telecommunications.

Certain licenses require us to pay a concession fee to operate. We pay concession fees for telecommunications services provided and radio frequency usage charges to the MoCI. Concession fees amounted to Rp1,837 billion in 2020 and Rp1,832 billion (US$129 million) in 2021. Concession fees as a percentage of total expenses amounted to 2.0% in 2020 and 1.9% in 2021. Radio frequency usage charges amounted to Rp5,930 billion in 2020 and Rp6,097billion (US$428 million) in 2021. Radio frequency usage charges as a percentage of total expenses amounted to 6.4% in 2020 and 6.4% in 2021. USO charges to the MoCI amounted to Rp574 billion in 2020 and Rp640 billion (US$45 million) in 2021. USO charges as a percentage of our total expenses amounted to 0.6% in 2020 and 0.7% in 2021.

The Government as Lender

In July 1994, the Government arranged a facility under which certain foreign institutions provided us with a two-step loan for certain expenditures (the "sub-loan borrowings"). The sub-loan borrowings were made through the Government and are guaranteed by it. As of December 31, 2021, we had a total of Rp355 billion (US$25 million), in such outstanding two-step loans, including current maturities. We are required to pay the Government interest and repay the principal, which the Government then remits to the respective lenders. As of December 31, 2021, 84.2% of such sub-loan borrowings were denominated in foreign currencies, with the remaining 15.8% denominated in Rupiah. In 2021, the annual interest rates charged were 7.50% on loans repayable in Rupiah, 3.85% on those denominated in U.S. Dollar and 2.95% on those denominated in Japanese Yen.

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The Government as Customer

Certain Government departments and agencies purchase services from us as direct customers, the terms of which are negotiated on a commercial basis. No services are provided for free or on an in-kind basis. We deal with these departments and agencies as separate customers. In 2021, the amount of revenues from Government departments and agencies was Rp6,094 billion, which accounted for 4.3% of our consolidated revenues and did not constitute a material part of our revenues. The Government departments and agencies are treated for tariff purposes with respect to connection charges and monthly charges as "residential", which tariffs are lower than the business service rates. This does not apply to the tariffs for local, long distance and IDD calls. In addition, we provide enterprise digital services and solutions to SOEs, including ATM switching, payment gateway and E-Commerce platform services.

It is our policy not to enter into any transactions with affiliates unless the terms are on an arm's length basis as though such transactions are made with a third party. The MSOE has advised us that it would not cause us to enter into transactions with other entities under its control unless the terms were consistent with our policy as referred to above.

Pursuant to OJK regulations, because we are listed on the IDX, any transaction where there is an inherent conflict of interest (as defined below) must be approved by a majority of the holders of our shares of common stock who do not have a conflict of interest in the proposed transaction (i.e. the independent shareholders), unless, among other things, such conflict of interest existed before listing and was fully disclosed in the offering documents.

OJK regulations define a conflict of interest as a conflict between our economic interests and the shareholders' interests on the one hand and, on the other, the personal economic interests of members of the Board of Commissioners, Board of Directors, other principal shareholders (defined as a holder of 20% or more of our shares of common stock), or the controlling person (pengendali) (defined as a person who (i) owns more than 50% of our issued and paid-up shares or (ii) has the ability to determine, directly or indirectly, in whatsoever manner, the management and/or our policy) or their affiliates, either jointly or individually, which may cause losses to us. A conflict of interest also exists if a member of the Board of Commissioners or Board of Directors or a principal shareholder or a controlling person (pengendali) or their respective affiliates is involved in a transaction in which its personal interests may be in conflict with ours and may cause losses to us. The OJK has the authority to enforce these rules regarding conflicts of interest and holders of our shares of common stock are also entitled to bring a suit to enforce these.

Under OJK regulations, transactions between us and other state-owned or state-controlled enterprises may cause a conflict of interest. In such cases, the approval of the independent shareholders must be obtained if a conflict of interest arises, unless exempted. We believe that many transactions conducted with state-owned or state-controlled enterprises are on an arms-length, commercial basis and do not constitute conflict of interest transactions that would require an independent shareholders vote. Such transactions include our sale of telephone services to state-owned or state-controlled enterprises and our purchase of electricity from an SOE. We expect that from time to time, in connection with the development and growth of our business, we would enter into joint ventures, agreements or transactions with such enterprises. Under such circumstances, we may consult with the OJK to determine whether a proposed joint venture, agreement or transaction would require a vote of independent shareholders under OJK rules. If the OJK is of the view that such transaction would not require such a vote, we would proceed without seeking the independent shareholders' approval. Otherwise, we would seek the requisite approval or abandon the proposed action.

Proportion of Common Stock Held in Indonesia and Abroad

As of March 31, 2022, we had 148,518 holders of shares of common stock (including the Government). This total includes 37,759,827,048 shares of common stock held by 2,457 holders of common stock located outside Indonesia. As of the same date, there were 74 ADS shareholders who owned 45,183,232 ADSs.

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Change in Control

As of the date of this annual report on Form 20-F, we are not aware of any plans or developments that could result in a change of control over us, including changes that are still at the planning stage. In addition, our articles of association contain certain provisions that could limit the ability of third parties to acquire control of our Company, including a provision that any takeover of our Company shall be approved in a general meeting of shareholders attended by (i) the holder of the Dwiwarna share and (ii) the shareholders (or their proxies) that represent, in aggregate, at least 75% of the total number of the shares with valid voting rights issued by our Company. Moreover, the resolution in such meeting must be approved by (i) the holder of the Dwiwarna Share and (ii) the vote of a majority of shareholders constituting, in aggregate, at least 75% of the total number of shares present (or being represented by a proxy) at the general meeting of shareholders.

B. RELATED PARTY TRANSACTIONS

We are party to certain agreements and engage in transactions with certain parties that are related to us, such as cooperatives and foundations. Such parties include the Government and entities related to or owned or controlled by the Government, such as other SOEs. For further details on our related party transactions, see Note 32 to our Consolidated Financial Statements.

C. INTEREST OF EXPERTS AND COUNSEL

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. CONSOLIDATED STATEMENTS AND OTHER FINANCIAL INFORMATION

See "Item 18. Financial Statements" for our Consolidated Financial Statements filed as part of this Form 20-F.

MATERIAL LITIGATION

In the ordinary course of business, we have been named as defendant in various legal actions in relation with land disputes, monopolistic practice and unfair business competition, and SMS cartel practices.

DIVIDEND POLICY

An AGMS has the authority to determine the amount of dividends we pay. Our dividend payout ratio for 2021 will be decided at the AGMS scheduled on May 27, 2022.

Dividend Year	Date of AGMS	Payout Ratio (%)(1)	Amount of Dividends (Rp million)	Dividend per Share After Stock Split (Rp)
2016	April 21, 2017	70.00	13,546,411 (2)	136.75
2017	April 27, 2018	75.00	16,608,751 (3)	167.66
2018	May 24, 2019	90.00	16,228,619 (4)	163.82
2019	June 19, 2019	81.78	15,262,338 (5)	154.07
2020	May 28, 2021	80.00	16,643,443 (6)	168.01

Notes:

(1) Represents the percentage of profit attributable to owners of the parent paid to shareholders in dividends.
(2) Consists of cash dividend amounting to Rp11,611,211 million and special cash dividend amounting to Rp1,935,200 million.
(3) Consists of cash dividend amounting to Rp13,286,997 million and special cash dividend amounting to Rp3,321,754 million.
(4) Consists of cash dividend amounting to Rp10,819,080 million and special cash dividend amounting to Rp5,409,540 million.
(5) Consists of cash dividend amounting to Rp11,197,606 million and special cash dividend amounting to Rp4,064,730 million.
(6) Consists of cash dividend amounting to Rp12,482,582 million and special cash dividend amounting to Rp4,160,860 million.

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TELKOMSEL DIVIDEND

Pursuant to its AGMS held on June 8, 2021, Telkomsel approved, the payment of cash dividends in the amount of Rp22,030 billion, which represented 95% of Telkomsel's net profits in 2020. We are entitled to receive 65% of any dividends approved for payment by Telkomsel by virtue of our shareholding therein.

B. SIGNIFICANT CHANGES

See Note 39 to our Consolidated Financial Statements.

ITEM 9. THE OFFER AND LISTING

A. OFFER AND LISTING DETAILS

Our common stock is listed and traded on the IDX under the symbol "TLKM." Our ADSs are listed and traded on the NYSE under the symbol "TLK" with one ADS representing 100 shares of common stock.

Our Articles of Association do not contain any limitations on the right of any person to own our Series B Shares or to exercise their right to vote. Indonesian capital market regulations do not contain any limitation on the right of any person, whether Indonesian or foreign, to own shares in a company listed on the IDX.

B. PLAN OF DISTRIBUTION

Not applicable.

C. MARKETS

Our common stock is listed and traded on the IDX. Our ADSs are listed and traded on the NYSE with one ADS representing 100 shares of common stock. See Exhibit 2.1 to this Form 20-F for a description of our ADSs.

The Indonesian Stock Market

Indonesia Stock Exchange, known as the IDX, emerged out of the December 1, 2007 merger of two stock exchanges operating in two different locations in Indonesia, namely the Jakarta Stock Exchange which was located in Jakarta, the capital city of Indonesia, and the Surabaya Stock Exchange which was located in Surabaya in East Java.

As of December 31, 2021, the IDX had 766 issuers for equity and 98 active brokerage houses. In 2021, IDX recorded a trading volume of around 5,096 billion shares. As of December 31, 2021, the total market capitalization was valued at approximately Rp8,256 trillion (approximately US$579 billion).

Trading is divided into three segments: the regular market, negotiated market and cash market (except for rights issues, which can only be traded on the cash market and the negotiated market for the first session). The regular market is the mechanism for trading stock in standard lots on a continuous auction basis during exchange hours. Auctions on the IDX on regular market and cash market take place according to the price and time priorities. Price priority refers to giving priority to buying orders at a higher price or selling orders at a lower price. If buying or selling orders are placed at the same price, priority is given to the earlier placed buying or selling order (time priority). Trading on the negotiated market is conducted through direct negotiation between (i) IDX members, (ii) clients through one IDX member, (iii) a client and an IDX member, or (iv) an IDX member and the PT Kliring Penjaminan Efek Indonesia ("KPEI"). KPEI provides clearing and guarantee services of stock exchange transactions settlement. It also improves efficiency and certainty of transactions settlement on the IDX.

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IDX Rule No. II A on Trading of Equity Securities as attached to the Decree of the Board of Directors of the IDX No. Kep-00061/BEI/07-2021 ("IDX Trading Rule") provides that, the trading sessions of the IDX is as follows:

Trading Session	Market	Day	Trading Hours
Pre-opening	Regular	Monday-Friday	08.45.00-08.59.59
1st	Regular	Monday-Friday	09.00.00-11.30.00
	Cash	Monday-Friday	09.00.00-11.30.00
	Negotiated	Monday-Friday	09.00.00-11.30.00
2nd	Regular	Monday-Friday	13.30.00-14.49.59
	Negotiated	Monday-Friday	13.30.00-15.15.00
Pre-closing	Regular	Monday-Friday	14.50.00-15.04.59
Post Trading	Regular	Monday-Friday	15.05.00-15.15.00

The IDX Trading Rule, changed the group price, tick price and maximum share price movement to the following:

Group Price	Tick Price	Maximum Share Price Movement
<Rp200	Rp1	Rp10
Rp200-<Rp500	Rp2	Rp20
Rp500-<Rp2,000	Rp5	Rp50
Rp2,000-<Rp5,000	Rp10	Rp100
≥Rp5,000	Rp25	Rp250

Transactions on the IDX regular market must be settled no later than the second trading day (T+2) after the transaction. Transactions on the negotiated market are settled on the basis of the agreement between the selling exchange members and the buying exchange members, on a transaction-by-transaction basis. Transactions on the IDX cash market must be settled on the day of the transaction (T+0) and reported to the IDX. If an exchange member defaults on the settlement of a transaction, the securities can be traded by direct negotiation on cash and carry terms. Each exchange member is required to pay a transaction fee as stipulated by the IDX. Any delay in payment of the transaction fee is subject to a fine of 1.0% of the outstanding amount of the payment for each day of delay. The IDX may impose sanctions on its members for any violation of exchange rules, which may include fines, written warnings, suspension or revocation of licenses.

When conducting share transactions on the IDX, each exchange member is required to pay a transaction cost for transactions on the regular market and cash market of 0.018% of the transaction value and VAT and other tax obligation. For the negotiated market, a transaction cost as stipulated by the IDX is applicable. A minimum monthly transaction fee of Rp20 million is applied as a contribution for the provision of exchange facilities and continues in effect for members who are suspended or whose Exchange Member Approval is revoked.

Since the global financial crisis in the last quarter of 2008, there has been typical share price movements. Hence, the IDX has applied a policy of auto rejection, a mechanism whereby share trading can be halted automatically in order to maintain orderly, fair and efficient trading.

The IDX Trading Rule also stipulates the change of auto rejection policy. The Jakarta Automated Trading System (JATS) will automatically reject price orders input into the JATS at the Regular and Cash Markets if (i) the selling or buying order is smaller than Rp50 (or Rp1 for rights and warrants); (ii) the selling or buying orders input into the JATS are more than 35% above or below the reference price for stock prices ranging from Rp50 to Rp200; (iii) the selling or buying orders input into the JATS are more than 25% above or below the reference price for stock price ranging from Rp200 to Rp5,000; and (iv) the selling or buying orders input into the JATS are more than 20% above or below the reference price for stock price that is more than Rp5,000. Auto rejection also arises when the selling offer or buying request volume reaches over 50,000 lot of equity securities or 5% of total securities listed, whichever is smaller. Stock trading as a result of initial public offering is determined one fold wider than auto rejection percentage as mentioned above.

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Amid anxiety over the spread of the novel coronavirus (COVID-19) and disagreement between Saudi Arabia and Russia relating to oil production volumes and prices, IDX has experienced a challenging first quarter of 2020. As a result, the Jakarta Composite Index ("JCI") decreased by more than 29% over the same period. On March 12, 2020, the IDX imposed an unprecedented 30-minute trading halt. A few days before the trading halt, the IDX had taken various measures in an effort to calm the markets. These measures included, among others, the following: (i) Decree No. Kep-0024/BEI/03-2020 on Changes to the Guidelines on Handling Trading Continuity on the IDX in an Emergency Situation to, among other things, relax trading halt requirements, and (ii) a new IDX Trading Rule that, among other things, sets the limits beyond which JATS will auto-reject transactions on the IDX regular and cash markets when selling offers and/or buying orders for equity securities at exceed the price limits or amounts set by the IDX. Most recently, on September 10, 2020, the IDX announced a 30-minute trading halt due to the drop of the JCI in excess of 5% due to the announcement of the re-tightening of the large scale social restriction.

Trading on the NYSE

See "Item 12. Description of Securities Other Than Equity Securities."

B. SELLING STOCKHOLDERS

Not applicable.

C. DILUTION

Not applicable.

D. EXPENSES OF THE ISSUE

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. SHARE CAPITAL

Not applicable.

B. MEMORANDUM AND ARTICLES OF ASSOCIATION

Description of Articles of Association

Our Articles of Association are registered in accordance with Law No.1 of 1995 on Limited Liability Companies, and approved by Ministerial Decree No.C2-7468.HT.01.04.Th.97 of 1997. Following the enactment of the Law No. 40 of 2007 on Limited Liability Companies (as amended by the Job Creation Law, "Indonesian Company Law") which revoked Law No.1 of 1995 on Limited Liability Companies, we amended our Articles of Association which were approved by the Ministry of Law and Human Rights of the Republic of Indonesia pursuant to the Decree of the Ministry of Justice and Human Rights No.AHU.46312.AH.01.02 of 2008 dated July 31, 2008 and registered in the State Gazette of the Republic of Indonesia No.84 dated October 17, 2008, Supplement to State Gazette No.20155.

Our Articles of Association have been amended several times, the latest amendment of which primarily related to increasing the flexibility and independence of our Board of Commissioners to approve actions of the Board of Directors that exceed certain value limits, and our need to change provisions regarding issued and paid-up capital, as well as authorized capital due to the transfer of shares through withdrawal by reducing capital. The latest amendments were accepted and approved by the Ministry of Law and Human Right in its decrees No.AHU-AH.01.03-0426883 dated July 9, 2021 and No.AHU-0038942.AH.01.02.TAHUN 2021 dated July 9, 2021.

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In accordance with Article 3 of our Articles of Association, the scope of our activities is to provide telecommunications network and telecommunications and information services, as well as to optimize our Company's resources in producing high quality and competitive products and services to enhance profitability and increase the value of our Company. In order to achieve the aforementioned objectives, we may undertake business activities that incorporate, among others, the following:

1. Main Business

   a. Planning, constructing, providing, developing, operating, marketing/selling/leasing and maintaining telecommunications and informatics networks to the widest extent in accordance with prevailing laws and regulations.

   b. Planning, developing, providing, marketing/selling and improving telecommunications and informatics networks to the widest extent in accordance with prevailing laws and regulations.

   c. Investing, including through capital participation, in other companies whose businesses align with, and in order to achieve, our purposes and objectives.

   d. Other businesses in connection with the businesses specified in 1(a) and 1(b) above, including but not limited to construction of core telecommunications infrastructures, construction of other electrical and telecommunications networks (including any related equipment), wholesale trading (for example, of office and industrial machineries), retail trading (for example, of telecommunications equipment, computers, computer equipment and accessories, video games, and office machineries), publication of directories, creation of software, production of films, private videos and television programs, activities relating to wired, wireless and satellite telecommunications, provision of premium call and short message services, provision of other value added telephony services, provision of internet services, provision of communication system services, provision of internet telephony services for public use, provision of internet interconnection services, provision of content provider services through cellular mobile networks or local fixed networks with limited mobility and other multimedia services, video game, trading applications and other computer programming activities, information security and other computer consultation and computer management services, data processing, hosting, web portals and/or digital platforms, and other information and telecommunications activities.

2. Supporting Businesses

   a. Providing payment transactions and money transferring services through telecommunications and informatics networks.

   b. Performing other activities and undertakings in connection with the optimization of our resources which include, among other things, the utilization of fixed assets and current assets, information system facilities, education and training facilities, maintenance and repair facilities.

   c. Collaborating with other parties to optimize the informatics, communication or technology resources owned by other parties as a service provider in the informatics, communication and technology industry in line with and in order to realize our purposes and objectives.

d. Other businesses in connection with the businesses specified in 2(a) and 2(b) above, including but not limited to general printing industry, construction of buildings, facilities and infrastructure, installation of facilities systems, interior decoration, wholesale trading (for example, of various printed materials and publishing, laboratory, pharmaceuticals and medical equipment), retail trading (for example, of laboratory, pharmaceuticals and medical equipment), voice recording activities, special telecommunications activities for defense and security purposes, publication of music and music books, other monetary intermediary services, transportation consultancy activities, other management consultancy activities, provision of certification services, provision of laboratory testing services, provision of technical inspection, provision of advertising services, provision of reservation services, provision of tourism information services, call center services, other business support services activities, organizing events, meetings, incentive trips, conferences and exhibitions, private tutoring and counseling, and repair and maintenance of computers and similar equipment.

On May 28 2021, our Articles of Association were amended to to adjust the provisions inside it to be in line with Financial Services Authority Regulation No.14/POJK.04/2019 concerning Amendment to the Regulation of the Financial Services Authority No.32/POJK.04/2015 concerning Increase in Capital for Public Companies by Providing Pre-emptive Rights, Regulation of the Financial Services Authority No.15/POJK.04/2020 concerning Plans and Implementation of General Meeting of Shareholders of Public Companies, Regulation No.16/POJK.04/2020 concerning Implementation of General Meeting of Shareholders of Public Companies Electronically, and to adjust the company’s business activities to the Indonesian Standard Industrial Classification of 2020.

In accordance with Indonesian Company Law, we have a Board of Commissioners and a Board of Directors. These boards are separate and no individual may be a member of both boards. Each Director receives a bonus if we surpass certain financial and operating targets, the amounts of which are determined by the shareholders at the AGMS. Each Director receives compensation, the amount of which is determined by the shareholders at the GMS, although such authority may be delegated to the Board of Commissioners, in which case compensation shall be determined based on a resolution of the Board of Commissioners.

Our Articles of Association state that any transaction involving a conflict of interest between our Company and our Directors, Commissioners and principal shareholders which may cause losses to us should be approved by a majority of the independent shareholders through a GMS.

A member of the Board of Directors shall have no right to represent our Company if such member has a conflict of interest with our Company. To take any legal actions in the form of transactions in which a conflict of interests exists between the personal economic interest of a Director, a Commissioner or a principal shareholder and our Company's economic interest, the Board of Directors must obtain the approval of a GMS. Such GMS must be attended by independent shareholders (i.e. those shareholders having no conflict of interest) who hold more than one-half of the total number of shares with valid voting rights held by all independent shareholders and the resolution must be passed by the affirmative votes of independent shareholders holding more than one-half of the total number of shares with valid voting rights. In passing any resolutions, the principal shareholders, the Directors and Commissioners who have conflicts of interests in the transaction that is being decided are not entitled to give any recommendation or opinion. Any resolution passed by independent shareholders shall be confirmed by the entire quorum of the meeting to be followed by all shareholders present in the meeting, including those having conflicts of interest.

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Our Articles of Association require our Board of Directors to obtain the written approval of our Board of Commissioners in order to, among other things:

a. disposing, transferring and/or collateralizing the assets of the Company with a value exceeding the amount stipulated by the Board of Commissioners, except for assets recorded as supplies, in accordance with applicable capital market regulations in Indonesia;

b. establishing cooperation with other business entities or parties, in the form of operational cooperation (KSO), business cooperation (KSU), licensing cooperation, Build, Operate and Transfer (BOT), Build, Transfer and Operate (BTO), Build, Operate and Own (BOO) and other agreements of similar nature for a term and value not exceeding the term and value stipulated by the Board of Commissioners;

c. selecting and changing the logo of the Company;

d. stipulating the organizational structure one level below the Board of Directors;

e. certain acts of making capital participations, divesting capital participations, as well as effecting changes to the capital structure of other companies, subsidiaries or joint venture companies, including capital participations in other companies through subsidiaries whose funding originates from the Company, in an amount stipulated by the Board of Commissioners, in accordance with applicable capital market regulations in Indonesia;

f. establishing subsidiaries and/or joint venture companies by investing an amount as stipulated by the Board of Commissioners in accordance with applicable capital market regulations in Indonesia;

g. nominating candidates to the Board of Directors or Board of Commissioners of our subsidiaries which provide a significant contribution (based on contribution to Telkom's consolidated total assets or consolidated revenue) to Telkom and/or its strategic goals, among other factors, as stipulated by our Board of Commissioners;

h. merging, consolidating, acquiring, divesting or dissolving subsidiaries and joint venture companies, such operations representing amounts not exceeding the limit stipulated by the Board of Commissioners in accordance with applicable capital market regulations in Indonesia;

i. giving a guarantee with our Company acting as guarantor (as a *borg* or *avalist* under Indonesian law) for an amount stipulated by the Board of Commissioners in accordance with applicable capital market regulations in Indonesia;

j. taking or granting medium/long-term loans in amounts stipulated by the Board of Commissioners in accordance with applicable capital markets regulations in Indonesia;

k. granting non-operational short/medium/long-term loans, excluding loans provided to subsidiaries, that are reported to the Board of Commissioners;

l. writing-off uncollectible receivables and unused inventory in an amount not exceeding the limit stipulated by the Board of Commissioners;

m. undertaking activities that are categorized as material transactions according to the prevailing laws and regulations in the capital market sector in an amount stipulated by the Board of Commissioners, unless such activities are included in the material transactions which are exempted by prevailing laws and regulations in the capital market sector; and

n. undertaking activities which are not yet stipulated in the work plan and budget of the Company.

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With regards to the matters referred to in paragraphs (a), (b), (e), (f), (g), (h), (i), (j), (k), and (l) above, the stipulation of limits or criteria by the Board of Commissioners must be approved by the Series A Dwiwarna shareholder and the approval by the Board of Commissioners will be granted after being approved by the Series A Dwiwarna shareholder. Additionally, with regards to matters referred to in paragraph (b), approval from the Board of Commissioners and/or the GMS will not be required if the relevant activity is (i) part of the main business activities of the Company or (ii) is entered into with the subsidiaries or affiliates whose financials are consolidated with the Company's financials provided that this still has to be reported to the Board of Commissioners. The nomination of candidates referred to in paragraph (g) will not require approval from the Board of Commissioners as long as such nominated candidate is also a director of the Company, provided that this is reported to the Board of Commissioners.

Actions of the Board of Directors to transfer or collateralize the assets of the Company (whether in one or a series of transactions) the value of which exceed 50% of the total net assets of our Company (based on our Consolidated Financial Statements) would require approval of an GMS, except for those that are business activities of the Company as stipulated in the Articles of Association.

The Board of Directors is responsible for leading and managing our Company in accordance with our objectives and purposes and to control, preserve and manage the assets of our Company.

Our Articles of Association do not contain any requirement for our Directors to: (i) retire by a specified age; or (ii) to own any or a specified number of shares of our Company. The rights, preferences and restrictions attaching to each class of the shares of our Company in respect of specified matters are set forth below:

a. *Dividend rights*. Dividends are to be paid based upon our financial condition and in accordance with the resolution of the shareholders in a GMS, which will also determine the form of and time of payment of the dividend;

b. *Voting rights*. The holder of each voting share is entitled to one vote at a GMS;

c. Rights to share in our Company's profits. See "— Dividend rights" above;

d. *Rights to share in any surplus in the event of liquidation*. Stockholders are entitled to surplus in the event of liquidation in accordance with their proportion of shareholding, provided the nominal value of the common stock that they hold is fully paid-up;

e. *Redemption provisions*. There are no stock redemption provisions in our Articles of Association. However, based on Article 37 of the Indonesian Company Law, we may buy back up to 10% of our issued and outstanding shares;

f. *Reserved fund provisions*. We are required to set aside retained earnings in the amount of at least 20% of our issued capital to cover potential losses. If the amount in the reserved fund exceeds 20% of our issued capital, a GMS may authorize us to utilize such excess funds for the purposes of our Company;

g. *Liability for further capital calls*. Our shareholders may be asked to subscribe for new shares in our Company from time to time. Such rights are to be offered to shareholders prior to being offered to third parties and may be transferred at the option of the shareholder. Our Board of Directors is authorized to offer the new shares to third parties in the event that an existing shareholder is unable or unwilling to subscribe for such new shares; and

h. Our Articles of Association do not contain any provisions discriminating against any existing or prospective holder of such securities because of such shareholder owning a substantial number of shares. Additionally, our Articles of Association do not provide for staggered boards, cumulative voting or sinking a fund.

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In order to change the rights of shareholders, an amendment to the relevant provisions of our Articles of Association is required. Any amendment to our Articles of Association requires the approval of the holder of the Dwiwarna Share and the other shareholders or their authorized proxies jointly representing at least two thirds of the total number of votes cast in the meeting.

Any GMS may only be convened upon the issuance of the requisite announcement by us. In addition, the Board of Directors may issue such announcement and convene an EGMS following a written request by the Board of Commissioners or one or more shareholders holding at least 10% of our shares, in aggregate. The announcement is to be published in at least one newspaper in Indonesia (in Bahasa Indonesia) having general circulation within Indonesia and on the website of our Company (in Bahasa Indonesia and/or other languages as determined by regulations) and the IDX. Such announcement of a GMS is required to be given to shareholders at least 14 days (without counting the notice date and the invitation date) prior to the invitation for the GMS. The invitation for the GMS is also required to be published in the same manner as with the announcement of the notice at least 21 days (without counting the invitation date and the meeting date) prior to the GMS. Unless otherwise specified by law or the Articles of Association, the quorum for AGMS or EGMS requires shareholders representing more than one-half of the total shares with voting rights issued by us and binding resolutions may be passed if approved by more than one-half of the shareholders attending the GMS with valid voting rights. In case the quorum is not reached, then invitation to a second meeting can be made without prior announcement that an invitation to a meeting will be made. Such invitation to the meeting is required to be served at least seven days prior to the second meeting (without counting the invitation date and the meeting date). The second meeting will be valid if attended by shareholders representing at least one-third of the total shares with valid voting rights and may pass binding resolutions if approved by more than one-half of the attended shareholders with valid voting rights. In case the quorum is not reached at the second meeting, a third meeting may be held, at our Company's request, with the quorum of attendance and voting requirements to be determined by the OJK in accordance with the provisions of the laws.

Stockholders may vote by proxy. All resolutions are to be passed by consensus and deliberation. If consensus cannot be reached, resolutions are passed by simple majority, unless a larger majority is required by our Articles of Association. Our Articles of Association do not contain any limitations on the right of any person, to own our shares or to exercise their right to vote. Indonesian capital market regulations do not contain any limitation on the right of any person, whether local or foreign, to own shares in a company listed on the IDX.

Any takeover of our Company is required to be approved by the holder of the Dwiwarna Share and a majority constituting at least three-fourths of the total number of shares at a GMS that must be attended by the holder of the Dwiwarna Share. There are no other provisions in our Articles of Association that would have the effect of delaying, deferring or preventing a change in control of our Company.

Each Director and Commissioner has an obligation to report to the OJK with regard to their ownership and any changes in their ownership of our Company, and this obligation also applies to shareholders who, directly and indirectly, have an ownership stake of 5% or more in our paid up capital. Those shareholders would also have to report to OJK changes in their ownership of or in excess of 0.5% of our paid up capital.

Differences in the law

The laws of Indonesia applicable to Indonesian limited liability companies differ from the laws applicable to U.S. corporations and their shareholders in certain respects. Set forth below is a summary of certain differences between the provisions of Indonesian laws applicable to us and the Delaware General Corporation Law relating to shareholders' rights and protections.

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This summary is not intended to be a complete discussion of the respective rights under either Delaware General Corporation law or Indonesian law.

Delaware Law	Indonesian Law
Mergers and similar arrangements	
Under the Delaware General Corporation Law, with certain exceptions, a merger, consolidation, sale, lease or transfer of all or substantially all of the assets of a corporation must be approved by the board of directors and a majority of the outstanding shares entitled to vote thereon. A shareholder of a Delaware corporation participating in certain major corporate transactions may, under certain circumstances, be entitled to appraisal rights pursuant to which such shareholder may receive cash in the amount of the fair value of the shares held by such shareholder (as determined by a court) in lieu of the consideration such shareholder would otherwise receive in the transaction. The Delaware General Corporation Law also provides that a parent corporation, by resolution of its board of directors, may merge with any subsidiary, of which it owns at least 90.0% of each class of capital stock without a vote by the shareholders of such subsidiary. Upon any such merger, dissenting shareholders of the subsidiary would have appraisal rights.	Under Law No. 40 of 2007 on Limited Liability Companies (as amended by the Job Creation Law, "Indonesian Company Law"), a merger or consolidation may only be completed if a merger/consolidation plan, containing the prescribed elements together with the draft deed of merger or draft deed of consolidation, is approved by a general meeting of shareholders of each of the companies involved. A three-quarters vote cast at the meeting is required at a general meeting of shareholders where a quorum of three-quarters of the shares with valid voting rights is present. Before the transaction is submitted for approval to the general meeting of shareholders, the directors must publish a summary of the merger/consolidation plan in one national newspaper and make an announcement in writing to the employees at least 30 days prior to "calling" the general meeting of shareholders. Shareholders who do not agree with the proposed merger or consolidation will have the right to require the company to purchase their shares at the fair market value (appraisal rights). Additional requirements are applicable for mergers or consolidations involving public companies.
Shareholder's suits	
Class actions and derivative actions generally are available to shareholders of a Delaware corporation for, among other things, breach of fiduciary duty, corporate waste and actions not taken in accordance with applicable law. In such actions, the court has discretion to permit the winning party to recover attorneys' fees incurred in connection with such action.	Under Indonesian Company Law, any shareholder has a right to file a lawsuit with the district court whose jurisdiction covers the domicile of the company if the company's actions have caused damage to the shareholder on the ground that such actions, undertaken by virtue of a GMS, board of directors or board of commissioners resolution, were unfair and with no reasonable ground. Such actions must have resulted from resolutions of a general meeting of shareholders, board of directors meetings or board of commissioners meetings. Additionally, one or more shareholders holding at least 10% of the total number of issued shares with lawful voting rights are entitled to file a lawsuit with the relevant district court on behalf of the company against the board of directors or members of the board of directors and the board of commissioners or members of the board of commissioners, whose fault or negligence caused losses to the company.

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Delaware Law	**Indonesian Law**
Shareholder vote on board and management compensation	
Under the Delaware General Corporation Law, the board of directors has the authority to fix the compensation of directors, unless otherwise restricted by the certificate of incorporation or bylaws.	Under Indonesian Company Law, the salaries and allowances of members of the board of directors are determined by the general meeting of shareholders. The general meeting of shareholders may delegate its authority to approve such salaries and allowances to the board of commissioners. The salaries and allowances of members of the board of commissioners are determined by the general meeting of shareholders. For Indonesian public companies, a remuneration and nomination committee (in practice, a committee under the board of commissioners) can assist the general meeting of shareholders in determining the amount of the remuneration of the members of the board of directors and board of commissioners. If a committee has not been formed for this purpose, the board of commissioners shall determine the remuneration of the board of directors and board of commissioners in accordance with the prevailing capital market rules. Any such amount, however, must be approved by the general meeting of shareholders.
Annual vote on board renewal	
Unless directors are elected by written consent in lieu of an annual meeting, directors are elected in an annual meeting of stockholders on a date and at a time designated by or in the manner provided in the bylaws. Re-election is possible. Classified boards are permitted.	A member of the board of directors or board of commissioners is appointed by a general meeting of shareholders for a fixed duration. If the term of office has lapsed, the relevant director or commissioner can be re-appointed at a general meeting of shareholders Specifically for public companies, directors and commissioners may not be appointed for a term of more than five years. Re-election is possible except that for an independent commissioner who has served two consecutive terms, he/she can only be reappointed if he/she submits a statement of independency to the general meeting of shareholders.

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Delaware Law	**Indonesian Law**
Indemnification of directors and executive management and limitation on liability	
The Delaware General Corporation Law provides that a certificate of incorporation may contain a provision eliminating or limiting the personal liability of directors (but not other controlling persons) of the corporation for monetary damages for breach of a fiduciary duty as a director, except no provision in the certificate of incorporation may eliminate or limit the liability of a director for: ● any breach of a director's duty of loyalty to the corporation or its shareholders; ● acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; ● statutory liability for unlawful payment of dividends or unlawful stock purchase or redemption; or ● any transaction from which the director derived an improper personal benefit. A Delaware corporation may indemnify any person who was or is a party or is threatened to be made a party to any proceeding, other than an action by or on behalf of the corporation, because the person is or was a director or officer, against liability incurred in connection with the proceeding if the director or officer acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the corporation; and the director or officer, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. Unless ordered by a court, any foregoing indemnification is subject to a determination that the director or officer has met the applicable standard of conduct: ● by a majority vote of the directors who are not parties to the proceeding, even though less than a quorum; ● by a committee of directors designated by a majority vote of the eligible directors, even though less than a quorum;	Under Indonesian Company Law, a member of the board of directors cannot be held liable for the company's losses if he/she can prove that: ● the losses were not caused by his/her own fault or negligence; ● he/she acted in good faith, prudently, and in furtherance of and in accordance with the purposes of the company; ● he/she does not have any direct or indirect conflict of interest in connection with the management action which caused the loss; and ● he/she has taken actions to prevent such losses or the continuation thereof. Under Indonesian Company Law, the term "*take actions to prevent such losses or the continuation thereof*" includes obtaining sufficient information with regard to the management action that may cause the losses, including through convening a meeting of the board of directors.

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Delaware Law	**Indonesian Law**
• by independent legal counsel in a written opinion if there are no eligible directors, or if the eligible directors so direct; or • by the shareholders. Moreover, a Delaware corporation may not indemnify a director or officer in connection with any proceeding in which the director or officer has been adjudged to be liable to the corporation unless and only to the extent that the court determines that, despite the adjudication of liability but in view of all the circumstances of the case, the director or officer is fairly and reasonably entitled to indemnity for those expenses which the court deems proper.	
Directors' fiduciary duties A director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: • the duty of care; and • the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director act in a manner he reasonably believes to be in the best interests of the corporation. He must not use his corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, a director must prove the procedural fairness of the transaction, and that the transaction was of fair value to the corporation.	Under Indonesian Company Law, the board of directors is responsible for the management of the company and must act in good faith. The board of directors must act in the best interest of the company and in accordance with the company's purposes and objectives.

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Delaware Law	Indonesian Law
Shareholder action by written consent	
A Delaware corporation may, in its certificate of incorporation, eliminate the right of shareholders to act by written consent.	Shareholders of an Indonesian limited liability company may only exercise their voting rights in a general meeting of shareholders and may not act by written consent.
Shareholder proposals	
A shareholder of a Delaware corporation has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings.	Under Indonesian Company Law, one or more shareholders holding at least 10% of the total number of issued voting shares, unless the company's articles of association call for a smaller number of voting shares, are entitled to request that a general meeting of shareholders be convened by the board of directors. If the board of directors fails to convene the general meeting of shareholders, shareholders are entitled to request the board of commissioners to convene a general meeting of shareholders. If the board of directors or the board of commissioners (as the case may be) fails to convene a general meeting of shareholders as explained above, the shareholders may file an application with the district court having jurisdiction over the domicile of the company to allow them to call and convene a general meeting of shareholders.
Cumulative voting	
Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation provides for it.	Under Indonesian Company Law, cumulative voting is not permitted for the election of directors.
Removal of directors	
A Delaware corporation with a classified board may be removed only for cause with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise.	Under Indonesian Company Law, any dismissal (with or without cause) of a member of the board of directors must be approved by a general meeting of shareholders. Such a general meeting of shareholders must be attended by the holders of more than one-half of the total number of the company's issued voting shares, and the decision must be approved by the holders of more than one-half of the total votes validly cast at the meeting.

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Delaware Law	**Indonesian Law**
Transactions with interested shareholders	
The Delaware General Corporation Law generally prohibits a Delaware corporation from engaging in certain business combinations with an "interested shareholder" for three years following the date that such person becomes an interested shareholder. An interested shareholder generally is a person or group who or which owns or owned 15.0% or more of the corporation's outstanding voting stock or who or which is an affiliate or associate of the corporation and owned 15.0% or more of the corporation's outstanding voting stock within the past three years.	For Indonesian public companies, affiliated party transaction and conflict of interest transaction rules may apply to transactions between public companies and any of their principal shareholders (where a "principal shareholder" is defined as the owner, directly or indirectly, of at least 20% of the outstanding shares in a public company) or "controlling persons" (*pengendali)* (defined as persons who (i) own more than 50% of the issued and paid-up shares in a company or (ii) have the ability to determine, directly or indirectly, in whatsoever manner, the management and/or policies of a company). Affiliated Party Transaction An affiliated party transaction is defined as any activity or transaction conducted by a public company or a controlled company: (i) with an affiliate (a category defined under Indonesian capital market rules which includes principal shareholders) of the public company or an affiliate of a member of the board of directors, the board of commissioners, a principal shareholder or a controlling person *(pengendali)* of such public company, or (ii) in the interest of an affiliate of a member of the board of directors, the board of commissioners, a principal shareholder or a controlling person *(pengendali)* of such public company. Affiliated party transactions must be, among other things, in compliance with the public company's internal policy governing related party transactions, disclosed to the public, reported to the relevant authority, and supported by a fairness opinion issued by a registered independent appraiser, unless it is an exempt transaction. Conflict of Interest Transaction A conflict of interest is defined as the difference between the economic interests of a public company and the personal economic interests of its directors, commissioners, principal shareholders or controlling persons *(pengendali)*, which may cause losses to such company. In practice, fairness opinions by a registered independent appraiser are used to assess whether a transaction may be affected by a conflict of interest. By law, OJK has discretion to determine if certain affiliated party transactions involve any conflict of interest, and would therefore require the approval of independent shareholders.

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Delaware Law	Indonesian Law
	If the transaction between the public company and a principal shareholder is deemed a conflict of interest transaction, the public company needs to, among other things, obtain the approval of its independent shareholders in a general meeting of shareholders, unless exempted. Independent shareholders are defined as shareholders having no conflict of interest in respect of the transaction, and the independent shareholders must make a declaration to that effect, and is not a member of the board of directors, a member of the board of commissioners, a principal shareholder or a controlling person *(pengendali)* (or an affiliate of the foregoing persons or entities) of such public company.
Dissolution; Winding up	
Unless the board of directors of a Delaware corporation approves the proposal to dissolve, dissolution must be approved by shareholders holding 100.0% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board.	Dissolution of a company must be approved by a general meeting of shareholders; such meeting has to be attended by shareholders holding at least three-quarters of the total number of outstanding shares in the company carrying valid voting rights. The approval must be obtained by a majority of at least three-quarters of the total votes validly cast at the meeting.
Variation of rights of shares	
A Delaware corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise.	Indonesian Company Law allows companies to issue different classes of shares. Varying rights of existing shares or issuing new classes of shares with different rights requires amending the company's articles of association. Such amendment must be approved by a general meeting of shareholders.
Amendment of governing documents	
A Delaware corporation's governing documents may be amended with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise.	To amend the articles of association of an Indonesian limited liability company, a general meeting of shareholders is required. Unless the existing articles of association stipulate a higher quorum, a general meeting of shareholders can be held if attended by shareholders representing at least two-thirds of the total issued voting shares. The general meeting of shareholders may adopt valid resolutions with affirmative votes of at least two-thirds of the total votes validly cast at the meeting. For public companies, affirmative votes representing more than two-thirds of the total votes validly cast in the meeting are required.

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Delaware Law	**Indonesian Law**
Inspection of books and records	
Shareholders of a Delaware corporation, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose and to obtain copies of list(s) of shareholders and other books and records of the corporation and its subsidiaries, if any, to the extent the books and records of such subsidiaries are available to the corporation.	Examination of documents and information pertaining to the company may be requested for the purpose of obtaining data or information if a director's or a commissioner's unlawful act is suspected to have caused losses to the company, its shareholders or third parties. An application must be made to the district court having jurisdiction over the domicile of the company. The application requesting the right to examine the company must be made in good faith and based on fair reasoning. Such application can be made by: ● one or more shareholders holding at least 10% of the total number of issued voting shares; ● any other party that, pursuant to prevailing regulations, the company's articles of association or an agreement with the company, is granted such authority to submit the request for examination; or ● the State Attorney, for public order purposes.
Payment of dividends	
The board of directors may approve a dividend without shareholder approval. Subject to any restrictions contained in its certificate of incorporation, the board may declare and pay dividends upon the shares of its capital stock either: ● out of its surplus; or ● in case there is no such surplus, out of its net profits for the fiscal year in which the dividend is declared or the preceding fiscal year. Stockholder approval is required to authorize capital stock in excess of that provided in the charter. Directors may issue authorized shares without stockholder approval.	Indonesian Company Law provides that dividends can be paid to shareholders from the company's cumulative net profits (after deductions for allocation to the reserve fund). If a loss is booked by the company in a preceding financial year and cannot be covered by the reserve fund, such loss should be carried forward and in the current financial year, the company will still be deemed to be making a loss if this carried over loss cannot be covered by the current financial year's profit. Under such circumstances, the company is not be able to distribute dividends from profits it earned in the current financial year. Before the company pays dividends, the company must reserve its profits until it reaches an amount equal to at least 20% of the company's subscribed and paid-up capital. This means that if the company already has a compulsory reserve, the rest of the accumulated net profit can be distributed as dividends. Interim dividends may also be distributed, provided that:

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Delaware Law	**Indonesian Law**
	● the company's articles of association allow it; ● the amount of the company's net profit exceeds the amount of the issued and paid-up capital plus the reserve fund; and ● the distribution of the interim dividends will neither cause the company to be unable to pay its obligations to its creditors, nor disrupt the company's operations.
Creation and issuance of new shares	
All creation of shares requires the board of directors to adopt a resolution or resolutions, pursuant to authority expressly vested in the board of directors by the provisions of the company's certificate of incorporation.	Issuance of new shares must be approved by a general meeting of shareholders (with different quorum and voting requirements applicable depending on whether the company seeks to increase its authorized capital or not). ● Issuance of new shares in an amount that is still within the company's authorized capital must be approved by a general meeting of shareholders attended by shareholders representing more than one-half of the total number of issued voting shares in the company, and the decision must be approved by shareholders representing more than one-half of the total votes validly cast at the meeting. ● Issuance of new shares in an amount that exceeds the company's authorized capital must be approved by a general meeting of shareholders attended by shareholders representing at least two-thirds of the total number of issued voting shares. The general meeting of shareholders may adopt valid resolutions with affirmative votes representing at least two-thirds of the total votes validly cast at the meeting (or more than two-thirds for public companies).

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C. MATERIAL CONTRACTS

We have not entered into any material contracts other than in the ordinary course of business within the two years preceding the date of this annual report.

D. EXCHANGE CONTROLS

See "Item 3. Key Information — Selected Financial Data — Exchange Controls" included elsewhere in this annual report on Form 20-F.

E. TAXATION

The following summary contains a description of the principal Indonesian and United States federal income tax consequences of the purchase, ownership and disposition of ADSs or shares of common stock. This summary does not purport to be a complete description of all of the tax considerations that may be relevant to a decision to acquire, own or dispose of ADSs or shares of common stock.

Investors should consult their tax advisors about the Indonesian and United States federal, state and local tax consequences to them of the acquisition, ownership and disposition of ADSs or shares of common stock.

Indonesian Taxation

The following is a summary of the principal Indonesian tax consequences of the ownership and disposition of common stock or ADSs to a non-resident individual or non-resident entity that holds common stock or ADSs (a "Non-Indonesian Holder"). A "non-resident individual" is a foreign national individual who does not reside in Indonesia and is not physically present in Indonesia for more than 183 days within a 12-month period, or an Indonesian citizen who is residing outside of Indonesia for more than 183 days within a 12-month period and fulfills certain requirements on her or his place of residency, main activities, habitual abode, tax status and/or other requirements, during which period such non-resident individual receives income in respect of the ownership or disposition of common stock or ADSs and a "non-resident entity" is a corporation or a non-corporate body that is established, domiciled or organized under the laws of a jurisdiction other than Indonesia and does not have a fixed place of business or otherwise conducts business or carries out activities through a permanent establishment in Indonesia during an Indonesian tax year in which such non-resident entity receives income in respect of the ownership or disposition of common stock or ADSs. In determining the residency of an individual or entity, consideration will be given to the provisions of any applicable double taxation treaty to which Indonesia is a party.

Dividends

Dividends declared by us out of retained earnings and distributed to a Non-Indonesian Holder in respect of common stock or ADSs are subject to Indonesian withholding tax, which, as of the date of this annual report on Form 20-F, is at the rate of 20%, on the amount of the distribution (in the case of cash dividends) or on the shareholders proportional share of the value of the distribution. A lower rate provided under double taxation treaties may be applicable, provided the recipient is able to comply with the following strict requirements:

1. If the provisions under the tax treaty is different from those under Indonesian Income Tax Law.

2. The income recipient is not an Indonesian tax resident.

3. The non-resident income recipient is an individual or an entity who is a tax resident of the country under the concerned tax treaty partner.

4. The non-resident income recipient submits a certificate of domicile that meets with the following administrative requirements and certain other requirements:

a. The administrative requirements to be fulfilled by the non-resident income recipient in order to apply the tax treaty are as follows:

1. Uses Form DGT;

2. the form must be filled in correctly, completely and clearly by the non-resident income recipient;

3. the form must be signed by the non-resident income recipient or equivalent mark/stamp as normally used in its country;

4. the form must be signed by the authorized official of the treaty country where the non-resident income recipient resides or equivalent mark/stamp as normally used;

5. there is a statement made by the non-resident income recipient stating that there is no tax treaty abuse;

6. there is a statement that the non-resident income recipient is the Beneficial Owner in case it is required by the tax treaty;

7. the form must be used for the period stated in Form DGT; and

8. the signing and marking by the competent tax authority officer must be done in Part II of Form DGT.

b. Certain other requirements are that the certificate of domicile must explain the following information:

1. There are relevant economic motives in relation to the establishment of the entity;

2. the entity has its own management to conduct business and the management has independent discretion;

3. the entity has sufficient assets to conduct business other than the assets generating income from Indonesia;

4. the entity has sufficient and qualified personnel to conduct business; and

5. the entity has business activities other than receiving dividends, interests and/or royalties from Indonesia.

5. There is no tax treaty abuse. To meet this condition, the non-resident income recipient shall comply with the requirements below:

a. If the non-resident income recipient is an individual, he or she does not act as an agent or nominee; or

b. If the non-resident income recipient is an entity, it is required to:

1. have economic substance in the establishment of the entity or the execution of the transaction;

2. have a legal form that is the same as the economic substance in the establishment of the entity or the execution of the transaction;

3. have business activities which are managed by its own management and the management has sufficient authority to carry out the transactions;

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4. have fixed assets and non-fixed assets (other than the assets generating income from Indonesia), which are adequate and sufficient to conduct business activities in that treaty partner country;

5. have sufficient employees with the expertise and certain skills in accordance with its line of business; and

6. have activities or an active business other than only receiving income in the form of dividends, interests or royalties from Indonesia.

7. there is no arrangement of transactions either directly or indirectly with the objective to obtain benefits from implementation of a tax treaty, such as:

   - reduction of tax burden; and/or

   - double non-taxation in any country or jurisdiction;

   which contradicts the purpose and objectives of the double tax avoidance agreement.

6. The non-resident income recipient is the beneficial owner of the income as required by the concerned tax treaty. The requirements for a beneficial owner are as follows:

   a. If the non-resident income recipient is an individual, he or she does not act as an agent or nominee; or

   b. If the non-resident income recipient is an entity, it should comply with the following requirements:

      1. It does not act as an agent, nominee, or conduit;

      2. It must have control in using or enjoying funds, assets, or rights that can generate income from Indonesia;

      3. No more than 50% of the total non-consolidated income is used to fulfill obligations to other parties;

      4. It bears the risks of assets, capital, and/or liabilities; and

      5. It does not have written or unwritten obligation to provide part or all of the income derived from Indonesia to another party.

Capital Gains

The sale or transfer of common stock through the IDX is subject to a final withholding tax at the rate of 0.1% of the gross value of the transaction. The broker executing the transaction is obligated to withhold such tax. The sale or transfer of founder shares through the IDX under current Indonesian tax regulations, be subject to additional income tax if the 0.5% final income tax has not been settled after the initial public offering.

Subject to the promulgation of implementing regulations, the estimated net income received or accrued from the sale of movable assets in Indonesia, which may include common stock not listed on the IDX or ADSs, by a Non-Indonesian Holder (with the exception of the sale of assets under Article 4 paragraph (2) of the Indonesian Income Tax Law) may be subject to Indonesian withholding tax at the rate of 20%.

There is no specific tax regulation on the sale of listed shares outside the IDX. If the transfer of listed shares outside the IDX by a non-resident taxpayer is considered as the transfer of unlisted shares by a non-resident taxpayer, then general tax regulation will be applied, which is, withholding tax of 5% of the sales price (or may be subject to the double taxation treaty) will be applicable.

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Under Indonesian Tax Laws, a purchaser or Indonesian broker is required to withhold tax on payment of the purchase price for common stock or ADSs through the IDX. Theoretically, that payment may be exempt from Indonesian withholding or other Indonesian income tax under applicable double taxation treaty to which Indonesia as a party (including the United States-Indonesia double taxation treaty). However, except for the sale or transfer of shares in a non-public company, the current Indonesian tax regulations do not provide specific procedures for the application of the tax treaty from the proceeds of such sale. To take advantage of the double taxation treaty relief, Non-Indonesian Holders may need to fulfill certain requirements including making a specific application accompanied by a specific form which is set by the Indonesian Tax Office as a Certificate of Residency and filled in by the recipient of the income and validated by the competent authority of the country where the recipients are resident. The original Certificate of Residency that has been validated by the competent authority must be provided to the custodian that will forward it to the withholding tax agent.

Stamp Duty

Until December 31, 2020, stock transactions in Indonesia were subject to a stamp duty in the nominal amount of Rp6,000 for transactions having a value in excess of Rp1.0 million and Rp3,000 for transactions having a value of up to Rp1.0 million. Generally, the stamp duty is due at the time the document effecting the stock transfer is executed. Such stamp duty is payable by the party that benefits from the executed document unless both parties state otherwise.

Since January 1, 2021, pursuant to Law No.10 of 2020 on Stamp Duty ("**Law No. 10/2020**"), the nominal amount of the Indonesian stamp duty is Rp10,000 for documents concerning civil matters and documents presented as evidence before a court of law. Law No.10/2020 stipulates the triggering event for each type of document (*e.g.*, for agreements, the stamp duty becomes due and payable upon signing, and for documents relating to securities transactions effected through the stock exchange, the stamp duty becomes due and payable when the documents evidencing the transfer (*e.g.*, the trade confirmation for trading of stocks listed on the IDX) are made (*e.g.*, issued by the broker)). Such stamp duty is payable by the relevant party as set out in the law. For documents relating to listed stock transactions (*i.e.*, trade confirmations), the stamp duty is payable by the recipient of the document (*i.e.*, the purchaser of the securities). For other types of commercial papers (*e.g.*, collective share certificates evidencing ownership of non-listed securities), the stamp duty is payable by the issuer of such commercial paper when the document evidencing ownership of the commercial papers are made by the issuer of the securities.

Certain Considerations Regarding U.S. Federal Income Tax

The following is a summary of certain material U.S. federal income tax considerations to U.S. Holders, as defined below, of ADSs or common stock that are held as "capital assets" (generally, property held for investment) under section 1221 of the U.S. Internal Revenue Code of 1986, as amended, (the "Code"). This summary is based upon the Code, its legislative history, final, temporary and proposed U.S. Treasury regulations promulgated thereunder, published rulings and court decisions, as well as the Convention between the Government of the United States and the Government of the Republic of Indonesia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (the "Treaty"), each as in effect on the date hereof, all of which are subject to change, or changes in interpretation, possibly with retroactive effect. In addition, this discussion is based in part upon representations of the depositary and the assumption that each obligation in the deposit agreement and any related agreements will be performed according to its terms.

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This summary does not discuss all aspects of U.S. federal income taxation which may be relevant to particular investors in light of their individual investment circumstances, including investors subject to special tax rules (including, but not limited to, a person who directly, indirectly or constructively owns 10% or more of the stock of the company, a person who acquires ADSs or common stock pursuant to the exercise of any employee share option or otherwise as compensation, banks and other financial institutions, insurance companies, broker or dealers in securities, a trader in securities who elects to use a mark-to-market method of accounting for its securities holdings, a person that may have been liable for alternative minimum tax, regulated investment companies, real estate investment trusts, partnerships and their partners, individual retirement and other tax-deferred accounts, certain former U.S. citizens or long-term residents, and tax-exempt organizations (including private foundations)), holders who are not U.S. Holders, investors that will hold ADSs or common stock as part of a straddle, hedge, conversion, constructive sale, or other integrated transaction for U.S. federal income tax purposes, investors subject to special tax accounting rules as a result of any item of gross income with respect to the ADSs or common stock being taken into account in an applicable financial statement, or investors that have a functional currency other than the U.S. Dollar, all of whom may be subject to tax rules that differ significantly from those summarized below. In addition, this summary does not address U.S. federal estate, gift or alternative minimum taxes, the U.S. federal Medicare tax on net investment income, or state, local, or non-U.S. tax considerations. Each U.S. Holder is urged to consult such holder's tax advisor regarding the U.S. federal, state, local and non-U.S. income, and other tax considerations of their investment in the ADSs or common stock.

For purposes of this summary, a "U.S. Holder" is a beneficial owner of ADSs or common stock that is, for U.S. federal income tax purposes:

(i) an individual who is a citizen or resident of the United States;

(ii) a corporation, created in, or organized under the laws of, the United States or any state thereof or the District of Columbia;

(iii) an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or

(iv) a trust (A) the administration of which is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust or (B) that has made a valid election to be treated as a U.S. person under the Code.

If a partnership (or other entity or arrangement that is treated as a partnership for U.S. tax purposes) is the beneficial owner of ADSs or common stock, the tax treatment of a partner in the partnership (or interest holder in the "tax transparent" entity) will generally depend on the status of the partner (or interest holder) and the activities of the partnership (or "tax transparent" entity). In general, for U.S. federal income tax purposes, U.S. Holders of ADSs will be treated as the beneficial owners of the underlying common stock represented by the ADSs.

Prospective purchasers should consult their own tax advisors concerning the U.S. federal, state, local, foreign and other tax consequences of acquiring, owning and disposing of ADSs or common stock, in light of their particular circumstances.

Distributions on the Common Stock or ADSs

Subject to the discussion below under "Passive Foreign Investment Company," the gross U.S. Dollar amount of any distribution of cash or property (without deduction for any tax withheld), other than certain pro rata distributions of common stock, we make on the common stock or ADSs out of our current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) will generally be includible in a U.S. Holder's gross income as ordinary dividend income when the distribution is actually or constructively received by such U.S. Holder, or by the depositary in the case of ADSs. We do not calculate earnings and profits in accordance with U.S. tax principles. Accordingly, all distributions by us to U.S. Holders will generally be treated as dividends. Any dividend will not be eligible for the dividends-received deduction generally granted to U.S. corporations in respect of dividends received from U.S. corporations. The amount of any distribution of property other than cash will be the fair market value of such property on the date of such distribution.

The U.S. Dollar amount of dividends received by certain non-corporate U.S. Holders will generally be taxable at favorable rates as opposed to being taxable at ordinary income rates if the dividends are "qualified dividends." Dividends paid on ADSs or common stocks will be treated as qualified dividends if (i) certain holding period requirements are met, (ii) either the Treaty is a qualified treaty for purposes of the "qualified dividend" rules, or the dividends are with respect to ADSs readily tradable on a U.S. securities market, and (iii) we were not, in the taxable year prior to the year in which the dividend was paid, and are not, in the year in which the dividend is paid, a "passive foreign investment company," or PFIC. The Treaty has been approved for purposes of the qualified dividend rules, and we expect to qualify for benefits under the Treaty so long as there is substantial and regular trading in our common stock on the IDX. We are considered a qualified foreign corporation with respect to the ADSs because our ADSs are listed on the New York Stock Exchange.

Based on our Consolidated Financial Statements and relevant market data, we believe that we did not satisfy the definition for PFIC status for U.S. federal income tax purposes with respect to our 2021 taxable year. In addition, based on our Consolidated Financial Statements and our current expectations regarding the value and nature of our assets, the sources and nature of our income, and relevant market data, we do not anticipate we will be a PFIC for any future taxable year. However, our status for the 2021 taxable year and future taxable years will depend on our income and assets (which for this purpose depends in part on the market value of the ADSs or common shares) in those years. See the discussion below under "Passive Foreign Investment Company."

U.S. Holders of ADSs or common stock should consult their own tax advisors regarding the availability of the reduced dividend tax rate in light of their own particular circumstances.

The amount of the dividend distribution paid in any foreign currency that a U.S. Holder must include in its income will be the U.S. Dollar value of the foreign currency payments made, determined at the spot rate on the date the dividend distribution is actually or constructively received, regardless of whether the payment is in fact converted into U.S. Dollar. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date the U.S. Holder includes the dividend payment in income to the date it converts the payment into U.S. Dollars will be treated as ordinary income or loss from U.S. sources.

Subject to certain complex limitations, including the PFIC rules discussed below, any Indonesian tax withheld from distributions to a U.S. Holder in accordance with the Treaty generally will be deductible or creditable, at such U.S. Holder's option, against such U.S. Holder's federal income tax liability. If a U.S. Holder elects to claim a deduction, rather than a foreign tax credit, for a particular taxable year, such election will apply to all foreign taxes paid or accrued by or on behalf of the U.S. Holder in the particular year. Dividends paid by us generally will constitute income from sources outside the United States for U.S. foreign tax credit limitation purposes and will be categorized as "passive category income" or, in the case of certain U.S. Holders, as "general category income" for U.S. foreign tax credit purposes.

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A U.S. Holder may not be able to claim a foreign tax credit (and instead may claim a deduction) for non-U.S. taxes imposed on dividends paid on the ADSs or common stock if such U.S. Holder (i) held the ADSs or common shares for less than a specified minimum period during which such U.S. Holder was not protected from risk of loss with respect to such shares, or (ii) is obligated to make payments related to the dividends (for example, pursuant to a short sale). The rules relating to the U.S. foreign tax credit are complex and U.S. Holders may be subject to various limitations on the amount of foreign tax credits that are available. U.S. Holders should consult their own tax advisors regarding the effect of these rules in their particular circumstances.

In the event we are required to withhold Indonesian income tax on dividends paid to U.S. Holders on the ADSs or common stock (see discussion under "Indonesian Taxation"), a U.S. Holder may be able to claim a reduced rate of Indonesian withholding tax if such U.S. Holder is eligible for benefits under the Treaty. U.S. Holders should consult their own tax advisors about the eligibility for reduction of Indonesian withholding tax.

Sale or Other Disposition of ADSs or Common Stock

Subject to the discussion below under "Passive Foreign Investment Company," upon a sale, exchange or other disposition of the ADSs or common stock, a U.S. Holder will generally recognize capital gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the U.S. Dollar value of the amount realized and the U.S. Holder's adjusted tax basis, determined in U.S. Dollar, in such ADSs or common stock. Gain or loss recognized upon the sale or other disposition of ADSs or common stock will generally be long-term capital gain or loss if the U.S. Holder's holding period for such ADSs or common stock exceeds one year. The deductibility of capital losses is subject to limitations.

A U.S. Holder that receives foreign currency from a sale or disposition of ADSs or common stock generally will realize an amount equal to the U.S. Dollar value of the foreign currency determined on (i) the date of receipt of payment in the case of a cash-basis U.S. Holder and (ii) the date of disposition in the case of an accrual-basis U.S. Holder. If our ADSs or common stock are treated as traded on an "established securities market," a cash-basis taxpayer or, if it so elects, an accrual-basis taxpayer, will determine the U.S. Dollar value of the amount realized by translating the amount received at the spot rate of exchange on the settlement date of the sale. A U.S. Holder will have a tax basis in the foreign currency received equal to the U.S. Dollar amount realized. Any currency exchange gain or loss realized on a subsequent conversion of the foreign currency into U.S. Dollars for a different amount generally will be treated as ordinary income or loss from sources within the United States. However, if such foreign currency is converted into U.S. Dollars on the date received by the U.S. Holder, a cash-basis or electing accrual-basis U.S. Holder should not recognize any gain or loss on such conversion.

Any gain or loss will generally be U.S. source gain or loss for foreign tax credit limitation purposes and as a result of the U.S. foreign tax credit limitation, foreign taxes, if any, imposed upon capital gains in respect of the ADSs or common stock may not be creditable. U.S. Holders should consult their own tax advisors regarding the tax consequences if a foreign tax is imposed on a disposition of ADSs or common stock, including the availability of a foreign tax credit or deduction in respect of any foreign tax imposed on a sale or other disposition of ADSs or common stock.

Passive Foreign Investment Company

The Code provides special, generally adverse, rules regarding certain distributions received by U.S. persons with respect to, and sales, exchanges and other dispositions, including pledges, of shares of stock of, a PFIC. In general, a foreign corporation is a PFIC for any taxable year in which, after applying relevant look-through rules with respect to the income and assets of subsidiaries:

- 75% or more of its gross income for such year consists of passive income, such as dividends, interest, rents, royalties, and gains from the sale of assets that give rise to passive income; or

- 50% or more of the average quarterly value of its gross assets during such year consists of assets that produce, or are held for the production of, passive income.

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"Passive income" for this purpose includes, for example, dividends, interest, royalties, rents and gains from commodities and securities transactions and the excess of gains over losses from the disposition of assets which produce passive income. Passive income does not include rents and royalties derived from the active conduct of a trade or business. If the stock of a non-U.S. corporation is publicly traded for the taxable year, the asset test is applied using the fair market value of the assets for purposes of measuring such corporation's assets. If we own, directly or indirectly, at least 25% (by value) of the stock of another corporation, we will be treated, for purposes of the PFIC tests, as owning our proportionate share of the other corporation's assets and receiving our proportionate share of the other corporation's income for purposes of the PFIC income and asset tests.

We do not believe we were a PFIC for prior taxable years, and based on the current and anticipated composition of our assets and income and the current expectations regarding the price of the ADSs and common stock, we do not believe that we are a PFIC for our 2021 taxable year and we do not expect to become a PFIC for future taxable years. This is a factual determination, however, that must be made annually at the end of the taxable year. Therefore, there can be no assurance that we will not be classified as a PFIC for our 2021 taxable year or for any future taxable year. Changes in the nature of our income or assets or a decrease in the trading price of the ADSs or common stock may cause us to be considered a PFIC in the current or any subsequent year.

If we were a PFIC in any taxable year that a U.S. Holder held the ADSs or common stock, such U.S. Holder generally would be subject to special rules with respect to "excess distributions" made by us on the ADSs or common stock and with respect to gain from a U.S. Holder's disposition of the ADSs or common stock. An "excess distribution" generally is defined as the excess of the distributions a U.S. Holder receives with respect to the ADSs or common stock in any taxable year, over 125% of the average annual distributions that such U.S. Holder has received from us during the shorter of the three preceding years, or such U.S. Holder’s holding period for the ADSs or common stock. Generally, a U.S. Holder would be required to allocate any excess distribution or gain from the disposition of the ADSs or common stock ratably over such U.S. Holder’s holding period for the ADSs or common stock. The portion of the excess distribution or gain allocated to a prior taxable year, other than a year prior to the first year in which we became a PFIC, would be taxed at the highest U.S. federal income tax rate on ordinary income in effect for such taxable year, and a U.S. Holder would be subject to an interest charge (at the rate generally applicable to an underpayment of tax) on the resulting tax liability, determined as if the tax liability had been due with respect to such particular taxable year. The portion of the excess distribution or gain that is not allocated to prior taxable years, together with the portion allocated to the years prior to the first year in which we became a PFIC, would be included in a U.S. Holder’s gross income for the taxable years of the excess distribution or disposition and taxed as ordinary income.

If we were a PFIC in any year during a U.S. Holder's holding period, we would generally continue to be treated as a PFIC with respect to such U.S. Holder's investment unless the U.S. Holder has made certain elections under the PFIC rules, such as a mark-to-market election or a "qualified electing fund" ("QEF") election. Prospective investors should assume, however, that a QEF election will not be available because we do not expect to provide U.S. Holders with the information needed to make such an election. U.S. Holders should consult with their own tax advisors concerning the consequences to them if we are or become a PFIC, including but not limited to any reporting requirements and the availability and applicability of any election that may be available to mitigate adverse consequences, in light of such U.S. Holders' particular circumstances.

If we were regarded as a PFIC, a U.S. Holder of ADSs or common stock generally would be required to file an information return on Internal Revenue Service ("**IRS**") Form 8621 for any year in which the U.S. Holder received a direct or indirect distribution with respect to the ADSs or common stock, recognized gain on a direct or indirect disposition of the ADSs or common stock, or made an election with respect to the ADSs or common stock, reporting distributions received and gains realized with respect to the ADSs or common stock. In addition, if we were regarded as a PFIC, a U.S. Holder would be required to file an annual information return (also on IRS Form 8621) relating to the U.S. Holder's ownership of the ADSs or common stock. This requirement would be in addition to other reporting requirements applicable to ownership in a PFIC.

The rules applicable to owning stock of a PFIC are complex. We encourage U.S. Holders to consult their own tax advisors concerning the U.S. federal income tax consequences of holding the ADSs or common stock that would arise if we were considered a PFIC.

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Backup Withholding Tax and Information Reporting Requirements

U.S. backup withholding tax and information reporting requirements generally apply to certain payments made to certain non-corporate holders of stock. Information reporting generally will apply to payments of dividends on and to proceeds from the sale or redemption of ADSs or common stock made within the United States or by a U.S. payor or U.S. middleman to a holder of ADSs or common stock (other than an "exempt recipient," including a corporation, a payee that is not a U.S. person that provides an appropriate certification, and certain other persons).

A payor will be required to withhold backup withholding tax from any payments of dividends on, or the proceeds from the sale or redemption of, ADSs or common stock within the United States or by a U.S. payor or U.S. middleman to a U.S. Holder, other than an exempt recipient, if such U.S. Holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with, or establish an exemption from, such backup withholding tax requirements. The backup withholding tax is not an additional tax and may be credited against a U.S. Holder's regular U.S. federal income tax liability or, if in excess of such liability, refunded by the IRS if a timely refund claim is filed with the IRS.

Information With Respect To Foreign Financial Assets

Certain U.S. Holders may be required to report information with respect to such holder's interest in "specified foreign financial assets" (as defined in Section 6038D of the Code), including stock of a non-U.S. corporation that is not held in an account maintained by certain financial institutions, if the aggregate value of all such assets exceeds certain dollar thresholds. Persons who are required to report specified foreign financial assets and fail to do so may be subject to substantial penalties. U.S. Holders are urged to consult their own tax advisors regarding the foreign financial asset reporting obligations and their possible application to the holding of the ADSs or common stock.

The discussion above is a general summary only. It is not intended to constitute a complete analysis of all tax considerations applicable to an investment in ADSs or common stock. Each prospective U.S. Holder should consult with such U.S. Holder’s own tax advisor concerning the tax consequences to such U.S. Holder of an investment in ADSs or common stock, in light of such U.S. Holder’s particular circumstances.

F. DIVIDENDS AND PAYING AGENTS

Not applicable.

G. STATEMENT BY EXPERTS

Not applicable.

H. DOCUMENTS ON DISPLAY

Any material which is filed as an exhibit to this annual report on Form 20-F with the U.S. Securities and Exchange Commission is available for inspection at our offices. See "Item 4. Information on the Company — History and Development of the Company — Profile of Telkom Indonesia."

I. SUBSIDIARY INFORMATION

Not applicable.

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ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

We are exposed to market risks that arise from changes in foreign exchange rates and interest rates risk, each of which will have an impact on us. We do not generally hedge our long-term liabilities in foreign currencies but hedge our obligations for the current year. As of December 31, 2021, assets in foreign currencies represented 590% of our liabilities denominated in foreign currencies. Our exposure to interest rate risk is managed through a mix of fixed and variable rate liabilities and assets, including short-term fixed rate assets. Our exposure to such market risks fluctuated during 2019, 2020 and 2021 as the Indonesian economy was affected by changes in the U.S. Dollar to Indonesian Rupiah exchange rate and interest rates themselves. We are not able to predict whether such conditions will continue during 2022 or thereafter.

Foreign Exchange Rate Risk

We are exposed to foreign exchange risk on sales, purchases and borrowings that are denominated in foreign currencies, primarily in U.S. Dollar and Japanese Yen. Our exposures to other foreign exchange rates are not material. The foreign currency exchange rate risks on our obligations are expected to be partly offset by time deposits and receivables denominated in foreign currencies, which are generally equal to at least 25% of our current foreign currency liabilities.

For the sensitivity analysis of the risk of foreign exchange rate exposure, we take into consideration the assets and liabilities with exposure to the fluctuation of exchange rates recorded in our consolidated balance sheet. This analysis considers only financial assets and financial liabilities registered in U.S. Dollar and Japanese Yen, since our exposure to exchange variations against other foreign currencies is not material.

Information on such sensitivity analysis showing the impact on our equity and profit/(loss) of hypothetical variations of the U.S. Dollar and the Japanese Yen against the Rupiah as of December 31, 2021 can be found in Note 35.b.i of our Consolidated Financial Statements. As of December 31, 2021, we estimate that 1% appreciation of the U.S. Dollar against the Rupiah and 5% appreciation of the Japanese Yen against the Rupiah would cause Rp164 billion profit (compared to Rp33 billion profit as of December 31, 2020) and Rp14 billion loss (compared to Rp21 billion loss as of December 31, 2020), respectively. Further, as of December 31, 2021, we estimate that 1% depreciation of the U.S. Dollar against the Rupiah and 5% depreciation of the Japanese Yen against the Rupiah would cause Rp164 billion loss and Rp14 billion profit, respectively. The analysis assumes that all other variables, in particular foreign currency rates, remain constant.

The below table shows a break down by main categories of financial assets and financial liabilities of our exposure to foreign currency risk as of December 31, 2021:

Foreign Exchange Risk	Outstanding Balance as of December 31, 2021		Expected Maturity Date						
	Foreign Currency (million)	Rp Equivalent (Rp billion)	2022	2023	2024	2025	2026	Thereafter	Fair Value
			(Rp billion)						
ASSETS									
Cash and Cash Equivalents									
U.S. Dollar	274	3,908	3,908	—	—	—	—	—	3,908
Japanese Yen	1	0	0	—	—	—	—	—	0
Others[1]	16	233	233	—	—	—	—	—	233
Other Current Financial Assets									
U.S. Dollar	12	165	165	—	—	—	—	—	165
Others[1]	—	—	—	—	—	—	—	—	—
Trade Receivables									
Related Parties									
U.S. Dollar	0	1	1	—	—	—	—	—	1
Others[1]	—	—	—	—	—	—	—	—	—
Third Parties									
U.S. Dollar	113	1,604	1,604	—	—	—	—	—	1,604
Others[1]	6	92	92	—	—	—	—	—	92
Contract Assets									
U.S. Dollar	34	489	489	—	—	—	—	—	489
Others[1]	—	—	—	—	—	—	—	—	—
Other Receivables									
U.S. Dollar	0	4	4	—	—	—	—	—	4
Others[1]	0	2	2	—	—	—	—	—	2

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Foreign Exchange Risk	Outstanding Balance as of December 31, 2021		Expected Maturity Date						
	Foreign Currency (million)	Rp Equivalent (Rp billion)	2022	2023	2024	2025	2026	Thereafter	Fair Value
			(Rp billion)						
Other Current Assets									
U.S. Dollar	0	4	4	—	—	—	—	—	4
Others(1)	1	9	9	—	—	—	—	—	9
Long-term Investment in Financial Instruments									
U.S. Dollar	927	13,215	13,215	—	—	—	—	—	13,215
Japanese Yen	—	—	—	—	—	—	—	—	—
Others(1)	9	133	133	—	—	—	—	—	133
Other Non-current Assets									
U.S. Dollar	3	47	47	—	—	—	—	—	47
Others(1)	1	15	15	—	—	—	—	—	15
LIABILITIES									
Trade Payables									
Related Parties									
U.S. Dollar	0	0	0	—	—	—	—	—	0
Others(1)	—	—	—	—	—	—	—	—	—
Third Parties									
U.S. Dollar	106	1,504	1,504	—	—	—	—	—	1,504
Japanese Yen	2	0	0	—	—	—	—	—	0
Others(1)	6	81	81	—	—	—	—	—	81
Other Payables									
U.S. Dollar	3	44	44	—	—	—	—	—	44
Others(1)	2	22	22	—	—	—	—	—	22
Accrued Expenses									
U.S. Dollar	47	673	673	—	—	—	—	—	673
Japanese Yen	8	1	1	—	—	—	—	—	1
Others(1)	2	29	29	—	—	—	—	—	29
Advances from Customers									
U.S. Dollar	0	2	2	—	—	—	—	—	2
Others(1)	1	10	10	—	—	—	—	—	10
Short-term Bank Loans									
U.S. Dollar	—	—	—	—	—	—	—	—	—
Current Maturities of Long-term Liabilities									
U.S. Dollar	17	245	245	—	—	—	—	—	245
Japanese Yen	768	95	95	—	—	—	—	—	95
Others(1)	4	62	62	—	—	—	—	—	62
Other Liabilities									
U.S. Dollar	0	4	4	—	—	—	—	—	4
Others(1)	—	—	—	—	—	—	—	—	—
Long-term Liabilities(2)									
U.S. Dollar	37	529	—	221	147	52	109	—	529
Japanese Yen	1,536	190	—	105	85	—	—	—	190
Others(1)	35	492	—	53	53	53	53	280	492

Notes:
(1) Assets and liabilities denominated in other foreign currencies are presented as U.S. Dollar equivalent using the Reuters bid and offer rates prevailing at the end of the reporting period.
(2) Long-term liabilities for the purpose of this table consist of loans denominated in foreign currencies from two-step loans and long-term bank loans.

Interest Rate Risk

Our exposure to interest rate fluctuations results primarily from changes to the floating rate applied for long-term debt. Borrowings at variable interest rates expose our Company and our subsidiaries to interest rate risk. In order to reduce our exposure to interest rate fluctuations, we aim to balance the share of our fixed rate loans and floating rate loans in our bank borrowings. We try to achieve this where there are opportunities to increase the share of fixed-rate loans in our overall loan portfolio in light of prevailing interest rates available in the market at any given time and based on market and our expectations as to future floating and fixed interest rates. As of December 31, 2021, approximately 63.6% (based on the aggregate then outstanding principal) of our total bank borrowings were floating-rate loans. To measure market risk fluctuations in interest rates, our Company and our subsidiaries primarily use the interest margin and maturity profile of the financial assets and liabilities based on the changing schedule of the interest rate.

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In this annual report on Form 20-F, we chose to provide investors with the results of a sensitivity analysis related to our interest rate risk sensitive instruments as opposed to the tabular presentation of information related to interest rate risk sensitive instruments we disclosed in previous annual reports on Form 20-F. We believe such presentation, together with comparable information for the financial year ended December 31, 2021, makes it easier to understand the impact of variations in interest rates on our Company's financial performance and financial position as we use selected hypothetical changes in interest rates to illustrate such impact. We also believe this type of sensitivity analysis provides useful information and is widely used by investors for measuring the impact of such variations on interest rate risk sensitive instruments held by issuers.

As of December 31, 2021, we estimate that a decrease by 25 basis points in the interest rates of our variable rate borrowings would have increased our equity and profit or loss by Rp109 billion (compared with a Rp99 billion increase as of December 31, 2020); a similar increase by 25 basis points in the interest rates of our variable rate borrowings would have decreased our equity and profit or loss by Rp109 billion (compared with a Rp99 billion decrease as of December 31, 2020). The analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Credit Risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial obligations to us in accordance with the terms and conditions of the contract as and when they fall due. Credit risk arises mainly from trade receivables from the sales of products and services. Our management has a credit policy in place to monitor credit risk on an ongoing basis. As of December 31, 2021, there were no significant concentrations of credit risk. Since early 2020, due to the COVID-19 outbreak, some of our certain customers particularly in the Enterprise segment have been facing business and financial difficulties. We have increased the monitoring of our customers' accounts and the balance of our receivables. We have agreement to postpone payments of fees due for certain of our enterprise customers in consideration of our pre-existing business relationship with them and in light of current circumstances and hardship. In an effort to attenuate such counterparty risk, since early 2020 we have asked our individual customers to make a one-month deposit based on their standard subscription fee that can be used to offset any fee amount accrued and unpaid. As of December 31, 2021, customers' default on fee payments had not significantly increased compared to the preceding financial year. For additional information on the maximum exposure to credit risk of our financial assets as of December 31, 2021, please refer to Note 35.b.iv to our Consolidated Financial Statements.

Foreign Exchange Rate Risk

We classify our financial assets as at amortized cost, at Fair Value through Profit or Loss ("FVTPL") and Fair Value through Other Comprehensive Income ("FVTOCI"). We are exposed to changes in debt and equity market prices related to financial assets measured at FVTPL carried at fair value. Gains arising from changes in the fair value of financial assets measured at FVTPL are recognized in our consolidated statements of profit or loss and other comprehensive income. We monitor periodically the performance of our financial assets measured at FVTPL, and we regularly assess their relevance to our long-term strategic plans.

As of December 31, 2021, our management considered the price risk for our financial assets measured at FVTPL to be immaterial in terms of the possible impact on profit or loss and total equity from a reasonably possible change in fair value.

Liquidity Risk

Liquidity risk arises in situations where we experience difficulties in fulfilling our financial obligations when they become due. Prudent liquidity risk management implies maintaining sufficient cash in order to meet our financial obligations. We regularly monitor our financial position ratios, such as liquidity ratios and debt-to-equity ratios, and our ability to comply with applicable covenant in our financial agreements. For additional information on our exposure to liquidity risk, please refer to Note 35.b.v to our Consolidated Financial Statements.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

American Depositary Shares

Bank of New York Mellon Corporation (previously "The Bank of New York") serves as the "Depositary" for our ADSs, which are traded on the NYSE. See Exhibit 2.1 to this Form 20-F for a description of our ADSs.

Investors pay a depositary fee directly, or through a broker acting on their behalf, for the delivery or surrender of ADSs for the purpose of withdrawal. The Depositary also collects fees for making distributions to investors by deducting the fee from the amount distributed or by selling a portion of the distributable property to pay the fee. The Depositary may collect its annual fee for depositary services by making a deduction from the cash distributions or by directly billing investors or charging the book-entry system accounts of the parties acting on their behalf. The Depositary may refuse to provide fee-generating services until its bills for such services are paid.

Deposit, Withdrawal and Cancellation

Shares or evidence of the right to receive shares may be deposited by delivery to the custodian, accompanied by the required documentation and certification and, if the Depositary requires, together with a written order directing the Depositary to execute and deliver to, or upon the written order of, the person or persons stated in such order, an ADR or ADRs for the number of ADS representing such deposit. The deposited securities, which shall consist of the deposited shares and any and all other securities, property and cash deposited with the Depositary or the custodian (the "Deposited Securities") shall be held by the Depositary or by a custodian for the account and to the order of the Depositary or at such other place or places as the Depositary shall determine.

Upon receipt by the custodian of any deposit, together with the other documents required, the custodian shall notify the Depositary and the person or persons to whom or upon whose written order an ADR or ADRs are deliverable. Upon receiving such notice from the custodian, or upon the receipt of shares by the Depositary, and upon the receipt of the payment of applicable fees, taxes and charges, the Depositary will execute and deliver to or upon the order of the person or persons entitled to the ADRs the appropriate number of ADRs registered in the name or names and evidencing any authorized number of ADS requested by such person.

Holders of ADRs may surrender their ADRs at the Depositary's corporate trust office. Upon such surrender and the payment of applicable fees, taxes and charges, the Depositary shall deliver to such holders or upon their order the amount of Deposited Securities at the time represented by the ADS evidenced by the ADR. Delivery of such Deposited Securities may be made by the delivery of (a) certificates in the name of such person in whose name an ADR is registered (an "ADR Holder") or as ordered by him or certificates properly endorsed or accompanied by proper instruments of transfer to such owner or as ordered by him and (b) any other securities, property and cash to which such owner is then entitled in respect of such ADRs. The Deposited Securities are to be delivered at the corporate trust office of the Depositary, if feasible.

Rights of the ADR Holders to Inspect the Books of the Depositary and the List of ADR Holders

The Depositary will make available for inspection by ADR Holders the books for the registration and transfers of ADRs at its corporate trust office, provided that such inspection shall not be for the purpose of communicating with the ADR Holders in the interest of a business or object other than our business or a matter related to the Deposit Agreement or the ADRs.

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Voting Rights

Upon receipt of notice of any meeting of shareholders or other Deposited Securities, the Depositary shall provide ADR Holders with a notice of such meeting. Such notice shall contain the same information as is contained in such notice of meeting and a statement that the ADR Holders as of the close of business on a specified record date will be entitled to instruct the Depositary as to the exercise of the voting rights, if any, pertaining to the amount of shares represented by their respective ADSs and a statement as to the manner in which such instructions may be given. Upon the ADR Holder's request on such record date, received on or before the date specified by the Depositary, the Depositary shall endeavor, in so far as practicable, to vote or cause to be voted the amount of shares or other Deposited Securities represented by the ADS evidenced by such ADR in accordance with the ADR Holder's instructions.

If no such instructions are received by the Depositary on or before the date specified by the Depositary, the Depositary shall deem that such holder of ADRs has instructed the Depositary to give a discretionary proxy to a person designated by us with respect to such Deposited Securities and, if and to the extent permitted under Indonesian laws and our Articles of Association, the Depositary shall give a direction proxy to a person designated by us to vote such Deposited Securities, except where we have informed the Depositary that we do not wish such proxy to be given or that such matter materially and adversely affects the rights of the holders of the shares.

Dividends and Other Distributions

An ADR Holder generally has the right to receive the distributions we make on the Deposited Securities. Such ADR Holder's receipt of these distributions may be limited, however, by practical considerations and legal limitations. ADR Holders will receive such distributions under the terms of the Deposit Agreement in proportion to the number of ADSs held as of a specified record date, after deduction the applicable fees, taxes and expenses.

Cash Distributions

Whenever the Depositary receives any cash dividend or other cash distribution on any Deposited Securities, the Depositary shall convert such dividend or distribution into U.S. Dollars and distribute the amount so receive to the entitled ADR Holders in proportion to the number of ADS representing such Deposited Securities held by them. Where we are or the Depositary is required to withhold from such cash dividend or such other cash distribution an amount on account of taxes or other governmental charges, and such amount is so withheld, the amount distributed to the relevant ADR Holders shall be reduced accordingly.

Distributions of Shares

When a distribution upon any Deposited Securities consists of a dividend in, or free distribution of, shares, the Depositary may distribute to the entitled ADR Holders, in proportion to the number of ADS representing such Deposited Securities held by them respectively, additional ADRs evidencing an aggregate number of ADS representing the amount of shares received as dividend or free distribution, subject to the terms and conditions of the Deposit Agreement and the withholding or any tax or other governmental charge. If we have not provided satisfactory assurances that such distribution would not require registration under the United States Securities Act of 1933, as amended (the "Securities Act") or is exempt from registration under the Securities Act, the Depositary may withhold the distribution of ADRs.

In lieu of delivering receipts for fractional ADS, the Depositary shall sell the amount of share represented by the aggregate of such fractions and distribute the net proceeds as in the case of a cash distribution.

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Distributions of Rights

In the event that we offer or cause to be offered to the holders of any Deposited Securities, any rights to subscribe for additional shares or any rights of any other nature, the Depositary, after having consulted with us, shall have discretion as to the procedure to be followed in making such rights available to any ADR Holders or in disposing of such rights on behalf of any ADR Holders. If, by the terms of such rights offering or for any other reason, the Depositary may not either make such rights available to any ADR Holders, or dispose of such rights and make the net proceeds available to such ADR Holders in U.S. Dollar, the Depositary shall allow the rights to lapse.

If at the time of the offering of any rights the Depositary determines in its discretion that it is lawful and feasible to make such rights available to all or certain ADR Holders but not to other ADR Holders, the Depositary may, after consultation with us, distribute to any ADR Holder to whom it determines the distribution to be lawful and feasible, in proportion to the number of ADS held by such ADR Holder, warrants or other instruments in such form as it deems appropriate.

In circumstances in which rights would otherwise not be distributed, if an ADR Holder requests the distribution of warrants or other instruments in order to exercise the rights allocable to the ADS of such ADR Holder, the Depositary will make such rights available to such ADR Holder upon written notice from us to the Depositary. ADRs so distributed shall be legend in accordance with applicable U.S. laws and all be subject to the appropriate restrictions on sale, deposit, cancellation, and transfer under such laws.

If the Depositary has distributed warrants or other instruments for rights to all or certain ADR Holders, upon instruction from such ADR Holder pursuant to such warrants or other instruments to the Depositary to exercise such rights, upon payment by such ADR Holder to the Depositary for the account of such ADR Holder of an amount equal to the purchase price of the shares to be received upon the exercise of the rights, and upon payment of the fees of the Depositary and any other applicable charges, the Depositary shall, on behalf of such ADR Holder, exercise such rights and purchase the shares. The shares will then be deposited and the Depositary shall execute and deliver the ADRs to the ADR Holder.

If the Depositary determines that it is not lawful and feasible to make such right available to all or certain ADR Holders, it may sell the rights, warrants or other instruments in proportion to the number of ADS held by the ADR Holders to whom it has determined may not lawfully or feasibly make such rights available, and allocate the net proceeds of such sales (net of the fees of the Depositary and all taxes and governmental charges), upon averaged or other practical basis without regard to any distinctions among such ADR Holders because of exchange restrictions or the date of deliver of any ADR or otherwise and distribute the net proceeds to the extent possible as in the case of a cash distribution.

The Depositary will not offer rights to ADR Holders having an address in the United States unless both the rights and the securities to which such rights relate are either exempt from registration under the Securities Act with respect to a distribution to all ADR Holders or are registered under the Securities Act.

Distributions Other than Cash, Shares or Rights

When the Depositary receives distributions other than cash, shares or rights, the Depositary shall cause the securities or property received by it to be distributed to the ADR Holders entitled thereto, after reduction or upon payment of any applicable fees, expense, taxes or other charges, in proportion to the number of ADS representing such Deposited Securities held by them respectively; provided, however, that if in the opinion of the Depositary such distribution cannot be made proportionately among the entitled ADR Holders, or if for any other reason, the Depositary deems such distribution not to be feasible, the Depositary may adopt such method as it may deem equitable and practicable for the purpose of effecting such distribution, including, but not limited to the public or private sale of the securities or property thus received, or any part thereof, and the net proceeds of such sales (net of the fees) shall be distributed by the Depositary to the entitled ADR Holders as in the case of a cash distribution.

Procedures for Transmitting Notices, Reports and Proxy Soliciting Material

We shall provide to the Depositary and the custodian, on or before the first date on which we give notice of any meeting of shareholders or other Deposited Securities, or of any adjourned meeting of such holders, or of the taking of any action in respect of any cash of other distributions or the offering of any rights, a copy of such notice and a translation of such notice and any other reports and communications which are generally made available by us to the holders of our shares. The Depositary will arrange for the mailing of copies of such notices, reports and communications to all ADR Holders at our request.

Reclassification, Recapitalization and Mergers

In circumstances not considered to be distribution of shares, upon any change in nominal value, change in par value, split-up, consolidation, or any other reclassification of the Deposited Securities, or upon any recapitalization, reorganization, merger or consolidation, or sale of assets affecting us or to which we are a party, any securities which shall be received by the Depositary or a custodian in exchange for or in conversion of or in respect of the Deposited Securities shall be treated as new Deposited Securities under the Deposit Agreement, and the ADS shall represent, in addition to the existing Deposited Securities, the right to receive the new Deposited Securities received in exchange for conversion. The Depositary may also or, if requested by us, shall execute and deliver additional receipts as in the case of a dividend in shares, or call for the surrender of outstanding ADRs to be exchanged for new ADRs specifically describing such new Deposited Securities.

If the Depositary determines that any such adjustment, delivery or exchange is not lawful or practicable, the Depositary may sell such securities or property at a public or private sale and distribute the net proceeds to the entitled ADR Holders as in the case of a cash distribution.

Depository Payments

We entered into a new agreement with the Depositary in 2016 pursuant to which the Depositary agreed to reimburse us up to US$1.0 million in 2016 and up to US$850,000 in each of the subsequent six years for certain expenses we incur in relation to the administration and maintenance of the ADS facility, including, but not limited to, investor relations expenses, legal fees and disbursements and other ADS program-related expenses. The reimbursement will be adjusted if the Depositary's collection of dividend fees and the number of ADSs outstanding falls below a stipulated minimum.

The Depositary did not waive, or pay directly to third parties on our behalf, any expenses relating to the year ended December 31, 2021.

Payment of Taxes

ADR Holders are responsible for any taxes or other governmental charges payable on their ADSs or on the deposited securities represented by any of their ADSs. The Depositary may refuse to register any transfer of the ADR Holders' ADRs or allow such ADR Holders to withdraw the Deposited Securities represented by their respective ADRs until such taxes or other charges are paid and may withhold any dividends or other distributions. It may apply payments owed to the ADR Holders or sell Deposited Securities represented by such ADR Holders' ADRs to pay any taxes owed and such ADR Holders will remain liable for any deficiency.

Costs Related to ADS Issue and Handling

Shareholders depositing or withdrawing ordinary shares or ADS must pay:	For:
US$5 (or less) per 100 ADS (or part of 100 ADS).	Issuance of ADSs, including issuance resulting from a distribution of shares or rights or other property. Cancellation of ADSs for the purpose of withdrawal, including in case of termination of the Deposit Agreement.
US$0.02 (or less) per ADS.	Any cash payment to registered ADS shareholders.
Up to US$0.05 per ADS.	Receiving or distributing dividends.
A fee equivalent to the fee payable if the securities distributed to shareholders had been shares and those shares had been deposited for the issuance of ADS.	Delivery of securities by the Depositary to registered ADS shareholders.
US$0.02 (or less) per ADS per calendar year.	Depositary services.
Registration or transfer fees.	Transfer or registration of shares on the share register to or from the name of the Depositary or its agent when shareholders deposit or withdraw ordinary shares.
Depositary fees.	Telegram, telex and fax transmissions (if provided for in the Deposit Agreement). Converting foreign currency to U.S. Dollar.
Taxes and other duties levied by the Government, the Depositary or the custodian upon payment of the ADSs or other shares underlying the ADSs, such as share transfer tax, stamp duty or income tax.	As necessary.
Any costs incurred by the Depositary or its agent for servicing the securities deposited.	As necessary.

Amendment

We may agree with the Depositary to amend the Deposit Agreement and the ADRs without the consent of ADR Holders. Any amendment which shall add or increase fees or charges (except for taxes and other governmental charges or registration fees, cable, telex or facsimile transmission costs, delivery charges or similar items), or which shall prejudice a substantial existing right of ADR Holders, shall, however, not become effective as to outstanding ADRs until thirty (30) days after the Depositary notifies ADR Holders of such amendment. Every ADR Holder at the time any amendment so becomes effective shall be deemed, by continuing to hold such ADRs, to consent and agree to such amendment and to be bound by the ADRs and the Deposit Agreement as amended thereby.

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Restrictions on the Right to Transfer or Withdraw the Underlying Securities/Limitations on Execution and Delivery, Transfer and Surrender of ADRs

As a condition precedent to any execution and delivery, registration of transfer, split-up, combination or surrender of any ADR or withdrawal of any Deposited Securities, the Depositary, custodian, registrar or we may require payment by the presentor of the ADRs of a sum sufficient to reimburse any of them for any applicable taxes or governmental charges, fees and expenses and the production of proof satisfactory to it as to the identity and genuineness of any signature and may also require compliance with such regulations, if any, as we or the Depositary may establish consistent with the provisions of the Deposit Agreement.

During the period when the transfer books of the Depositary are closed or when we or the Depositary deem necessary and advisable or to comply with a requirement of law or any government or governmental body or commission, or for any other reason, the delivery of ADRs may be suspended, the transfer of ADRs in certain instance may be refused, or the registration of transfer of outstanding ADRs generally may be suspended, subject to certain exceptions.

Without limitation of the foregoing, the Depositary will not knowingly accept for deposit under the Deposit Agreement any shares required to be registered under the provisions of the Securities Act, unless a registration statement is in effect as to such shares.

Prior to delivery, transfer or surrender of ADRs or withdrawal of shares or other Deposited Securities, an indemnity bond may be required if the Depositary deems that fees, taxes or other charges will be payable following such transactions.

Limitations on Obligations and Liability

The Deposit Agreement expressly limits our obligations and liability and the obligations and liability of the Depositary. We and the Depositary are only obligated to take the actions in good faith and without being negligent as specifically set forth in the Deposit Agreement.

Neither we nor the Depositary have any obligation to become involved in a lawsuit or other proceeding related to the ADRs or the Deposit Agreement on behalf of ADR Holders or on behalf of any other person unless we or the Depositary, as applicable, have been provided with satisfactory indemnity against all expense and liabilities.

Neither we nor the Depositary shall be liable for any of our or the Depositary's action or non-action in reliance on the advice or information from legal counsel, accountants, any person presenting shares for deposit, any ADR Holder or any other person we or the Depositary believed in good faith to be competent to give such advice or information.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

There are no defaults, dividend arrearages and delinquencies to which this Item applies.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Not applicable.

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ITEM 15. CONTROLS AND PROCEDURES

A. DISCLOSURE CONTROLS AND PROCEDURES

Our management, with the participation of our chief executive officer and chief financial officer, has performed an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Exchange Act) as of December 31, 2021, as required by Rule 13a-15(b) under the Exchange Act.

Our management has concluded that, as of December 31, 2021, our disclosure controls and procedures were effective. Controls and procedures conducted by management include controls and procedures that are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

B. MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). The internal control over financial reporting is a process designed by, or under the supervision of, the CEO and CFO, and executed by the Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS as issued by the IASB, and includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of our Company (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with IFRS as issued by the IASB, and that receipts and expenditures of our Company are being made only in accordance with authorizations of our management and Board of Directors, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our Company's assets that could have a material effect on the Consolidated Financial Statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has assessed the effectiveness of our internal control over financial reporting as of December 31, 2021. In making this assessment, management used the criteria set forth in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") (2013 framework). Based on this assessment, management concluded that as of December 31, 2021, our internal control over financial reporting was effective.

C. ATTESTATION REPORT OF THE REGISTERED PUBLIC ACCOUNTING FIRM

The effectiveness of our internal control over financial reporting as of December 31, 2021 has been audited by KAP Purwantono, Sungkoro & Surja, an independent registered public accounting firm, as stated in their report which is included in the Consolidated Financial Statements.

D. CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There have been no significant changes in our internal control over financial reporting during the most recently completed fiscal year that would materially affect or are reasonably likely to materially affect, our internal control over financial reporting.

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We are committed to continual improvements in internal control processes, and will continue to review and monitor the control over financial reporting and its procedures in order to ensure compliance with the requirements of the Sarbanes-Oxley Act of 2002 and related regulations as stipulated by COSO. We will also continue to assign significant company resources from time to time to improve our internal control over financial reporting.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

In August 2, 2021, the Board of Commissioners determined that Mr. Emmanuel Bambang Suyitno, a member of the Audit Committee, qualifies as an Audit Committee Financial Expert in accordance with the requirements of Item 16A of Form 20-F and as an "independent" member in accordance with the provisions of Rule 10A-3 under the Exchange Act. Mr. Suyitno has been a member of our Audit Committee since September 1, 2020. Previously Mr. Suyitno served as a member of the Corporate Secretary Division of PT PP Presisi Tbk (2017-2020), Senior Vice President – Head of Investor Relations, Corporate Finance, MIS & Audit of Lucky Group of Indonesia (2016-2017), and as Audit Committee Member of PT Danareksa (Persero) (2014-2016). Mr. Suyitno is Chartered of Accountant and Indonesia Registered Accountant by Ministry of Finance of the Republic of Indonesia. He also hold on Certification in Audit Committee Practices (CACP).

ITEM 16B. CODE OF ETHICS

In compliance with Section 406 of the Sarbanes-Oxley Act of 2002, our code of ethics applies equally to our Commissioners, our President Director and our Director of Finance (positions equivalent to Chief Executive Officer and Chief Financial Officer, respectively), Directors and other key officers as well as all of our employees. You may view our code of ethics on our website at *https://www.telkom.co.id/sites/about-telkom/en_US/page/code-of-ethics-and-corporate-culture-80.* Amendments to or waivers from the code of ethics will be posted on our website as well. Information contained on that website is not a part of this annual report on Form 20-F. Copies of our code of ethics may also be obtained at no charge by writing to our Investor Relations Unit at Telkom Landmark Tower, 39th Floor, Jl. Gatot Subroto No.52, Jakarta 12710, Indonesia.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

In line with existing procedures and taking into consideration the independence and qualifications of independent auditors, at our AGMS on May 28, 2021, we appointed KAP Purwantono, Sungkoro & Surja (formerly Purwantono, Suherman & Surja) (a member firm of Ernst & Young Global Limited), a registered KAP with the OJK, to perform the audit on our Consolidated Financial Statements for the year ended December 31, 2021 and on the effectiveness of internal control over financial reporting as of December 31, 2021. The fee for the audit for 2021 was agreed at Rp70,590 billion (excluding VAT).

KAP Purwantono, Sungkoro & Surja has been our public accountant since 2012.

KAP Purwantono, Sungkoro & Surja is also assigned to perform an audit of funds utilization of the Partnership and Community Development Program ("PKBL") for 2021.

FEES AND SERVICES OF THE EXTERNAL AUDITOR

The following table summarizes the fees for audit services in 2019, 2020 and 2021:

	For Years Ended on December 31,		
	2019	2020	2021
	(Rp million)	(Rp million)	(Rp million)
Audit Fee	57,055	63,461	59,050
All Other Fees	2,055	1,925	11,540

AUDIT COMMITTEE PRE-APPROVAL POLICIES AND PROCEDURES

We have adopted pre-approval policies and procedures under which all non-audit services provided by our independent registered public accounting firm must be pre-approved by our Audit Committee, as set forth in the Audit Committee Charter. Pursuant to the charter, permissible non-audit services may be performed by our independent registered public accounting firm provided that: (i) our Board of Directors must deliver to the Audit Committee (through the Board of Commissioners) a detailed description of the non-audit service that is to be performed by the independent public accounting firm, and (ii) the Audit Committee will determine whether the proposed non-audit service will affect the independence of our independent public accounting firm or would give rise to any conflict of interest.

Pursuant to Section 10(i)(1)(B) of the Exchange Act and paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X issued there under, our Audit Committee Charter waives the pre-approval requirement for permissible non-audit services where: (i) the aggregate amount of the fees for such non-audit services constitutes no more than 5% of the total amount of fees paid by us to our independent registered public accounting firm during the year in which the services are provided; or (ii) the proposed services are not regarded as non-audit services at the time the contract to perform the engagement is signed. In addition to these two requirements, the performance of non-audit services must be approved prior to the completion of the audit by a member of the Audit Committee who has been delegated pre-approval authority by the full Audit Committee, or by the full Audit Committee itself.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

The NYSE listing standards require that a United States listed company must have an audit committee, a nominating/corporate governance committee and a compensation committee. Each of these committees must consist solely of independent directors and must have a written charter that addresses certain matters specified in the listing standards.

The Indonesian Company Law does not require Indonesian public companies to form any of the committees described in the NYSE listing standards. However, the OJK Audit Committee Regulation requires the board of commissioners of a public company to establish an audit committee which is chaired by an independent commissioner. In addition, the OJK Audit Committee Regulation requires each member of such audit committee to be either an independent commissioner or external independent member, with the audit committee comprised of at least three members with at least one independent commissioner and one external independent member and at least one member of the audit committee having expertise in accounting or finance.

The NYSE listing standards, as required by Rule 10A-3(c)(3) of the Exchange Act require foreign private issuers whose shares are listed on the NYSE to have an audit committee comprised of independent directors. However, such foreign private issuers may be exempted from the independence requirement if: (i) the home country government or stock exchange requires the company to have an audit committee; (ii) the audit committee is separate from the board of directors and includes non-board members as in our case, members from the Board of Commissioners; (iii) the audit committee members are not selected by management and no executive officer of the company is a member of the audit committee; (iv) the home country government or stock exchange requires the audit committee to be independent of the company's management; and (v) the audit committee is responsible for the appointment, retention and oversight of the work of external auditors. We avail ourselves of this exemption and document this on our Section 303A Annual Written Affirmations submitted to the NYSE. However, unlike the NYSE listing standards requirements, according to the current regulations relating to audit committees in Indonesia, our Audit Committee does not have direct responsibility for the appointment, compensation and retention of an external auditor. Our Audit Committee may only recommend the appointment of an external auditor to the Board of Commissioners and the Board of Commissioner's decision must have the approval of the shareholders.

Our Audit Committee has six members: four Independent Commissioners and two external independent members who are not affiliated with our Company.

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Not all members of our Audit Committee are independent directors as required by Rule 10A-3 of the Exchange Act. We rely on the general exemption under Rule 10A-3(c)(3) regarding the composition of our Audit Committee. We believe that our reliance on this exemption does not materially and adversely affect the ability of our Audit Committee to act independently.

Further, we believe that the intent of the provision which requires each member of an audit committee to be an independent director is to ensure that the audit committee is independent from influence by management and provides a forum separate from management in which auditors and other interested parties can candidly discuss concerns. The OJK Audit Committee Regulation requires each member of an audit committee to be either an independent commissioner or external independent member. Such external independent member(s) is/are, in effect, independent not only of management but also of the Board of Commissioners, the Board of Directors and our Company as a whole. We therefore believe that the standard established by the OJK Audit Committee Regulation is at least equally effective in ensuring the ability of an audit committee to act independently.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Not applicable.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

The following is a summary of significant differences between the corporate governance practices followed by Indonesian companies and those required by NYSE listing standards for domestic United States issuers.

A. OVERVIEW OF INDONESIAN LAW

Indonesian public companies are required to observe and comply with certain good corporate governance practices. The requirements and the standards for good corporate governance practices for public companies are embodied in the following regulations: the Indonesian Company Law; the Indonesian Capital Market Law; the Indonesian Law on SOEs; Regulation of the Minister of State-Owned Enterprises No.PER-09/MBU/2012 on Amendment of Regulation of the Minister of State-Owned Enterprises No.PER-01/MBU/2011 on the Implementation of Good Corporate Governance to State-Owned Enterprises; OJK regulations; and IDX rules. In addition to the above, the articles of association of public companies incorporate provisions directing the implementation of good corporate governance practices.

Similar to the laws of the United States, Indonesian laws require public companies to observe and comply with corporate governance standards that are more stringent than those applied to privately-owned companies. In Indonesia, the term "public company" does not necessarily refer to a company whose shares are listed on a securities exchange. Under the Indonesian Capital Markets Law, a non-listed company may be deemed a public company, and subjected to the laws and regulations governing public companies, if such company meets or exceeds the capital and number of shareholder requirements applicable to a public company.

On November 30, 2004, the National Committee on Governance Policy (*Komite Nasional Kebijakan Governansi*, "KNKG") was established pursuant to the Decree of the Coordinating Minister for Economic Affairs No.KEP.49/M.EKONOM/1/2004 ("KEP.49"), which was formed to revitalize the former National Committee on Good Corporate Governance established in 1999. The KNKG aims to enhance the comprehension and implementation of good governance in Indonesia and advises the Government on governance issues, both in public and corporate sectors. KEP.49 was lastly amended and revoked by the Decree of the Coordinating Minister for Economic Affairs No. 117 of 2016. Pursuant to Decree No.44 of 2021 on KNKG issued on 2021, the KNKG will have, among other things, a new organizational structure and new duties (such as monitoring and evaluating the implementation of good governance relating to the new licensing policy introduced by the Job Creation Law).

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The KNKG formulated the General Code for Indonesian Corporate Governance 2019 (the *Pedoman Umum Governansi Korporat Indonesia,*"PUGKI") which recommended setting more stringent corporate governance standards for Indonesian companies, such as the appointment of independent commissioners and nomination and remuneration committees by the board of commissioners, as well as increasing the scope of disclosure obligations for Indonesian companies. Although the KNKG recommended that the GCG Code be adopted by the Government as a basis for legal reform, as of the date of this annual report on Form 20-F, the Government has not enacted regulations that fully implement the provisions of the GCG Code.

In 2014, the OJK issued the Indonesia Corporate Governance Roadmap, which provides for recommendations for Indonesian issuers and public companies to implement certain corporate governance standards, such as procedures with respect to conduct of EGMS and nominations of directors and commissioners.

B. COMPOSITION OF INDEPENDENT BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS

The NYSE listing standards provide that the board of directors of a United States listed company must consist of a majority of independent directors and that certain committees must consist solely of independent directors. A director qualifies as independent only if the board affirmatively determines that the director has no material relationship with the company, either directly or indirectly.

Unlike companies incorporated in the United States, the management of an Indonesian company consists of two organs of equal stature, the board of directors and the board of commissioners. Generally, the board of directors is responsible for the day-to-day business activities of the company and is authorized to act for and on behalf of the company, while the board of commissioners has the authority and responsibility to supervise the board of directors and is statutorily mandated to provide advice to the board of directors by the Indonesian Company Law.

The Indonesian Company Law requires the board of commissioners of a public company to have at least two members. Although the Indonesian Company Law is silent as to the composition of the board of commissioners, OJK Rule No.33/2014 states that at least 30% of the members of the board of commissioners of a public company (such as our Company) must be independent.

The Indonesian Company Law provides that the board of directors of a publicly listed company has the authority to manage the daily operations of the company and must have at least two members, each of whom must meet the minimum qualification requirements set forth in the Indonesian Company Law and the capital market laws.

Given the difference between the role of the members of the board of directors in an Indonesian company and that of their counterparts in a United States company, Indonesian law does not require that certain members of the board of directors must be independent and neither does it require the creation of certain committees composed entirely of independent directors.

C. COMMITTEES

See "Item 16D. Exemptions from the Listing Standards for Audit Committees."

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D. DISCLOSURE REGARDING CORPORATE GOVERNANCE

The NYSE listing standards require United States companies to adopt, and post on their websites, a set of corporate governance guidelines. The guidelines must address, among other things: director qualification standards, director responsibilities, director access to management and independent advisors, director compensation, director orientation and continuing education, management succession, and an annual performance evaluation itself. In addition, the CEO of a United States company must certify to the NYSE annually that he or she is not aware of any violations by the company of the NYSE's corporate governance listing standards. The certification must be disclosed in our annual report to shareholders. Indonesian law does not have disclosure requirements similar to NYSE listing standards. However, the Indonesian Capital Markets Law generally requires Indonesian public companies to disclose certain types of information to shareholders, and to the OJK and the IDX, *e.g*: information relating to changes in the public company's shareholdings and material information or facts that may affect the decision of shareholders to maintain their share ownership in the public company or investment decision of potential third party investors.

E. CODE OF BUSINESS CONDUCT AND ETHICS

The NYSE listing standards require each United States listed company to adopt, and post on its website, a code of business conduct and ethics for its directors, officers and employees. There is no similar requirement under Indonesian law. However, companies that are required to file or furnish reports to the SEC must disclose in their annual reports whether they have adopted a code of ethics for their senior financial officers. Although the requirements as to the contents of the code of ethics under SEC rules are not identical to those set forth in the NYSE listing standards, there are significant similarities in which under SEC rules, the code of ethics must be designed to promote: (a) honest and ethical conduct, including the handling of conflicts of interest between personal and professional relationships; (b) full, fair, accurate and timely disclosure in reports and documents filed with or submitted to the SEC; (c) compliance with applicable laws and regulations; (d) prompt internal reporting of violations of the code and (e) accountability for adherence to the code. Furthermore, shareholders must be given access to physical or electronic copies of the code.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

PART III

ITEM 17. FINANCIAL STATEMENTS

We have responded to Item 18 in lieu of this Item.

ITEM 18. FINANCIAL STATEMENTS

See pages F-1 through F-127.

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ITEM 19. EXHIBITS

The following exhibits are filed as part of this Form 20-F:

1.1	Articles of Association (as amended on June 18, 2021)
2.1	Description of securities.
12.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934 and 15 U.S.C. Section 7241, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
12.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange act of 1934 and 15 U.S.C. Section 7241, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
13.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
13.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Label Linkbase Document

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SIGNATURES

Pursuant to the requirement of Section 12 of the Securities Exchange Act of 1934, as amended, the Registrant hereby certifies that it meets all the requirement for filing on Form 20-F and that is has duly caused and authorized the undersigned to sign this Form 20-F on its behalf.

PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA TBK

Jakarta, April 21, 2022

By: /s/ Ririek Adriansyah
Ririek Adriansyah
President Director / Chief Executive Officer

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Perusahaan Perseroan (Persero)
PT Telekomunikasi Indonesia Tbk.
and its subsidiaries

Consolidated financial statements
as of December 31, 2020 and 2021
and for each of the three years in the period ended December 31, 2021
with report of independent registered public accounting firm

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PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2020 AND 2021
AND FOR EACH OF THE THREE YEARS IN THE PERIOD ENDED DECEMBER 31, 2021
WITH REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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Report of Independent Registered Public Accounting Firm

Report No. 00007/2.1032/NS.0/06/0702-1/1/IV/2022

To the Shareholders and the Boards of Commissioners and Directors of
Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia Tbk.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia Tbk. (the "Company") and its subsidiaries (collectively referred to as the "Group") as of December 31, 2021 and 2020, the related consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for each of the three years in the period ended December 31, 2021, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Group's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated April 21, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Group's consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Group in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

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Report of Independent Registered Public Accounting Firm (continued)

Report No. 00007/2.1032/NS.0/06/0702-1/1/IV/2022 (continued)

Basis for Opinion (continued)

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the Audit Committee of the Company and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements, and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

	Evaluation of property and equipment estimated useful lives
Description of the matter	As of December 31, 2021, the balance of consolidated property and equipment of the Group was Rp163,205 billion. As discussed in Notes 2ab and 13 to the accompanying consolidated financial statements, the Group reviews the estimated useful lives of its property and equipment at least annually and such estimates are updated if expectations differ from previous estimates due to changes in expectation of physical wear and tear, technical, or commercial obsolescence and legal or other limitations on the continuing use of the property and equipment. Auditing the Group's estimated useful lives of property and equipment is complex and requires significant judgment because the determination of the estimated useful lives considers a number of factors, including strategic business plans, expected future technological developments, and market behavior.

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Report of Independent Registered Public Accounting Firm (continued)

Report No. 00007/2.1032/NS.0/06/0702-1/1/IV/2022 (continued)

Evaluation of property and equipment estimated useful lives (continued)

How we addressed the matter in our audit

We obtained an understanding, and evaluated the design and tested the operating effectiveness, of internal controls over the Group's process of estimating the useful lives of its property and equipment. For example, we tested management's review control on checking the completeness and accuracy of the historical assets classification data and assessing the appropriateness of the judgments regarding the most relevant data to be considered in determining useful lives.

To test whether the estimated useful lives of property and equipment used by management was reasonable, our audit procedures included, among others, obtaining an understanding of management's strategy related to assets replacement and assessed the reasonableness of such assumptions by considering external sources, such as telecommunication technology growth, changes in market demand, and current economic and regulatory trends. We assessed whether there were any potential sources of contrary information by performing benchmarking analysis on the estimated useful lives of property and equipment against other public companies within the telecommunication industry. We also performed observation of property and equipment and assessed the average usage period of disposed assets to evaluate whether the assets were being used in accordance with the applicable accounting policy.

Purwantono, Sungkoro & Surja.

We have served as the Company's independent auditor since 2012.

Jakarta, Indonesia

April 21, 2022

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Report of Independent Registered Public Accounting Firm

Report No. 00008/2.1032/NS.0/06/0702-1/1/IV/2022

**To the Shareholders and the Boards of Commissioners and Directors of
Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia Tbk.**

Opinion on Internal Control over Financial Reporting

We have audited Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia Tbk. and its subsidiaries' internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the "COSO criteria"). In our opinion, Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia Tbk. (the "Company") and its subsidiaries (collectively referred to as the "Group") maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated statements of financial position of the Group as of December 31, 2021 and 2020, the related consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for each of the three years in the period ended December 31, 2021, and the related notes, and our report dated April 21, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Group's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Group in accordance with the United States federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

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Report of Independent Registered Public Accounting Firm (continued)

Report No. 00008/2.1032/NS.0/06/0702-1/1/IV/2022 (continued)

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Purwantono, Sungkoro & Surja.

Jakarta, Indonesia

April 21,2022

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PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of December 31, 2020 and 2021
(Amounts in the tables expressed in billions of Indonesian Rupiah and millions of U.S. Dollar)

		2020	2021	
	Notes	Rp	Rp	US$ (Note 3)
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents - net	4,32,35	20,589	38,311	2,688
Other current financial assets - net	5,32,35	1,303	493	35
Trade and other receivables - net	6,32,35	11,554	8,705	611
Contract assets - net	7,32,35	1,036	2,330	163
Inventories - net	8	983	779	55
Assets held for sale	13	39	818	57
Prepaid income taxes	29a	1,079	297	21
Prepaid other taxes	29b	2,945	2,537	178
Contract costs	10	454	656	46
Other current assets	9,32	6,547	6,362	446
Total Current Assets		46,529	61,288	4,300
NON-CURRENT ASSETS				
Contract assets - net	7,32,35	203	143	10
Long-term investments in financial instruments	11,35	4,045	13,661	959
Long-term investments in associates	12	192	139	10
Contract costs	10	1,254	1,608	113
Property and equipment	13,32,34a	159,123	163,205	11,451
Right-of-use assets	14	19,104	19,253	1,351
Intangible assets	16	6,846	7,506	527
Deferred tax assets - net	29h	3,743	3,824	268
Other non-current assets	15,29,32,35	4,834	5,531	388
Total Non-current Assets		199,344	214,870	15,077
TOTAL ASSETS		**245,873**	**276,158**	**19,377**
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade and other payables	17,32,35	17,577	17,779	1,247
Contract liabilities	19a,32	7,832	6,795	477
Current income tax liabilities	29c	1,291	1,609	113
Other tax liabilities	29d	1,422	2,314	162
Accrued expenses	18,32,35	14,265	15,885	1,115
Customer deposits	32	2,024	2,416	169
Short-term bank loans and current maturities of long-term borrowings	20,32,35	19,284	16,372	1,149
Current maturities of lease liabilities	14,35	4,805	5,525	388
Total Current Liabilities		68,500	68,695	4,820
NON-CURRENT LIABILITIES				
Deferred tax liabilities - net	29h	607	858	60
Contract liabilities	19b,32	1,007	1,283	90
Long service award provisions	31	1,254	1,206	85
Pension benefits and other post-employment benefits obligations	30	12,976	11,563	811
Long-term bank loans and borrowings	21,32,35	30,561	36,319	2,548
Lease liabilities	14,35	10,072	10,363	727
Other liabilities		382	699	48
Total Non-current Liabilites		56,859	62,291	4,369
TOTAL LIABILITIES		**125,359**	**130,986**	**9,189**
EQUITY				
Capital stock	1c,23	4,953	4,953	348
Additional paid-in capital		1,977	1,977	139
Retained earnings		95,208	114,438	8,030
Other reserves		236	263	19
Net equity attributable to owners of the parent company		102,374	121,631	8,536
Non-controlling interest	22	18,140	23,541	1,652
TOTAL EQUITY		**120,514**	**145,172**	**10,188**
TOTAL LIABILITIES AND EQUITY		**245,873**	**276,158**	**19,377**

The accompanying notes form an integral part of these consolidated financial statements.

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**PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For each of the Three Years in the Period Ended December 31, 2021
(Amounts in the tables expressed in billions of Indonesian Rupiah and millions of U.S. Dollar, unless otherwise stated)**

		2019	2020	2021	
	Notes	Rp	Rp	Rp	US$ (Note 3)
REVENUES	25,32	**135,557**	**136,447**	**143,210**	**10,048**
COST AND EXPENSES					
Operation, maintenance, and telecommunication service expenses	27,32	(37,453)	(34,575)	(38,133)	(2,676)
Depreciation and amortization expenses	13,14,16	(27,204)	(28,925)	(31,714)	(2,225)
Personnel expenses	26,30,31,32	(13,012)	(14,390)	(15,524)	(1,089)
General and administrative expenses	28,32	(6,207)	(6,564)	(5,016)	(352)
Interconnection expenses	32	(5,077)	(5,406)	(5,181)	(364)
Marketing expenses		(3,416)	(3,482)	(3,633)	(255)
Unrealized gain on changes in fair value of investments	11	58	129	3,432	241
Other income - net		837	810	162	12
Gains (losses) on foreign exchange - net		(89)	(86)	50	4
OPERATING PROFIT		**43,994**	**43,958**	**47,653**	**3,344**
Finance income	32	1,095	800	558	39
Finance cost	32	(5,452)	(4,602)	(4,394)	(308)
Share of loss of long-term investment in associates	12	(166)	(246)	(78)	(5)
Impairment of long-term investment in associates	12	(1,172)	(763)	—	—
PROFIT BEFORE INCOME TAX		**38,299**	**39,147**	**43,739**	**3,070**
INCOME TAX (EXPENSE) BENEFIT	29e				
Current		(10,619)	(9,798)	(9,556)	(671)
Deferred		180	541	(84)	(6)
		(10,439)	**(9,257)**	**(9,640)**	**(677)**
PROFIT FOR THE YEAR		**27,860**	**29,890**	**34,099**	**2,393**
OTHER COMPREHENSIVE INCOME (LOSS)					
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:					
Foreign currency translation		(105)	11	28	2
Net gain (loss) on financial assets at FVTOCI		9	3	(2)	0
Share of other comprehensive income of long-term investment in associates	12	16	1	(1)	0
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:					
Defined benefit actuarial gain (loss) - net	30	(2,109)	(3,596)	1,955	136
Other comprehensive income (loss) - net		(2,189)	(3,581)	1,980	138
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**25,671**	**26,309**	**36,079**	**2,531**
Profit for the year attributable to:					
Owners of the parent company	24	19,068	21,052	24,877	1,746
Non-controlling interests	22	8,792	8,838	9,222	647
		27,860	29,890	34,099	2,393
Total comprehensive income for the year attributable to:					
Owners of the parent company		17,029	17,840	26,884	1,886
Non-controlling interests		8,642	8,469	9,195	645
		25,671	26,309	36,079	2,531
BASIC EARNINGS PER SHARE (in full amount)	24				
Net income per share		192.49	212.51	251.13	0.02
Net income per ADS (100 Series B shares per ADS)		19,248.51	21,251.29	25,112.50	1.76

The accompanying notes form an integral part of these consolidated financial statements.

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PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For Each of the Three Years in the Period Ended December 31, 2021
(Amounts in the tables expressed in billions of Indonesian Rupiah)

		Attributable to owners of the parent company						
Description	**Notes**	**Capital stock**	**Additional paid-in capital**	**Retained earnings**	**Other reserves**	**Net**	**Non-controlling interests**	**Total equity**
Balance, December 31, 2018		**4,953**	**1,977**	**91,488**	**321**	**98,739**	**18,267**	**117,006**
Net comprehensive income for the year								
Profit for the year	22	—	—	19,068	—	19,068	8,792	27,860
Other comprehensive income		—	—	(1,940)	(99)	(2,039)	(150)	(2,189)
Net comprehensive income (loss) for the year		—	—	17,128	(99)	17,029	8,642	25,671
Transaction with owners recorded directly in equity								
Cash dividends		—	—	(16,229)	—	(16,229)	(9,618)	(25,847)
Entities under common control transactions		—	—	257	—	257	8	265
Capital contribution from non-controlling interest		—	—	—	—	—	70	70
Capital contribution to subsidiaries		—	—	—	—	—	59	59
Net transactions with owners		—	—	(15,972)	—	(15,972)	(9,481)	(25,453)
Balance, December 31, 2019		**4,953**	**1,977**	**92,644**	**222**	**99,796**	**17,428**	**117,224**

The accompanying notes form an integral part of these consolidated financial statements.

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PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (continued)
For Each of the Three Years in the Period Ended December 31, 2021
(Amounts in the tables expressed in billions of Indonesian Rupiah)

		Attributable to owners of the parent company						
Description	**Notes**	**Capital stock**	**Additional paid-in capital**	**Retained earnings**	**Other reserves**	**Net**	**Non-controlling interests**	**Total equity**
Balance, December 31, 2019		**4,953**	**1,977**	**92,644**	**222**	**99,796**	**17,428**	**117,224**
Net comprehensive income for the year								
Profit for the year	22	—	—	21,052	—	21,052	8,838	29,890
Other comprehensive income (loss)		—	—	(3,226)	14	(3,212)	(369)	(3,581)
Net comprehensive income for the year		—	—	17,826	14	17,840	8,469	26,309
Transaction with owners recorded directly in equity								
Cash dividends	23	—	—	(15,262)	—	(15,262)	(7,778)	(23,040)
Capital contribution from non-controlling interest		—	—	—	—	—	21	21
Net transactions with owners		—	—	(15,262)	—	(15,262)	(7,757)	(23,019)
Balance, December 31, 2020		**4,953**	**1,977**	**95,208**	**236**	**102,374**	**18,140**	**120,514**

The accompanying notes form an integral part of these consolidated financial statements.

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PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (continued)
For Each of the Three Years in the Period Ended December 31, 2021
(Amounts in the tables expressed in billions of Indonesian Rupiah)

		Attributable to owners of the parent company						
Description	**Notes**	**Capital stock**	**Additional paid-in capital**	**Retained earnings**	**Other reserves**	**Net**	**Non-controlling interests**	**Total equity**
Balance, December 31, 2020		**4,953**	**1,977**	**95,208**	**236**	**102,374**	**18,140**	**120,514**
Net comprehensive income for the year								
Profit for the year	22	—	—	24,877	—	24,877	9,222	34,099
Other comprehensive income (loss)		—	—	1,980	27	2,007	(27)	1,980
Net comprehensive income for the year		—	—	26,857	27	26,884	9,195	36,079
Transaction with owners recorded directly in equity								
Cash dividends	23	—	—	(16,643)	—	(16,643)	(13,242)	(29,885)
Changes in non-controlling interest		—	—	(72)	—	(72)	73	1
Changes in non-controlling interest from initial public offering of subsidiary	1e	—	—	9,088	—	9,088	9,375	18,463
Net transactions with owners		—	—	(7,627)	—	(7,627)	(3,794)	(11,421)
Balance, December 31, 2021		**4,953**	**1,977**	**114,438**	**263**	**121,631**	**23,541**	**145,172**

The accompanying notes form an integral part of these consolidated financial statements.

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PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For Each of the Three Years in the Period Ended December 31, 2021
(Amounts in the tables expressed in billions of Indonesian Rupiah and millions of U.S. Dollar)

	Notes	2019 Rp	2020 Rp	2021 Rp	2021 US$ (Note 3)
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customers and other operators		135,372	133,610	143,902	10,097
Cash receipts from tax refund		1,446	4,687	3,768	264
Cash receipt from finance income		1,093	806	564	40
Cash payments for expenses		(47,499)	(40,533)	(44,811)	(3,144)
Cash payments to employees		(11,370)	(11,057)	(13,262)	(931)
Cash payments for corporate and final income taxes		(10,348)	(11,452)	(9,679)	(679)
Cash payments for short-term and low-value lease assets	14	(5,359)	(3,731)	(5,308)	(372)
Cash payments for finance costs		(4,358)	(4,768)	(4,426)	(311)
Cash payments for value added taxes - net		(861)	(2,593)	(2,084)	(146)
Cash receipts from (payments for) others - net		850	348	(311)	(21)
Net cash provided by operating activities		**58,966**	**65,317**	**68,353**	**4,797**
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from (placement in) other current financial assets - net		1,147	(796)	807	57
Proceeds from sale of property and equipment	13	1,496	236	756	53
Proceeds from insurance claims	13	197	234	133	9
Dividend received from associated company	12	11	5	—	—
Purchases of property and equipment	13,37	(35,302)	(29,403)	(29,923)	(2,099)
Additional of long-term investment in financial instrument	11	(144)	(2,809)	(6,358)	(446)
Purchases of intangible assets	16,37	(2,008)	(2,538)	(2,845)	(200)
Additional contribution on long-term investments in associated companies	12	(588)	(28)	(42)	(3)
Proceeds from divestment of subsidiary		395	—	—	—
Acquisition of businesses net of acquired cash		(1,166)	—	—	—
Increase (decrease) in advance and other assets - net	15	87	—	(442)	(31)
Net cash used in investing activities		**(35,875)**	**(35,099)**	**(37,914)**	**(2,660)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from loans and other borrowings	20,21	26,524	24,469	46,612	3,270
Proceeds from initial public offering of subsidiary	1e	—	—	18,463	1,295
Repayments of loans and other borrowings	20,21	(18,176)	(24,380)	(43,740)	(3,069)
Cash dividends paid to the Company's stockholders	23	(16,229)	(15,262)	(16,643)	(1,168)
Cash dividends paid to non-controlling interests of subsidiaries	22	(9,618)	(7,778)	(13,242)	(929)
Repayment of principal portion of lease liabilities		(4,735)	(4,959)	(4,225)	(296)
Capital contribution from non-controlling interests of subsidiaries		59	—	—	—
Net cash used in financing activities		**(22,175)**	**(27,910)**	**(12,775)**	**(897)**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**916**	**2,308**	**17,664**	**1,240**
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**(109)**	**40**	**59**	**3**
ALLOWANCE FOR EXPECTED CREDIT LOSSES		**(1)**	**(0)**	**(1)**	**(0)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4	**17,435**	**18,241**	**20,589**	**1,445**
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	**18,241**	**20,589**	**38,311**	**2,688**

The accompanying notes form an integral part of these consolidated financial statements.

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1. GENERAL

a. Establishment and general information

Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia Tbk. (the “Company”) was originally part of *“Post en Telegraafdienst”*, which was established and operated commercially in 1884 under the framework of Decree No. 7 dated March 27, 1884 of the Governor General of the Dutch Indies which was published in State Gazette No. 52 dated April 3, 1884.

In 1991, the status of the Company was changed into a state-owned limited liability corporation (“Persero”) based on Government Regulation No. 25/1991. The ultimate parent of the Company is the Government of the Republic of Indonesia (the “Government”) (Notes 1c and 23).

The Company was established based on notarial deed No. 128 dated September 24, 1991 of Imas Fatimah, S.H. The deed of establishment was approved by the Ministry of Justice of the Republic of Indonesia in its Decision Letter No. C2-6870.HT.01.01.Th.1991 dated November 19, 1991 and was published in State Gazette No. 5 dated January 17, 1992, Supplement No. 210. The Company's Articles of Association have been amended several times, the latest amendments made is in relation to:

i. The implementation of the Financial Services Authority Regulation No. 15/POJK.04/2020 on The Planning and Holding of the General Meetings of Public Companies.
ii. The Company’s need to make adjustments to the Articles of Association with the provisions in the Financial Services Authority Regulation No. 16/POJK.04/2020 on The Implementation of Public Companies’ Shareholders’ General Meetings Electronically and No. 14/POJK.04/2019 on Addition to Capital of Listed Companies by Granting Pre-emptive Rights.
iii. The Company’s need to make adjustments to its business activities in the Articles of Association with the Standard Classification of Indonesian Business Fields in 2020.

Amendments to the Articles of Association as stated in the Notary Deed of Ashoya Ratam, S.H., M.Kn. No. 35 dated June 18, 2021, the amendment has been received and approved by the Minister of Law and Human Rights of the Republic of Indonesia (“MoLHR”) based on letter No. AHU-AH.01.03-0426883 dated July 9, 2021, concerning Acceptance of Notification of Amendment to the Company's Articles of Association (Persero) PT Telekomunikasi Indonesia Tbk. and the Decree of the MoLHR No. AHU-0038942.AH.01.02, 2021 dated July 9, 2021, concerning Approval of Amendment to the Articles of Association of the Limited Liability Company (Persero) PT Telekomunikasi Indonesia Tbk.

In accordance with Article 3 of the Company’s Articles of Association, the scope of its activities is to provide telecommunication network and telecommunication and information services, and to optimize the Company’s resources to provide high quality and competitive goods and/or services to gain/pursue profit in order to increase the value of the Company by applying the Limited Liability Company principle. In regard to achieving its objectives, the Company is involved in the following activities:

i. Main business:
   (a) Planning, building, providing, developing, operating, marketing or selling or leasing, and maintaining telecommunications and information networks in a broad sense in accordance with prevailing laws and regulations.

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(b) Planning, developing, providing, marketing or selling, and improving telecommunications and information services in a broad sense in accordance with prevailing laws and regulations.
(c) Investing including in the form of equity capital in other companies in line with and to achieve the purposes and objectives of the Company.

ii. Supporting business:
(a) Providing payment transactions and money transferring services through telecommunications and information networks.
(b) Performing other activities and undertakings in connection with the optimization of the Company's resources, which among others, include the utilization of the Company's property and equipment and movable assets, information systems, education and training, and repairs and maintenance facilities.
(c) Collaborating with other parties in order to optimize the information, communication or technology resources owned by other parties as service provider in information, communication and technology industry, as to achieve the purposes and objectives of the Company.

The Company's head office is located at Jalan Japati No. 1, Bandung, West Java.

The Company was granted several networks and/or services provision licenses by the Government which are valid for an unlimited period of time as long as the Company complies with prevailing laws and regulations and fulfills the obligation stated in those licenses. For every license issued by the Ministry of Communication and Information ("MoCI"), an evaluation is performed annually and an overall evaluation is performed every five years. The Company is obliged to submit reports of networks and/or services annually to the Indonesian Directorate General of Post and Informatics ("DGPI"), which replaced the previous Indonesian Directorate General of Post and Telecommunications ("DGPT").

The reports comprise information such as network development progress, service quality standard achievement, numbers of customers, license payment, and universal service contribution, while for internet telephone services for public purpose, internet interconnection service, and internet access service, there is additional information required such as operational performance, customer segmentation, traffic, and gross revenue.

Details of these licenses are as follows:

License	License No.	Type of services	Grant date/latest renewal date
License of electronics money issuer	Bank Indonesia License No. 11/432/DASP	Electronics money	July 3, 2009
License of money remittance	Bank Indonesia License No. 11/23/bd/8	Money remittance service	August 5, 2009
License to operate internet telephone services for public purpose	127/KEP/DJPPI/KOMINFO/3/2016	Internet telephone services for public purpose	March 30, 2016
License to operate internet service provider	2176/KEP/M.KOMINFO/12/2016	Internet service provider	December 30, 2016
License to operate content service provider	1040/KEP/M.KOMINFO/16/2017	Content service provider	May 16, 2017
License for the implementation of internet interconnection services	1004/KEP/M.KOMINFO/2018	Interconnection services	December 26, 2018
License to operate data communication system services	046/KEP/M.KOMINFO/02/2020	Data communication system services	August 3, 2020
License to operate circuit switched based local fixed line network	449/KEP/M.KOMINFO/02/2020	Circuit switched based local fixed line network	September 22, 2020
License to operate IPTV service provider	022/KEP/M.KOMINFO/2021	IPTV service provider	February 25, 2021
License to operate fixed network long distance direct line	073/KEP/M.KOMINFO/02/2021	Fixed network long distance direct line	August 23, 2021
License to operate fixed international network	082/KEP/M.KOMINFO/02/2021	Fixed international and basic telephone services network	October 8, 2021
License to operate fixed closed network	094/KEP/M.KOMINFO/02/2021	Fixed closed network	December 9, 2021

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b. Company's Board of Commissioners, Directors, Audit Committee, Corporate Secretary, and Internal Audit

i. Board of Commissioners and Directors

Based on resolutions made at AGM of Stockholders of the Company as covered by notarial deed No. 34 and No. 12 of Ashoya Ratam., S.H., M.Kn., dated June 18, 2021 and July 10, 2020, the composition of the Company's Boards of Commissioners and Directors as of December 31 2020 and 2021, respectively, were as follows:

	2020	2021
President Commissioner/ Independent Commissioner	Rhenald Kasali	Bambang Permadi Soemantri Brojonegoro
Commissioner	Alex Denni	Arya Mahendra Sinulingga
Commissioner	Rizal Mallarangeng	Rizal Mallarangeng
Commissioner	Ahmad Fikri Assegaf	Isa Rachmatarwata
Commissioner	Ismail	Ismail
Commissioner	Marcelino Rumambo Pandin	Marcelino Rumambo Pandin
Independent Commissioner	Marsudi Wahyu Kisworo	Bono Daru Adji
Independent Commissioner	Wawan Iriawan	Wawan Iriawan
Independent Commissioner	Chandra Arie Setiawan	Abdi Negara Nurdin
President Director	Ririek Adriansyah	Ririek Adriansyah
Director of Finance and Risk Management*	Heri Supriadi	Heri Supriadi
Director of Digital Business	Muhammad Fajrin Rasyid	Muhamad Fajrin Rasyid
Director of Strategic Portfolio	Budi Setyawan Wijaya	Budi Setyawan Wijaya
Director of Enterprise and Business Service	Edi Witjara	Edi Witjara
Director of Wholesale and International Services	Dian Rachmawan	Bogi Witjaksono
Director of Human Capital Management	Afriwandi	Afriwandi
Director of Network, Information Technology and Solution	Herlan Wijanarko	Herlan Wijanarko
Director of Consumer Service	FM Venusiana R	FM Venusiana R

* The nomenclature of the Director of Finance and Risk Management was determined at the AGM for the year 2020, changing the previous nomenclature, the Director of Finance.

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ii. Audit Committee, Corporate Secretary, and Internal Audit

The composition of the Company's Audit Committee, Corporate Secretary, and Internal Audit as of December 31, 2020 and 2021, were as follows:

	2020	2021
Chairman	Chandra Arie Setiawan	Bono Daru Adji
Member	Marsudi Wahyu Kisworo	Bambang Permadi Soemantri Brojonegoro
Member	Wawan Iriawan	Wawan Iriawan
Member	Marcelino Rumambo Pandin	Abdi Negara Nurdin
Member	Emmanuel Bambang Suyitno	Emmanuel Bambang Suyitno
Member	Sarimin Mietra Sardi	Edy Sihotang
Member	Ahmad Fikri Assegaf	—
Corporate Secretary	Andi Setiawan	Andi Setiawan
Internal Audit	Harry Suseno Hadisoebroto	Harry Suseno Hadisoebroto

c. Public offering of securities of the Company

The Company's shares are listed and traded on the Indonesia Stock Exchange (IDX) and the New York Stock Exchange (NYSE) since November 14, 1995.

On June 16, 2015, the Company issued Continuous Bonds I Telkom Phase I 2015, with a nominal amount Rp2,200 billion for Series A, a seven-year period, Rp2,100 billion for Series B, with a ten-year period, Rp1,200 billion for Series C, with a fifteen-year period and Rp1,500 billion for Series D, with a thirty-year period, respectively which are listed on the IDX (Note 21b.(i)).

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d. Subsidiaries

As of December 31, 2020 and 2021, the Company has consolidated the following directly or indirectly owned subsidiaries (Notes 2b and 2d):

i. Direct subsidiaries:

Subsidiary/place of incorporation	Nature of business	Year of commencement operations	Percentage of ownership*		Total assets before elimination	
			2020	2021	2020	2021
PT Telekomunikasi Seluler ("**Telkomsel**"), Jakarta, Indonesia	Mobile telecommunication networks and service businesses, web portals, web hosting, mobile digital advertising, telecommunication consultant services, data processing activities, financial technology	1995	65	65	102,187	100,113
PT Dayamitra Telekomunikasi ("**Mitratel**"), Jakarta, Indonesia	Leasing of towers and other telecommunication services	1995	100	72	26,613	57,699
PT Multimedia Nusantara ("**Metra**"), Jakarta, Indonesia	Network telecommunication services and multimedia	1998	100	100	17,946	18,748
PT Telekomunikasi Indonesia International ("**Telin**"), Jakarta, Indonesia	Telecommunication	1995	100	100	12,182	10,139
PT Graha Sarana Duta ("**GSD**"), Jakarta, Indonesia	Leasing of offices and providing building management and maintenance services, civil consultant and developer	1982	100	100	6,148	5,881
PT Telkom Satelit Indonesia ("**Telkomsat**"), Jakarta, Indonesia	Telecommunication - provides satellite communication system, and the related services and infrastructures	1996	100	100	5,092	5,511
PT Telkom Akses ("**Telkom Akses**"), Jakarta, Indonesia	Construction, service and trading in the field of telecommunication	2013	100	100	4,336	4,973
PT Metra-Net ("**Metra-Net**"), Jakarta, Indonesia	Multimedia portal service	2009	100	100	1,320	1,640
PT PINS Indonesia ("**PINS**"), Jakarta, Indonesia	Telecommunication construction and services	1995	100	100	1,864	1,589
PT Infrastruktur Telekomunikasi Indonesia ("**Telkom Infra**"), Jakarta, Indonesia	Construction, service and trading in the field of telecommunication	2014	100	100	1,074	1,259
PT Sigma Tata Sadaya ("**STS**")** Jakarta, Indonesia	Computer software and hardware trading and services	1996	100	100	0	2,107
PT Napsindo Primatel Internasional ("**Napsindo**"), Jakarta, Indonesia	Telecommunication - provides Network Access Point ("NAP"), Voice Over Data ("VOD"), and other related services	1999; ceased operations on January 13, 2006	60	60	5	5

* Percentage of ownership amounting to 99.99% is presented with rounding of 100%.
** Previously was indirect subsidiary.

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ii. Indirect subsidiaries:

Subsidiary/place of incorporation	Nature of business	Year of commencement operations	Percentage of ownership*		Total assets before elimination	
			2020	2021	2020	2021
PT Metra Digital Investama ("**MDI**"), Jakarta, Indonesia	Trading and/or providing service related to information and technology, multimedia, entertainment and investments	2013	100	100	3,461	5,784
PT Sigma Cipta Caraka ("**Sigma**"), Tangerang, Indonesia	Information technology service - system implementation and integration service, outsourcing and software license maintenance	1988	100	100	6,008	5,054
Telekomunikasi Indonesia International Pte. Ltd., ("**Telin Singapore**"), Singapore	Telecommunication	2008	100	100	3,320	3,272
Telekomunikasi Indonesia International Ltd., ("**Telin Hong Kong**"), Hong Kong	Telecommunication	2010	100	100	2,652	2,998
PT Infomedia Nusantara ("**Infomedia**"), Jakarta, Indonesia	Data and information service-provides telecommunication information services and other information services in the form of print and electronic media, and call center services	1984	100	100	2,387	2,350
PT Telkom Landmark Tower ("**TLT**"), Jakarta, Indonesia	Property development and management services	2012	55	55	2,204	2,204
PT Finnet Indonesia ("**Finnet**"), Jakarta, Indonesia	Information technology services	2006	60	60	1,371	1,294
PT Metra Digital Media ("**MD Media**"), Jakarta, Indonesia	Directory information services	2013	100	100	1,121	1,207
PT Melon Indonesia ("**Melon**"), Jakarta, Indonesia	Digital content exchange hub services	2010	100	100	848	1,187
PT Persada Sokka Tama ("**PST**"), Jakarta, Indonesia	Providing telecommunication network infrastucture	2008	95	100	830	1,097
Telekomunikasi Indonesia International S.A. ("**Telkomcel**") **S.A.,** Dili, Timor Leste	Telecommunication	2012	100	100	719	708
PT Telkomsel Mitra Inovasi ("**TMI**"), Jakarta, Indonesia	Business management consulting and capital venture services	2019	100	100	594	692
TS Global Network Sdn. Bhd. ("**TSGN**"), Petaling Jaya, Malaysia	Satellite service	1996	70	70	664	596
PT Administrasi Medika ("**Ad Medika**"), Jakarta, Indonesia	Health insurance administration services	2002	100	100	479	543
PT Swadharma Sarana Informatika ("**SSI**"), Jakarta, Indonesia	Cash replenishment services and ATM maintenance	2001	51	51	576	485
PT Digital Aplikasi Solusi ("**Digiserve**"), previously PT Teltranet Aplikasi Solusi Jakarta, Indonesia	Communication system services	2014	49	100	320	389
PT Nusantara Sukses Investasi ("**NSI**"), Jakarta, Indonesia	Service and trading	2014	100	100	316	309
PT Graha Yasa Selaras ("**GYS**"), Jakarta, Indonesia	Tourism service	2012	51	51	289	288
PT Nutech Integrasi ("**Nutech**"), Jakarta, Indonesia	System integrator	2001	60	60	136	198
PT Telkomsel Ekosistem Digital ("**TED**"), Jakarta, Indonesia	Providing service related to information and technology, multimedia, entertainment, and investment	2021	—	100	—	197
Telekomunikasi Indonesia International (USA) Inc. ("**Telin USA**"), Los Angeles, USA	Telecommunication	2014	100	100	115	191
PT Metraplasa ("**Metraplasa**"), Jakarta, Indonesia	Network and e-commerce services	2012	60	60	260	61
Telekomunikasi Indonesia International (Australia) Pty. Ltd. ("**Telin Australia**"), Sydney, Australia	Telecommunication	2013	100	100	88	34
Telekomunikasi Indonesia Intl (Malaysia) Sdn. Bhd. ("**Telin Malaysia**"), Malaysia	Telecommunication	2013	70	70	39	27
PT Satelit Multimedia Indonesia ("**SMI**"), Jakarta, Indonesia	Satellite services	2013	100	100	16	10

* Percentage of ownership amounting to 99.99% is presented with rounding of 100%.

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e. Initial public offering and acquisition transactions in subsidiaries

i. Mitratel

Based on the Deed of Decision of the Shareholders Outside the General Meeting of Shareholders (Circular) No. 31 dated August 21, 2021 from Notary Ashoya Ratam, S.H., M.Kn. the shareholders of Mitratel decided and approved the change of Mitratel’s status from a private company to a public company under the name PT Dayamitra Telekomunikasi Tbk.

On November 12, 2021, Mitratel received an effective statement from the Financial Services Authority (“OJK”) with its letter No. S-201/D.04/2021 to conduct an initial public offering (“IPO”) of 23,493,524,800 ordinary shares with a par value of Rp228 per share and an offering price of Rp800 per share. On November 22, 2021, the Mitratel’s shares have been listed on the Indonesia Stock Exchange (“IDX”) based on Letter No. S-08617/BEI.PP3/11-2021 regarding Approval of Securities Listing dated November 15, 2021.

Mitratel obtained IPO funds amounting to Rp18,463 billion (after deducting share issuance costs), so that the Company’s share ownership in Mitratel diluted from 99.99% to 71.87%. Hence, the Company still controls Mitratel.

For this transaction the Company has been accounted the difference in non-controlling ownership transactions are as follows:

Proceeeds from IPO of 28.13% ownership interest	18,463
Net assets attributable to NCI	(9,375)
Increase in equity attributable to parent company	**9,088**

ii. Metra

On 29 August 2014, Metra and Telstra Holding Singapore Pte. Ltd. established PT Teltranet Application Solutions (“Teltranet”). Metra's share ownership in Teltranet is 51%, Metra has no control in determining the financial and operating policies of Teltranet, recorded as ownership in associates.

Based on the Share Purchase Agreement dated August 31, 2021, Metra purchased Teltranet's shares owned by Telstra Holdings Singapore Pte. Ltd. as many as 13,115,477 shares or equivalent to 49% share ownership with an acquisition value of AU$1, thus becoming a subsidiary of Metra.

As of December 31, 2021, Metra has recorded the difference between the acquisition value and fair value, goodwill recognized amounted to Rp64 billion (Note 16).

iii. STS

STS previously was Sigma’s subsidiary. Based on notarial deed No. 388 dated December 27, 2021 of Jimmy Tanal, S.H., M.Kn., the Company entered into a takeover of STS shares, so that the Company's ownership in STS became 99.89% and impacted Sigma’s ownership which diluted to 0.11%. The company purchased 2,106,465,158,910 series B shares of STS or equivalent to Rp2,106 billion. The company has made cash payments of Rp1,250 billion and paid-up capital in other forms (*inbreng*) of Rp856 billion for the takeover of the STS shares.

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iv. Telkomsel

Based on the Resolution of Shareholders on December 14, 2021, Telkomsel established a subsidiary, PT Telkomsel Ekosistem Digital ("TED"), which was formalized by Notarial deed No. 19 dated December 16, 2021 of Bonardo Nasution, S.H. The total paid-up capital of TED were 197,000 shares (Rp1,000,000 par value per share). Telkomsel own 196,989 shares and paid Rp197 billion on December 29, 2021.

f. Completion and authorization for the issuance of the consolidated financial statements

The Company's management is responsible for the preparation and fair presentation of these consolidated financial statements which have been completed and authorized for issuance by the Board of Directors of the Company on April 21, 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Company and subsidiaries (collectively referred to as "the Group") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

a. Basis of preparation of the consolidated financial statements

The consolidated financial statements, except for the consolidated statements of cash flows, are prepared on the accrual basis. The measurement basis used is historical cost, except for certain accounts which are measured using the basis mentioned in the relevant notes herein.

The consolidated statements of cash flows are prepared using the direct method and present the changes in cash and cash equivalents from operating, investing, and financing activities.

Figures in the consolidated financial statements are presented and rounded to billions of Indonesian rupiah ("Rp") and millions of US$, unless otherwise stated. Figures in the consolidated financial statements which still contain values but below Rp1 billion and US$1 million, are presented with zero.

The consolidated financial statements provide comparative information in respect of the previous period.

The following amendments, which are effective for annual periods beginning on or after 1 January 2021, does not have any material impact to the consolidated financial statements of the Group, unless otherwise stated.
i. Amendments to IFRS 16: Covid-19 Related Rent Concessions beyond June 30, 2021
ii. Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16: Interest Rate Benchmark Reform phase 2.

b. Principles of consolidation

The consolidated financial statements consist of the financial statements of the Company and the subsidiaries over which it has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has power over the investee, exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

i. The contractual arrangement with the other vote holders of the investee,
ii. Rights arising from other contractual arrangements, and
iii. The Group's voting rights and potential voting rights.

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of profit or loss and other comprehensive income from the date the Group gains financial control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (“OCI”) are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

All intra-Group assets and liabilities, equity, income, expenses, and cash flow relating to transactions within Group are fully eliminated on consolidation.

In case of loss of control over a subsidiary, the Group:

i. derecognized the assets (including goodwill) and liabilities of the subsidiary at the carrying amounts on the date when it loses control;
ii. derecognized the carrying amounts of any non-controlling interests of its former subsidiary on the date when it loses control;
iii. recognized the fair value of the consideration received (if any) from the transaction, events, or condition that caused the loss of control;
iv. recognized the fair value of any investment retained in the subsidiary at fair value on the date of loss of control; and
v. recognized any surplus or deficit in profit or loss that is attributable to the Group.

c. Transactions with related parties

The Group has transactions with related parties. The definition of related parties used is in accordance with International Accounting Standards (“IAS”) 24, Related Party Disclosures. The party which is considered a related party is a person or entity that is related to the entity that is preparing its financial statements.

Key management personnel are identified as the persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group. The related party status extends to the key management of the subsidiaries to the extent they direct the operations of subsidiaries with minimal involvement from the Company’s management.

d. Business combinations and goodwill

Business combination is accounted for using the acquisition method. The consideration transferred is measured at fair value, which is the aggregate of the fair value of the assets transferred, liabilities incurred or assumed, and the equity instruments issued in exchange for control of the acquiree. For each business combination, non-controlling interest is measured at fair value or at the proportionate share of the acquiree’s identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Acquisition-related costs are expensed as incurred. The acquiree’s identifiable assets and liabilities are recognized at their fair values at the acquisition date.

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Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed, and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group shall report in its consolidated financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the Group shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. The measurement period ends immediately after the Company receives the information about the facts and circumstances that existed at the acquisition date or learns that additional information cannot be obtained. However, the measurement period must not exceed one year from the date of acquisition.

In a business combination achieved in stages, the acquirer remeasures its previously held equity interest in the acquiree at its acquisition-date fair value and recognizes the resulting gain or loss, if any, in profit or loss.

Business combination between businesses or entities under common control does not result in a change of the economic substance of the ownership of assets, liabilities, shares or other instruments of ownership, which are exchanged, assets or liabilities transferred are recorded at book value using the pooling-of-interests method. The excess of consideration paid or received over the carrying value of interest acquired or sold, net of income tax, is directly recognized to retained earnings.

e. Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash in banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Time deposits with maturities of more than three months but not more than one year are presented as part of "Other Current Financial Assets" in the consolidated statements of financial position (Note 2t).

f. Investments in associates

An associate is an entity over which the Group (as investor) has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but

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does not include control or joint control over those operating policies. The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. Holding of 20% or more of the voting power of the investee (held directly or indirectly, through subsidiaries) is presumed to give rise to significant influence, unless it can be clearly demonstrated that this is not the case. Conversely, a holding of less than 20% of the voting power is presumed not to give rise to significant influence, unless it can be clearly demonstrated that there is in fact significant influence.

The existence of significant influence will usually be evidenced in one or more of the following ways:
i. representation on the board of directors or equivalent governing body of the investee;
ii. participation in policy-making processes, including participation in decisions about dividends and other distributions;
iii. material transactions between the investor and the investee;
iv. interchange of managerial personnel; or
v. provision of essential technical information.

The Group's investments in its associates are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the investor's share of the net assets of the associate since the acquisition date. On acquisition of the investment, any difference between the cost of the investment and the entity's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as follows:
i. Goodwill relating to an associate or a joint venture is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.
ii. Any excess of the entity's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

The consolidated statements of profit or loss and other comprehensive income reflect the Group's share of the results of operations of the associate. Any change in the other comprehensive income of the associate is presented as part of other comprehensive income. In addition, when there has been a change recognized directly in the equity of the associate, the Group recognizes its share of the change in the consolidated statements of changes in equity. Unrealized gain and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The Group determines at each reporting date whether there is any objective evidence that the investments in associates are impaired. If there is, the Group calculates and recognizes the amount of impairment as the difference between the recoverable amount of the investments in the associates and their carrying value.

These assets are included in "Long-term Investments in Associates" in the consolidated statements of financial position.

For the reporting purpose of investment in associates using the equity method, the assets and liabilities as of the statement of financial position date with functional currency other than Rupiah are translated into Indonesian Rupiah using the rate of exchange prevailing at that date, while revenues and expenses are translated into Indonesian rupiah at the average rates of exchange for the year. The resulting translation adjustments are reported as part of "translation adjustment" in the equity section of the consolidated statements of financial position.

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g. Trade and other receivables

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost, less a loss allowance based on lifetime expected credit losses at each reporting date. The Group has established a credit provision methodology that is based on its historical credit loss experience which adjusted by specific forward-looking factors from the customer and the economic environment. Receivables are written-off in the year are determined to be uncollectible (Note 2t).

h. Inventories

Inventories consist of components, which represent telephone terminals, cables, and other spare parts. Inventories also include Subscriber Identification Module ("SIM") cards, handsets, wireless broadband modems, and blank prepaid vouchers.

Inventories are valued at the lower of cost and net realizable value. Net realizable value is determined by either estimating the selling price in the ordinary course of business, less estimated cost to sell or determining the prevailing replacement costs.

The costs of inventories consist of the purchase price, import duties, other taxes, transport, handling, and other costs directly attributable to their acquisition.

Cost is determined using the weighted average method.

The amounts of any write-down of inventories below cost to net realizable value and all losses of inventories are recognized as an expense in the period in which the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, is recognized as a reduction in the amount of general and administrative expenses in the year in which the reversal occurs.

Provision for obsolescence is primarily based on the estimated forecast of future usage of these inventory items.

i. Prepaid expenses

Prepaid expenses are amortized over their future beneficial periods using the straight-line method.

j. Assets held for sale

Assets (or disposal groups) are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Assets held for sale are stated at the lower of carrying amount and fair value less costs to sell.

Assets that meet the criteria to be classified as held for sale are reclassified from property and equipment and depreciation on such assets is ceased.

k. Intangible assets

Intangible assets mainly consist of software. Intangible assets are recognized if it is highly probable that the expected future economic benefits that are attributable to each asset will flow to the Group, and the cost of the asset can be reliably measured.

Intangible assets are stated at cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized over their estimated useful lives. The Group estimates the recoverable value of its intangible assets. When the carrying amount of an intangible asset exceeds its estimated recoverable amount, the asset is written down to its estimated recoverable amount.

Intangible assets except goodwill are amortized using the straight-line method, based on the estimated useful lives of the intangible assets as follows:

	Years
Software	3-6
License	3-20
Other intangible assets	1-30

Intangible assets are derecognized on disposal, or when no further economic benefits are expected, either from further use or from disposal. The difference between the carrying amount and the net proceeds received from disposal is recognized in the consolidated statements of profit or loss and other comprehensive income.

l. Property and equipment

Property and equipment are stated at cost less accumulated depreciation, and impairment losses, if any.

The cost of an item of property and equipment includes: (a) purchase price, (b) any costs directly attributable to bringing the asset to its location and condition, and (c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Property and equipment are depreciated or amortized using the straight-line method based on the estimated useful lives of the assets as follows:

	Years
Buildings	15-50
Leasehold improvements	2-15
Switching equipment	3-15
Telegraph, telex and data communication equipment	5-15
Transmission installation and equipment	3-30
Satellite, earth station and equipment	3-20
Cable network	5-25
Power supply	3-20
Data processing equipment	3-20
Vehicles	4-8
Other telecommunication peripherals	5
Office equipment	2-5
Other equipment	2-5

Significant expenditures related to leasehold improvements are capitalized and depreciated over the lease term.

The depreciation method, useful life and residual value of an asset are reviewed at least at each financial year-end and adjusted, if appropriate. Based on review the useful life of certain production equipment asset are changed from previous year. The residual value of an asset is the estimated amount that the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset is already of the age and in the condition expected at the end of its useful life.

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Property and equipment acquired in exchange for a non-monetary asset or for a combination of monetary and non-monetary assets are measured at fair value unless, (i) the exchange transaction lacks commercial substance; or (ii) the fair value of neither the asset received nor the asset given up is measured reliably.

Major spare parts and standby equipment that are expected to be used for more than 12 months are recorded as part of property and equipment.

When assets are retired or otherwise disposed of, their cost and the related accumulated depreciation are derecognized from the consolidated statements of financial position and the resulting gains or losses on the disposal or sale of the property and equipment are recognized in the consolidated statements of profit or loss and other comprehensive income.

Certain computer hardware cannot be used without the availability of certain computer software. In such circumstance, the computer software is recorded as part of the computer hardware. If the computer software is independent from its computer hardware, it is recorded as part of intangible assets.

The cost of maintenance and repairs are charged to the consolidated statements of profit or loss and other comprehensive income as incurred. Significant renewals and betterments are capitalized.

Property under construction is stated at cost less impairment if any, until the consctruction is completed, at which time it is reclassified to the property and equipment account to which it relates. During the construction period until the property is ready for its intended use or sale, borrowing costs, which include interest expense and foreign currency exchange differences incurred on loans obtained to finance the construction of the asset, as long as it meets the definition of a qualifying asset are, capitalized in proportion to the average amount of accumulated expenditures during the period. Capitalization of borrowing cost ceases when the construction is completed and the asset is ready for its intended use or sale.

m. Leases

IFRS 16 sets out a comprehensive model for identification of lease agreements and its treatment in the financial statements of both lessees and lessors. IFRS 16 introduces a control model for the identification of leases, distinguishing between leases and service contracts on the basis of whether there is an identified asset controlled by the customer.

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The lease term corresponds to the non-cancellable period of each contract, except in cases where the Group is reasonably certain of exercising renewal options contractually foreseen.

The Group has made use of the package of practical expedients available within IFRS 16, which among other things:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- the accounting for operating leases with a remaining lease term of less than 12 months as short-term leases;
- the exclusion of initial direct costs for the measurement of the right-of-use asset;
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease;
- not to separate non-lease components from lease components, and instead, account for both as a single lease component; and

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- not to recognize a lease liability and a Right-of-Use ("ROU") asset for leases where the underlying assets are low-value assets (i.e. underlying assets with a maximum value of US$5,000 or Rp50 million when new).

The Group applies the definition of a lease and related guidance set out in IFRS 16 to all lease contracts.

i. The Group as Lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and ROU assets representing the right to use the underlying assets.

The Group recognizes ROU assets at the commencement date of the lease. ROU assets are measured at cost, less any accumulated amortization and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, restoration costs and lease payments made at or before the commencement date less any lease incentives received.

ROU assets are amortized on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	Years
Land rights	50
Buildings	15-40
Transmission installation and equipment	3-25
Power supply	3-20
Vehicles	4-8
Others	2-25

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The ROU assets are subject to impairment in accordance with IAS 36 Impairment of Assets.

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

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Short-term leases with a duration of less than 12 months and low-value assets leases, as well as those lease elements, partially or totally not complying with the principles of recognition defined by IFRS 16 will be treated similarly to operating leases. The Group will recognize those lease payments on a straight-line basis over the lease term in the consolidated statements of profit or loss and other comprehensive income.

ii. The Group as Lessor

Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. Leases in which the Group transfers substantially all the risks and rewards incidental to ownership of an asset are classified as finance leases, otherwise it will be classified as an operating leases. Lease classification is made at the inception date and is reassessed only if there is a lease modification.

At the commencement date, the Group recognizes assets held under a finance lease at an amount equal to the net investment in the lease and present it as finance lease receivable. The net investment in the lease include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and residual value guarantees provided to the lessor by the lessee. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the lessee and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

As required by IFRS 9, an allowance for expected credit loss has been recognized on the finance lease receivables and presented under "Other receivables".

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 Revenue from Contracts with Customers to allocate the consideration in the contract. Revenue arising from operating lease is recorded as Revenue from Lessor Transactions (Note 2q).

n. Trade payables

Trade payables are obligations to pay for goods and/or services that have been acquired from suppliers in the ordinary course of business. Trade payables are classified as current liabilities if the payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

o. Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statements of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on obtaining loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down. In this case, the fee is deferred until

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the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facilities will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facilities to which it relates.

p. Foreign currency translations

The functional currency and the reporting currency of the Group are both in Indonesian rupiah, except for the functional currency of Telekomunikasi Indonesia International Ltd., Hong Kong, Telekomunikasi Indonesia International Pte. Ltd., Singapore, Telekomunikasi Indonesia International Inc., USA, and Telekomunikasi Indonesia International S.A., Timor Leste whose functional currency is U.S. Dollar, Telekomunikasi Indonesia International, Pty. Ltd., Australia whose functional currency is Australian Dollar, TS Global Network Sdn. Bhd., and Telekomunikasi Indonesia International Sdn. Bhd. whose functional currency is Malaysian ringgit. Transactions in foreign currencies are translated into Indonesian rupiah at the rates of exchange prevailing at transaction date. At the consolidated statements of financial position dates, monetary assets and liabilities denominated in foreign currencies are translated into Indonesian rupiah based on the buy and sell rates quoted by Reuters prevailing at the consolidated statements of financial position dates, as follows (in full amount):

	2020		2021	
	Buy	Sell	Buy	Sell
United States Dollar (“US$”) 1	14,040	14,060	14,250	14,255
Australian Dollar (“AU$”) 1	10,738	10,756	10,353	10,359
Singapore Dollar ("SGD") 1	10,591	10,607	10,555	10,561
New Taiwan Dollar ("TWD") 1	499.61	500.46	515.04	515.4
Euro ("EUR") 1	17,209	17,239	16,125	16,137
Japanese yen ("JPY") 1	135.91	136.15	123.81	123.86
Malaysian ringgit ("MYR") 1	3,477	3,485	3,420	3,424
Macanese pataca (“MOP”) 1	1,756	1,761	1,772	1,777
Hong Kong Dollar (“HKD”) 1	1,811	1,814	1,828	1,828

The result of foreign exchange gains or losses, realized and unrealized, are credited or charged to the consolidated statements of profit or loss and other comprehensive income of the current year, except for foreign exchange differences incurred on borrowings during the construction of qualifying assets which are capitalized to the extent that the borrowings can be attributed to the construction of those qualifying assets (Note 2l).

q. Revenue and expense recognition

Revenue from contract with customers

IFRS 15 establishes a comprehensive framework to determine how, when, and how much revenue is to be recognized. The standard provides a single principles-based five-step model for the determination and recognition of revenue to be applied to all contracts with customers. The standard also provides specific guidance requiring certain types of costs to obtain and/or fulfil a contract to be capitalized and amortized on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the capitalized cost relates.

Below is the summary of the Group’s revenue recognition accounting policy for each revenue stream:

i. Mobile

Revenue from mobile primarily comprises of revenue from cellular service which among others: telephone service, interconnection service, internet and data service and Short Messaging Services (“SMS”) service. Those services are offered on postpaid or prepaid basis. For prepaid

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services, initial package sales (also known as SIM cards and initial charging vouchers) and top up vouchers are initially recognized as contract liabilities.

All mobile services revenues are recognized based on output method, either per actual usage or allowance unit used (if services sold in plan basis), because the customer simultaneously receives and consumes the benefits provided by the Group.

For services sold in bundled plan, total consideration is allocated to performance obligations based on stand-alone selling price for each of product and/or service. The Group estimates the stand-alone selling price using the price enacted if the services are sold on a stand-alone basis. Most bundled plans sold by the Group only include services which are generally satisfied over the same period of time. Therefore, the revenue recognition pattern is generally not impacted by the allocation.

The consideration that is received is allocated between the telecommunication services and the points issued, with the consideration allocated to points that are equal to its fair value. The fair value of the points is determined according to historical information relating to the redemption rate of award points. The fair value of the points that are issued is deferred and recognized as revenue when the points are redeemed or have expired.

ii. Consumer

Revenue from consumer primarily comprises of revenue from fixed telephone and Indihome services. Revenues from fixed telephone service are derived from customer who subscribes to fixed telephone service only, while revenues from Indihome service are derived from customer who subscribes to internet services or to bundled package with combination of consumer service (i.e. telephone, internet and data, and paid TV). Those services are offered on a postpaid basis and billed in the following month. In 2021, the Group has applied a new term and condition that the contract with customer is an open-ended contract with minimum 12-month contract and substantive early termination penalty. The contract duration under IFRS 15 is 12-month contract and can be renewed in monthly basis afterward.

All consumer services are recognized using the output method based on the customer's actual usage or time elapsed basis as the customer simultaneously receives and consumes the benefits provided by the Group.

Customers may be required to pay an upfront fee at the commencement of the contract.

The upfront fee is considered to be a material right because the customer is not required to pay an upfront fee when the customer renews the service beyond the original contract period. The Group values the renewal option in the amount of the consideration received from the upfront fee for the installation service. The Group defers the amount of renewal option as contract liabilities and recognizes it as revenue on a straight-line basis over the expected term of the customer relationships. The Group estimates the expected customer life based on the historical information and customer trends and updates the evaluation on an annual basis.

iii. Enterprise

Revenue from enterprise primarily comprises of revenue from providing telephone service, internet and data, information technologies, and other services (e.g. sales of peripherals, manage service, call center service, e-health, e-payment, and others). Some of the contracts with enterprise customers are bespoke in nature.

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Revenues from enterprise are recognized overtime using output method based on actual usage or time elapsed if the provision of service does not depend on usage (i.e. minute of voice, kilobyte of data, etc.), except for sales of goods which are recognized at a point in time, because the customer simultaneously receives and consumes the benefits provided by the Group. Revenues for performance obligations that are satisfied at a point in time is recognized when control of goods is transferred to the customer, typically when the customer has physical possession of the goods.

Some of the arrangements in enterprise are offered as bundled arrangements. For bundled arrangements, the product and/or service in the contract is accounted for as a single performance obligation when it is separately identifiable from other promises in the contract and the customer can benefit from the product/service on its own. The total consideration is allocated to each distinct performance obligation that has been included in the contract, based on its stand-alone selling price. The stand-alone selling price is determined according to the observable prices at which individual product and/or service are sold separately, adjusted for market conditions and normal discounts as appropriate. Alternatively, when the observable prices are not available, the expected cost plus margin approach is used to determine the stand-alone selling prices.

Certain contracts with enterprise customers may give rise to variable consideration as the contract price depends on a future event (e.g. usage based contract or revenue-share based contract). In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on the method that better predicts the amount of consideration to which it will be entitled. The Group determines that the most expected value method is the appropriate method to use in estimating the variable consideration for a single contract with a large number of possible outcomes.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determines the estimates of variable consideration is not constrained based on its historical experience, business forecast, and the current economic conditions and only includes variable consideration to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

When another party is involved in providing products and/or services to a customer, the Group is the principal if it controls the specified products and/or services before those products and/or services are transferred to the customer. Revenues are recorded on the net amount that has been retained (the amount paid by the customer less the amount paid to the suppliers), when, in substance, the Group has acted as agent and earned commission from the suppliers of the products and/or services sold.

iv. Wholesale and International Business (“WIB”)

Revenue from WIB is mainly comprises of interconnections service for interconnection of other telecommunications carriers’ subscriber calls to the Group’s subscribers (incoming call) and calls between other telecommunications carriers subscribers through the Group’s network (transit) and network service with other telecommunications carriers. All of these services are recognized based on the output method using the basis of the actual recorded traffic for the month.

Contract assets

A contract asset is initially recognized for revenue earned from delivery of goods or services because the receipt of consideration is conditional on certain milestones or upon completion of the project. Upon completion of the milestones or the project, the amount recognized as contract assets is reclassified to trade receivables.

Contract assets are subject to impairment assessment.

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Contract liabilities

A contract liability is recognized if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognized as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Incremental cost of obtaining/fulfilling contract with customers

The incremental costs of obtaining/fulfilling contracts with customers, which principally are comprised of sales commissions and contract fulfilment costs, are initially recognized on the statement of financial position. These costs are subsequently amortized on a systematic basis that is consistent with the period and pattern of transfer to the customer of the related products or services. Costs that do not qualify as costs of obtaining/fulfilling contract with customers are expensed as incurred or in accordance with other relevant standards.

Revenue from lessor transactions

Revenue from lessor transactions comprises of revenue from telecommunication tower operating leases and other rental. Rental income is recognized on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature.

Expenses

Expenses are recognized as they are incurred.

r. Employee benefits

i. Short-term employee benefits

All short-term employee benefits which consist of salaries and related benefits, vacation pay, incentives and other short-term benefits are recognized as expense on undiscounted basis when employees have rendered service to the Group.

ii. Post-employment benefit plans and other long-term employee benefits

Post-employment benefit plans consist of funded and unfunded defined benefit pension plans, defined contribution pension plan, other post-employment benefits, post-employment health care benefit plan, defined contribution health care benefit plan and obligations under the Labor Law.

Other long-term employee benefits consist of Long Service Awards (“LSA”), Long Service Leave (“LSL”), and pre-retirement benefits.

The cost of providing benefits under post-employment benefit plans and other long-term employee benefits calculation is performed by an independent actuary using the projected unit credit method.

The net obligations in respect of the defined pension benefit plans and post-retirement health care benefit plan are calculated at the present value of estimated future benefits that the employees have earned in return for their service in the current and prior periods less the fair value of plan assets. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Government bonds that are denominated in the currencies in which the benefits will be paid and that have terms to maturity approximating the terms of the related retirement benefit obligation. Government bonds are used as there are no deep markets for high quality corporate bonds.

Plan assets are assets owned by defined benefit pension plan and post-retirement health care benefits plan as well as qualifying insurance policy. The assets are measured at fair value as of reporting dates. The fair value of qualifying insurance policy is deemed to be the present value of the related obligations (subject to any reduction required if the amounts receivable under the insurance policies are not recoverable in full).

Remeasurement, comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability (asset)) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)) are recognized immediately in the consolidated statements of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized immediately in profit or loss on the earlier of:
(a) the date of plan amendment or curtailment; and
(b) the date that the Group recognized restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liabilities or assets.

Gains or losses on curtailment are recognized when there is a commitment to make a material reduction in the number of employees covered by a plan or when there is an amendment of defined benefit plan terms such as that a material element of future services to be provided by current employees will no longer qualify for benefits, or will qualify only for reduced benefits.

Gains or losses on settlement are recognized when there is a transaction that eliminates all further legal or constructive obligation for part or all of the benefits provided under a defined benefit plan (other than the payment of benefit in accordance with the program and included in the actuarial assumptions).

For defined contribution plans, the regular contributions constitute net periodic costs for the period in which they are due and, as such, are included in “Personnel Expenses” as they become payable.

iii. Share-based payments

The Company operates an equity-settled, share-based compensation plan. The fair value of the employees’ services rendered which are compensated with the Company’s shares is recognized as an expense in the consolidated statements of profit or loss and other comprehensive income and credited to additional paid-in capital at the grant date.

iv. Early retirement benefits

Early retirement benefits are accrued at the time the Group makes a commitment to provide early retirement benefits as a result of an offer made in order to encourage voluntary redundancy. A commitment to a termination arises when, and only when a detailed formal plan for the early retirement cannot be withdrawn.

s. Taxes

Income tax

Current and deferred income taxes are recognized as income or expense and included in the consolidated statements of profit or loss and other comprehensive income, except to the extent that the income tax arises from a transaction or event which is recognized directly in equity, in which case, the income tax is recognized directly in equity.

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Current income tax assets and liabilities are measured at the amounts expected to be recovered or paid by using the tax rates and tax laws that have been enacted or substantively enacted at each reporting date. Management periodically evaluates positions taken in Annual Tax Returns ("*Surat Pemberitahuan Tahunan*"/ "*SPT Tahunan*") with respect to situations in which applicable tax regulation is subject to interpretation. Where appropriate, management establishes provisions based on the amounts expected to be paid to the Tax Authorities.

Tax assessments

Amendment to taxation obligation is recorded when an assessment letter ("*Surat Ketetapan Pajak*" or "SKP") is received or, if appealed against, when the results of the appeal have been determined. The additional taxes and penalty imposed through SKP are recognized as revenue or expense in the current year profit or loss, unless objection/appeal is taken. The additional taxes and penalty imposed through SKP are deferred as long as they meet the asset recognition criteria.

Deferred tax

The Group recognizes deferred tax assets and liabilities for temporary differences between the financial and tax bases of assets and liabilities at each reporting date. The Group also recognizes deferred tax assets resulting from the recognition of future tax benefits, such as the benefit of tax losses carried forward to the extent their future realization is probable. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates and tax laws at each reporting date which are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced if there is no longer probable that sufficient taxable profit will be available to compensate part or all of the benefits of deferred tax assets. Unrecognized deferred tax assets are re-assessed at each reporting date and recognized if it is probable that future taxable profits will be available for recovery. Tax deductions arising from the reversal of deferred tax assets are excluded from estimates of future taxable income.

Deferred tax transactions which are recognized outside profit or loss. Therefore, deferred taxes on these transactions are recognized either in other comprehensive income or recognized directly in equity.

Deferred tax assets and liabilities are offset in the consolidated statements of financial position, if and only if it has a legally enforceable right to set off current tax assets and liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same Tax Authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Value added tax ("VAT")

Revenues, expenses and assets are recognized net of the VAT amount except:
i. VAT arising from the purchase of assets or services that cannot be credited by the Tax Office, which VAT is recognized as part of the acquisition cost of the asset or as part of the applied expenses; and
ii. Receivables and payables are presented including the amount of VAT.

Uncertainty over income tax treatments

In accordance with IFRIC 23: Uncertainty Over Income Tax Treatments which is effective on January 1, 2019, stated that the recognition and measurement of tax assets and liabilities that contain uncertainty over income tax are determined by considering whether to be treated separately or together, the assumptions used in the examination of tax treatments by the Tax Authorities, consideration the probability that the Tax Authorities will accept uncertain tax treatment and re-consideration or estimation if there is a change in facts and circumstances.

If the acceptance of the tax treatment by the Tax Authorities is probable, the measurement is in line with income tax fillings. If the acceptance of the tax treatment by the Tax Authorities is not probable, the Group meaures its tax balances using the method that provides the better predict of resolution (i.e. most likely amount or expected value).

Accordingly, management believes that the interpretation did not have a significant impact on the consolidated financial statements.

Final tax

Indonesian tax regulations impose final tax on several types of transactions based on the gross value of the transaction. Therefore, final tax which is charged based on such transaction remains subject to tax even though the taxpayer incurred a loss on the transaction.

Final tax on construction services and leases are presented as part of “Other Income (Expenses) - net”.

t. Financial instruments

The Group classifies financial instruments into financial assets and financial liabilities. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, fair value through OCI (“FVTOCI”), and fair value through profit or loss (“FVTPL”).

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or FVTOCI, it needs to give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment is referred to as the solely payments of principal and interest test and is performed at an instrument level.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to sell the asset.

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Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

(a) Financial assets at amortized cost (debt instruments)

The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. The Group's financial assets at amortized cost consist of cash and cash equivalents, trade and other receivables, contract assets, other current financial assets, and other non-current assets.

(b) Financial assets at FVTOCI with recycling of cumulative gains and losses (debt instruments)

The Group measures debt instruments at FVTOCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at FVTOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Group has no debt instruments classified at FVTOCI with recycling of cumulative gains and losses as of December 31, 2020 and 2021.

(c) Financial assets designated at FVTOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVTOCI when they meet the definition of equity under IAS 32, Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVTOCI are not subject to impairment assessment. The Group's financial assets at this category consists of long-term investment in financial instruments.

(d) Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at

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fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVTOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss. The Group's financial assets at FVTPL consists of other long-term investment in financial instruments and other current financial assets.

Expected credit losses ("ECL")

The Group recognizes an allowance for ECL for all debt instruments not held at FVTPL. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision model that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. Trade receivables are written-off when there is a low possibility of recovering the contractual cash flow, after all collection efforts have been done and have been fully provided for allowance.

ii. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loan and borrowings and payables, net of directly attributable transaction costs

The Group classifies its financial liabilities as: (i) financial liabilities at FVTPL or (ii) financial liabilities measured at amortized cost.

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The Group's financial liabilities include trade and other payables, accrued expenses, interest-bearing loans, other borrowings and other liabilities. Interest-bearing loans consist of short-term bank loans, two-step loans, bonds and notes, long-term bank loans, customer deposits and lease liabilities.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(a) Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

Financial liabilities designated upon initial recognition at FVTPL are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at FVTPL.

(b) Financial liabilities measured at amortized cost

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and other borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and other borrowings. For more information, refer to Note 21 Long-Term Loans and Other Borrowings.

iii. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle them on a net basis, or realize the assets and settle the liabilities simultaneously. The right of offset must not be contingent on a future event and must be legally enforceable in all of the following circumstances:
(a) the normal course of business;
(b) the event of default; and
(c) the event of insolvency or bankruptcy of the Group and all of the counterparties.

iv. Derecognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when the Group transfers substantially all the risks and rewards of ownership of the financial asset.

The Group derecognizes a financial liability when the obligation specified in the contract is discharged or cancelled or has expired.

v. Hedge Accounting

The Group does not apply hedge accounting.

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u. Treasury stock

Reacquired Company's shares of stock are accounted for at their reacquisition cost and classified as "Treasury Stock" and presented as a deduction in equity. The cost of treasury stock sold/transferred is accounted for using the weighted average method. The portion of treasury stock transferred for employee stock ownership program is accounted for at its fair value at grant date. The difference between the cost and the proceeds from the sale/transfer of treasury stock is credited to "Additional Paid-in Capital".

v. Dividends

Dividend for distribution to the stockholders is recognized as a liability in the consolidated financial statements in the year in which the dividend is approved by the stockholders. The interim dividend is recognized as a liability based on the Board of Directors' decision supported by the approval from the Board of Commissioners.

w. Basic and diluted earnings per share and earnings per ADS

Basic earnings per share is computed by dividing profit for the year attributable to owners of the parent company by the weighted average number of shares outstanding during the year. Income per ADS is computed by multiplying the basic earnings per share by 100, the number of shares represented by each ADS.

The Company does not have potentially dilutive financial instruments.

x. Segment information

The Group's segment information is presented based upon identified operating segments. An operating segment is a component of an entity:

i. that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
ii. whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker ("CODM") i.e., the Directors, to make decisions about resources to be allocated to the segment and assess its performance; and
iii. for which discrete financial information is available.

y. Provisions

Provisions are recognized when the Group has present obligations (legal or constructive) arising from past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and the amount can be measured reliably.

Provisions for onerous contracts are recognized when the contract becomes onerous for the lower of the cost of fulfilling the contract and any compensation or penalties arising from failure to fulfill the contract.

z. Impairment of non-financial assets

At the end of each reporting period, the Group assesses whether there is an indication that an asset may be impaired. If such indication exists, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the Cash-Generating Unit ("CGU") to which the asset belongs ("the asset's CGU").

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The recoverable amount of an asset (either individual asset or CGU) is the higher of the asset's fair value less costs to sell and its value in use ("VIU"). Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated net future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, the Group uses an appropriate valuation model to determine the fair value of the asset. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuing operations are recognized in profit or loss as part of "Depreciation and amortization expenses" in the consolidated statements of profit or loss and other comprehensive income.

At the end of each reporting period, the Group assesses whether there is any indication that previously recognized impairment losses for an asset, other than goodwill, may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss for an asset, other than goodwill, is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited such that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment been recognized for the asset in prior periods. Reversal of an impairment loss is recognized in profit or loss.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment loss relating to goodwill cannot be reversed in future periods.

aa. Current and non-current classifications

The Group presents assets and liabilities in the statement of financial position based on current/non- current classification. An asset is presented as current when it is:
i. expected to be realized or intended to be sold or consumed in the normal operating cycle;
ii. held primarily for the purpose of trading;
iii. expected to be realized within twelve months after the reporting period; or
iv. cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Asset which do not meet above criterias are classified as non-current assets.

A liability is presented as current when:
i. it is expected to be settled in the normal operating cycle;
ii. it is held primarily for the purpose of trading;
iii. it is due to be settled within twelve months after reporting period;
iv. there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of liability that could, at the option of counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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Liabilities which do not meet above criterias are classified as long-term liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

ab. Critical accounting considerations, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make decisions, estimates and assumptions that affect the amount of revenue, expenses, assets and liabilities reported, and the accompanying disclosures, and disclosures of contingent liabilities, at the end of the reporting period.

Uncertainty about these assumptions and estimates can produce results that require a material adjustment to the carrying amounts of assets and liabilities affected in the coming periods.

i. Consideration

The following considerations were made by management in applying the Group's accounting policies that have the most significant influence on the amounts recognized in the consolidated financial statements:

<u>Income taxes</u>

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income could necessitate future adjustments to tax income and expense already recorded.

Judgment is also involved in determining the provision for corporate income tax. There are certain transactions and computation for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the year in which such determination is made. Details of the nature and carrying amounts of income tax are disclosed in Note 29.

ii. Estimates and assumptions

Estimates and assumption are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Retirement benefits

The present value of the retirement benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate and return on investment (ROI). Any changes in these assumptions will impact the carrying amount of the retirement benefit obligations.

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The Group determines the appropriate discount rate at the end of each reporting period. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the obligations. In determining the appropriate discount rate, the Group considers the interest rates of Government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related retirement benefit obligations.

If there is an improvement in the ratings of such Government bonds or a decrease in interest rates as a result of improving economic conditions, there could be a material impact on the discount rate used in determining the post-employment benefit obligations.

Other key assumptions for retirement benefit obligations are based in part on current market conditions. Additional information is disclosed in Notes 30 and 31.

(b) Useful lives of property and equipment

The Group estimates the useful lives of its property and equipment based on expected asset utilization, considering strategic business plans, expected future technological developments, and market behavior. The estimates of useful lives of property and equipment are based on the Group's collective assessment of industry practice, internal technical evaluation, and experience with similar assets.

The Group reviews its estimates of useful lives at least each financial year-end and such estimates are updated if expectations differ from previous estimates due to changes in expectation of physical wear and tear, technical or commercial obsolescence, and legal or other limitations on the continuing use of the assets. The amounts of recorded expenses for any year will be affected by changes in these factors and circumstances. A change in the estimated useful lives of the property and equipment is a change in accounting estimates and is applied prospectively in profit or loss in the period of the change and future periods. In 2020, the Group change its estimated useful lives of towers in Indonesia (Note 13). In 2021, the Company accelerated the useful lives of Multi-Service Access Node ("MSAN") assets until 2022 (Note 13).

Details of the nature and carrying amounts of property and equipment are disclosed in Note 13.

(c) Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

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(d) Allowance for expected credit losses for financial assets

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established an allowance for expected credit losses methodology that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors, and the economic environment.

For term deposits and debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the deposits or debt instrument are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due

The Group assesses whether there is objective evidence that other receivables or other financial assets have been impaired at the end of each reporting period. Allowance for expected credit losses of receivables is calculated based on a review of the current status of existing receivables and historical collection experience. Such allowance are adjusted periodically to reflect the actual and anticipated experience. Details of the nature and carrying amounts of allowance for expected credit losses of receivables are disclosed in Note 6.

Following the effect of Covid-19 pandemic, Group has not remodified the definition of its significant increase in credit risk and the definition of its default. Group also closely monitors the changes in shared risk characteristics of certain account receivables by evaluating the customer segmentations portfolios which the respective customers might engage in business industries, or locate in areas, which have become affected, or are more prone to be affected, by the pandemic. Group has reassessed the model used to calculate ECLs based on the latest reasonable and supportable data to better reflect the current change in circumstances. Methods and approaches will continue to be monitored and updated if additional reasonable and supportable data and information are available; including forward looking information and other input in the future.

(e) Revenue

(i) Critical judgements in determining the performance obligation, timing of revenue recognition and revenue classification

The Group provides information technology services that are bespoke in nature. Bespoke products consist of various goods and/or services bundled together in order to provide integrated solution services to customers. In addition to the bespoke service, Group also provide multiple standard product as bundling product in contract with customer. Significant judgment is required in determining the number and nature of performance obligations promised to customers in those contracts. The number and nature of performance obligations will determine the timing of revenue recognition for such contract.

The Group reviews the determination of performance obligations on a contract-by-contract basis. When a contract consisting of several goods and/or service is assessed to have one performance obligations, the Group applies a single method of measuring progress for the performance obligation based on the measurement method that best depicts the economics of the contract, which in most cases is over time.

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The Group also presents the revenue classification using consistent approach. When a contract consisting of several goods and/or service is assessed to have one performance obligations, the Group presents that performance obligations in one financial statement line items which best represent the main service of the Group, which in most cases is the internet, data communication and information technology services.

(ii) Critical judgements in determining the stand-alone selling price

The Group provides wide array of products related to telecommunication and technology. To determine the stand-alone selling price for goods and/or services that do not have any readily available observable price, the Group uses the expected cost-plus margin approach. The Group determines the appropriate margin based on historical achievement.

(f) Test for impairment of non-current assets and goodwill

The application of the acquisition method in a business combination requires the use of accounting estimates in allocating the purchase price to the fair market value of the assets and liabilities acquired, including intangible assets. Certain business acquisitions by the Group resulted goodwill, which is not amortized but is tested for impairment annually and every indication of impairment exists.

Although management believes that the assumptions used are appropriate, significant changes to those assumptions can materially affect the evaluation of recoverable amounts and may result in impairment according to IAS 36: Impairment of Assets.

(g) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

(h) Acquisition

The Group evaluates each acquisition transaction to determine whether it will be treated as an asset or business combination. For transactions that are treated as an asset acquisition, the purchase price is allocated to the assets obtained, without the recognition of goodwill. For acquisitions that meet the business combination definition, the Group applies the accounting acquisition method for assets acquired and liabilities assumed are recorded at fair value at the acquisition date, and the results of operations are included with the Group's results from the date of each acquisition.

Any excess from the purchase price paid for the amount recognized for assets acquired and liabilities incurred is recorded as goodwill. The Group continues to evaluate acquisitions that are counted as a business combination for a period not exceeding one year after the applicable acquisition date of each transaction to determine whether additional adjustments are needed to allocate the purchase price paid for the assets acquired and liabilities assumed. The fair value of assets acquired and liabilities incurred are usually determined using either an estimated replacement cost or a discounted cash flow valuation method. When determining the fair value of tangible assets acquired, the Group estimates the cost of replacing assets with new assets by considering factors such as the age, condition, and economic useful lives of the assets. When determining the fair value of the intangible assets obtained, the Group estimates the applicable discount rate and the time and amount of future cash flows, including the rates and terms for the extension and reduction.

3. TRANSLATION OF INDONESIAN RUPIAH INTO UNITED STATES DOLLAR

The consolidated financial statements are stated in Indonesian rupiah. The translation of the Indonesian rupiah amounts into U.S. Dollar amounts are included solely for the convenience of the readers and has been made using the average of the market buy and sell rates of Rp14,252 to US$1 as published by Reuters on December 31, 2021. The convenience translation should not be construed as representations that the Indonesian rupiah amounts have been, could have been, or could in the future be, converted into U.S. Dollar at this or any other rate of exchange.

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4. CASH AND CASH EQUIVALENTS

The breakdown of cash and cash equivalents is as follows:

		2020		2021	
		Balance		Balance	
	Currency	Foreign currency (in millions)	Rupiah equivalent	Foreign currency (in millions)	Rupiah equivalent
Cash	Rp	—	19	—	12
Cash in banks					
Related parties					
PT Bank Mandiri (Persero) Tbk. ("Bank Mandiri")	Rp	—	1,559	—	8,660
	US$	8	110	32	459
	EUR	2	28	2	30
	JPY	1	0	1	0
	HKD	2	3	3	5
	AU$	0	0	0	0
PT Bank Rakyat Indonesia (Persero) Tbk. ("BRI")	Rp	—	312	—	6,035
	US$	0	6	0	6
PT Bank Negara Indonesia (Persero) Tbk. ("BNI")	Rp	—	1,129	—	2,859
	US$	5	72	2	34
	SGD	0	0	0	0
	EUR	—	—	0	0
PT Bank Tabungan Negara (Persero) Tbk. ("BTN")	Rp	—	43	—	1,368
	US$	0	0	0	0
Bank Pembangunan Daerah Tbk. ("BPD")	Rp	—	155	—	99
Others (each below Rp75 billion)	Rp	—	21	—	51
	US$	0	0	0	0
	SGD	0	0	—	—
Sub-total			3,438		19,606
Third parties					
PT Bank Permata Tbk. ("Bank Permata")	Rp	—	81	—	2,326
	US$	1	12	—	—
The Hongkong and Shanghai Banking Corporation Ltd. ("HSBC Hongkong")	US$	36	504	44	628
	HKD	5	10	23	42
PT Bank CIMB Niaga Tbk. ("Bank CIMB Niaga")	Rp	—	1,576	—	570
	US$	0	1	5	74
	MYR	1	4	—	—
Standard Chartered Bank ("SCB")	Rp	—	0	—	—
	US$	6	86	21	300
	SGD	8	81	8	83
Bank UOB	Rp	—	43	—	84
	US$	0	6	3	37
	SGD	1	15	2	19
	MYR	10	34	4	13
PT Bank Central Asia Tbk. ("BCA")	Rp	—	66	—	100
	US$	0	2	0	3
Chase Bank	US$	3	41	7	96
Bank of Tokyo-Mitsubishi UFJ	Rp	—	7	—	89
	US$	0	0	0	0
PT Bank HSBC Indonesia ("HSBC")	Rp	—	218	—	20
Others (each below Rp75 billion)	Rp	—	144	—	135
	US$	4	59	3	50
	TWD	42	21	46	24
	MYR	3	10	2	6
	AU$	0	5	0	5
	EUR	0	5	0	0
Sub-total			3,031		4,704
Total cash in banks			6,469		24,310
Time deposits					
Related parties					
PT Bank Negara Indonesia (Persero) Tbk. ("BNI")	Rp	—	3,039	—	6,739
	US$	27	385	43	610
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk ("BJB")	Rp	—	919	—	910
	US$	6	80	11	153
PT Bank Rakyat Indonesia (Persero) Tbk. ("BRI")	Rp	—	2,421	—	544
	US$	34	479	47	675
PT Bank Mandiri (Persero) Tbk. ("Bank Mandiri")	Rp	—	2,825	—	604
	US$	14	190	31	441
PT Bank Tabungan Negara (Persero) Tbk. ("BTN")	Rp	—	2,123	—	580
Bank Syariah Indonesia Tbk. ("BSI")	Rp	—	—	—	210
Others (each below Rp75 billion)	Rp	—	10	—	28
Sub-total			12,471		11,494
Third parties					
PT Bank Mega Tbk ("Bank Mega")	Rp	—	379	—	1,689
	US$	9	131	17	235
PT Bank Maybank Indonesia Tbk. ("Maybank")	Rp	—	12	—	197
	US$	35	494	8	107
	MYR	—	—	2	7
PT Bank Bukopin Tbk. ("Bank Bukopin")	Rp	—	—	—	—
PT Bank Sinarmas Tbk. ("Bank Sinarmas")	Rp	—	250	—	—
PT Bank Tabungan Pensiunan Nasional Tbk. ("BTPN")	Rp	—	115	—	—
PT Bank CIMB Niaga Tbk. ("Bank CIMB Niaga")	Rp	—	42	—	—
PT Bank Danamon Indonesia Tbk ("Bank Danamon")	Rp	—	101	—	—
PT Bank DBS Indonesia ("DBS")	Rp	—	—	—	200
Others (each below Rp75 billion)	Rp	—	35	—	61
	US$	5	71	—	—
Sub-total			1,630		2,496
Total time deposits			14,101		13,990
Allowance for expected credit losses			(0)		(1)
Total			**20,589**		**38,311**

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Interest rates per annum on time deposits are as follows:

	2020	2021
Rupiah	2.00% - 8.25%	1.25% - 7.75%
Foreign currencies	0.25% - 2.80%	0.20% - 1.75%

The related parties in which the Group places its funds are state-owned banks. The Group placed the majority of its cash and cash equivalents in these banks because they have the most extensive branch networks in Indonesia and are considered to be financially sound banks, as they are owned by the State.

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5. OTHER CURRENT FINANCIAL ASSETS

The breakdown of other current financial assets is as follows:

		2020 Balance		2021 Balance	
	Currency	Foreign currency (in millions)	Rupiah equivalent	Foreign currency (in millions)	Rupiah equivalent
Time deposits					
Related parties					
Bank Mandiri	Rp	—	180	—	160
	US$	5	70	5	71
BNI	Rp	—	60	—	20
	US$	20	278	—	—
BRI	Rp	—	120	—	—
	US$	14	197	—	—
BTN	US$	9	126	—	—
Subtotal			1,031		251
Third parties					
Others (each below Rp75 billion)	Rp	—	18	—	18
	US$	5	71	5	73
Total time deposits			1,120		342
Escrow accounts	Rp	—	47	—	43
	US$	2	27	1	21
Total escrow accounts			74		64
Mutual funds					
Related parties					
PT Bahana TCW Investment Management ("Bahana TCW")	Rp	—	77	—	78
Total mutual funds			77		78
Others (each below Rp75 billion)	Rp	—	—	—	9
	US$	2	32	—	—
Total others			32		9
Allowance for expected credit losses			(0)	—	(0)
Total other current financial assets			**1,303**		**493**

The time deposits have maturities of more than three months but not more than one year, with interest rates as follows:

	2020	2021
Rupiah	3.25% - 6.50%	2.50% - 3.75%
Foreign currency	0.15% - 1.08%	0.06% - 0.50%

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6. TRADE AND OTHER RECEIVABLES

The breakdown of trade and other receivables is as follows:

	2020	2021
Trade receivables	19,699	16,312
Allowance for expected credit losses	(8,360)	(7,802)
Net	11,339	8,510
Other receivables	442	446
Allowance for expected credit losses	(227)	(251)
Net	215	195
Total trade and other receivables	**11,554**	**8,705**

Trade receivables arise from services provided to both retail and non-retail customers, with details as follows:

a. By debtor

(i) Related parties

	2020	2021
State-owned enterprises	1,564	1,336
Government agencies	1,196	679
Indonusa	504	439
Indosat	225	148
Others (each below Rp75 billion)	407	176
Total	3,896	2,778
Allowance for expected credit losses	(1,553)	(1,400)
Net	**2,343**	**1,378**

(ii) Third parties

	2020	2021
Individual and business subscribers	13,899	12,644
Overseas international carriers	1,904	890
Total	15,803	13,534
Allowance for expected credit losses	(6,807)	(6,402)
Net	**8,996**	**7,132**

b. By age

(i) Related parties

	2020	2021
Up to 3 months	2,008	1,319
3 to 6 months	412	238
More than 6 months	1,476	1,221
Total	3,896	2,778
Allowance for expected credit losses	(1,553)	(1,400)
Net	**2,343**	**1,378**

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(ii) Third parties

	2020	2021
Up to 3 months	8,110	6,753
3 to 6 months	862	686
More than 6 months	6,831	6,095
Total	15,803	13,534
Allowance for expected credit losses	(6,807)	(6,402)
Net	**8,996**	**7,132**

(iii) Aging of total trade receivables

	2020			2021		
	Gross	Allowance for expected credit losses	Expected credit loss rate	Gross	Allowance for expected credit losses	Expected credit loss rate
Not past due	7,818	696	8.9 %	5,625	532	9.5 %
Past due up to 3 months	2,300	488	21.2 %	2,447	328	13.4 %
Past due more than 3 to 6 months	1,274	495	38.9 %	924	253	27.4 %
Past due more than 6 months	8,307	6,681	80.4 %	7,316	6,689	91.4 %
Total	**19,699**	**8,360**		**16,312**	**7,802**	

The Group has made allowance for expected credit losses based on the collective assessment of historical impairment rates and individual assessment of its customers' credit history, adjusted for forward looking factors specific from the customers and the economic environment. The Group does not apply a distinction between related party and third party receivables in assessing amounts past due. As of December 31, 2020 and 2021, the carrying amounts of trade receivables of the Group considered past due but not impaired amounted to Rp4,217 billion and Rp3,417 billion, respectively. Management believes that receivables past due but not impaired, along with trade receivables that are neither past due nor impaired, are due from customers with good credit history and are expected to be recoverable.

c. By currency

(i) Related parties

	2020	2021
Rupiah	3,886	2,777
U.S. Dollar	10	1
Total	3,896	2,778
Allowance for expected credit losses	(1,553)	(1,400)
Net	**2,343**	**1,378**

(ii) Third parties

	2020	2021
Rupiah	13,439	11,838
U.S. Dollar	2,265	1,606
Singapore Dollar	75	56
Others (each below Rp75 billion)	24	34
Total	15,803	13,534
Allowance for expected credit losses	(6,807)	(6,402)
Net	**8,996**	**7,132**

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d. Movements in the allowance for expected credit losses

	2020	2021
Beginning balance	6,207	8,360
Allowance for expected credit losses	2,344	474
Receivables written-off	(191)	(1,032)
Ending balance	**8,360**	**7,802**

The receivables written-off relate to both related party and third party trade receivables.

Management believes that the allowance for expected credit losses of trade receivables is adequate to cover losses on uncollectible trade receivables.

As of December 31, 2020 and 2021, certain trade receivables of the subsidiaries amounting to Rp3,432 billion and Rp2,330 billion, respectively, have been pledged as collateral under lending agreements (Notes 20a and 21c).

7. CONTRACT ASSETS

The breakdown of contract assets is as follows:

	2020	2021
Contract assets	1,351	2,588
Allowance for expected credit losses	(112)	(115)
Net	1,239	2,473
Short-term portion	**(1,036)**	**(2,330)**
Long-term portion	**203**	**143**

As at January 1, 2020, the opening balances of contract assets amounted to Rp944 billion.

Management believes that the allowance for expected credit losses is adequate to cover losses on uncollectible contract asset.

Refer to Note 32 for details of related party transactions.

8. INVENTORIES

Inventories, all recognize at net realizable value, consist of:

	2020	2021
Components	560	578
SIM cards and blank prepaid vouchers	265	148
Others	226	122
Total	1,051	848
Provision for obsolescence		
Components	(37)	(38)
SIM cards and blank prepaid vouchers	(28)	(28)
Others	(3)	(3)
Total	(68)	(69)
Net	**983**	**779**

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Movements in the provision for obsolescence are as follows:

	2020	2021
Beginning balance	92	68
Provision recognized during the year	1	2
Inventory written-off	(25)	(1)
Ending balance	**68**	**69**

Management believes that the provision is adequate to cover losses from decline in inventory value due to obsolescence.

The inventories recognized as expense and included in operations, maintenance, and telecommunication service expenses in 2019, 2020 and 2021 amounted to Rp1,754 billion, Rp544 billion, and Rp739 billion respectively (Note 27).

As of December 31, 2020 and 2021, certain inventories of the subsidiaries amounting to Rp557 billion and Rp557 billion, respectively, have been pledged as collateral under lending agreements (Note 20a and Note 21c).

As of December 31, 2020 and 2021, modules (part of property and equipment) and components held by the Group with book value amounting to Rp107 billion and Rp122 billion, respectively, have been insured against fire, theft, and other specific risks. Total sum insured as of December 31, 2020 and 2021 amounted to Rp133 billion and Rp155 billion respectively.

Management believes that the insurance coverage is adequate to cover potential losses of inventories arising from the insured risks.

9. OTHER CURRENT ASSETS

The breakdown of other current assets is as follows:

	2020	2021
Prepaid frequency license fees - current portion (Note 34c.i)	4,554	4,923
Advances	1,339	683
Prepaid salaries	180	185
Prepaid rental	272	170
Others (each below Rp75 billion)	202	401
Total	**6,547**	**6,362**

10. CONTRACT COSTS

Movement of contract costs for the years ended December 31, 2020 and 2021 are as follows:

	2020		
	Cost to obtain	Cost to fulfill	Total
At January 1, 2020	696	489	1,185
Addition current year	699	342	1,041
Amortization during the year	(150)	(368)	(518)
At December 31, 2020	1,245	463	1,708
Short-term portion	**(193)**	**(261)**	**(454)**
Long-term portion	**1,052**	**202**	**1,254**

	2021		
	Cost to obtain	Cost to fulfill	Total

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At January 1, 2021	1,245	463	1,708
Addition current year	568	757	1,325
Amortization during the year	(281)	(488)	(769)
At December 31, 2021	1,532	732	2,264
Short-term portion	**(312)**	**(344)**	**(656)**
Long-term portion	**1,220**	**388**	**1,608**

There is no provision for impairment of contract costs as of December 31, 2020 and 2021.

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11. LONG-TERM INVESTMENTS IN FINANCIAL INSTRUMENTS

	2020	2021
Investment in equity at fair value through profit or loss	1,686	12,962
Convertible bonds at fair value through profit or loss	2,339	681
Investment in equity at fair value through other comprehensive income	20	18
Total investment in financial instruments	**4,045**	**13,661**

Investments in convertible bonds at fair value through profit or loss represent long-term investments owned by Telkomsel and MDI in the form of convertible bonds in various start-up companies engaged in information and technology, which will be immediately converted into shares when they mature. The convertible bonds will mature from January 1, 2022 to December 31, 2023.

Investments in equity at fair value through profit or loss are long-term investments in the form of shares in various start-up companies engaged in information and technology. The Group does not have significant influence in these start-up companies.

Investments in equity at fair value through profit or loss include Telkomsel's investment in PT Aplikasi Karya Anak Bangsa (“AKAB”).

On November 16, 2020, Telkomsel entered into agreements with AKAB for investing in the form of non-interest-bearing Convertible Bond (“CB”) amounting to US$150 million (equivalent to Rp2,116 billion as of December 31, 2020). The CB will mature on November 16, 2023. The contractual cash flows from the investment in CB held by Telkomsel are not solely payment of principal and interest on the principal amount outstanding, hence, the CB is classified as FVTPL. The preferred shares call option provides Telkomsel the right to purchase additional preferred shares of AKAB within 12-months after the effective date at the price of US$5,049 per share amounting to US$300 million. The preferred shares call option is a derivative and is accounted for at FVTPL.

On May 17, 2021, AKAB and PT Tokopedia officially merged to become PT GoTo Gojek Tokopedia (“GoTo”). This merger triggered the conversion event in CB agreements, where the CB were required to be converted into to shares. Based on the CB agreements, GoTo paid the conversion amount to Telkomsel, and upon the receipt of the conversion amount Telkomsel immediately paid the conversion amount to GoTo in accordance with the Shares Subscription Agreement.

On May 18, 2021, Telkomsel entered the Shares Subscription Agreement to subscribe to the converted 29,708 GoTo shares amounted to US$150 million (equivalent to Rp2,110 billion) and exercised the call option to acquire an additional 59,417 GoTo shares amounted to US$300 million (equivalent to Rp4,290 billion).

Based on deed of amendment dated on October 19, 2021, GoTo carried out the stock split and Telkomsel’s shares in GoTo increased from 89,125 shares to 23,722,133,875 shares.

As of December 31, 2021, Telkomsel assessed the fair value of the investment in GoTo was Rp375 per share after the stock split based on the observable transaction price from the latest transaction data prior to year end.

The total unrealized gain from changes in fair value of Telkomsel’s investment in GoTo amounted to Rp2,494 billion during 2021 and was presented as unrealized gain arising from change of valuation of investment in the consolidated statement of profit or loss.

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Investments in equity also included investments by MDI in several start-up entities engaged in the information and technology sector. The additional investments during the year by MDI amounted to Rp1,212 billion. These equity investments are classified as FVTPL.

The total unrealized gain from changes in fair value of MDI's investment amounted to Rp899 billion as of December 31, 2021 and was presented as unrealized gain arising from change of valuation of investment in the consolidated statement of profit or loss.

12. LONG-TERM INVESTMENTS IN ASSOCIATES

The details of long-term investments in associates under equity method as of December 31, 2020 are as follows:

	2020							
	Percentage of ownership	Beginning balance	Additions (Deduction)	Share of net profit (loss)	Dividend	Share of other comprehensive income	Impairment	Ending balance
Long-term investments in associates:								
Jalin[a]	33.00	77	—	17	(5)	(0)	—	89
Finarya[b]	25.00	267	28	(209)	—	1	—	87
Tiphone[c]	24.00	526	—	(41)	—	—	(485)	—
Indonusa[d]	20.00	210	—	—	—	—	(210)	—
Others (each below Rp75 billion)[e]		130	(33)	(13)	—	(0)	(68)	16
Total long-term investments in associates		**1,210**	**(5)**	**(246)**	**(5)**	**1**	**(763)**	**192**

Summarized financial information of the Group's investments accounted for under the equity method as at and for the year ended December 31, 2020:

	Jalin	Finarya	Indonusa	Others
Statements of financial position				
Current assets	187	3,160	565	972
Non-current assets	194	169	331	4,516
Current liabilities	(92)	(2,327)	(318)	(795)
Non-current liabilities	(22)	(41)	(573)	(4,398)
Equity	**267**	**961**	**5**	**295**
Statements of profit or loss and other comprehensive income				
Revenues	277	133	783	1,278
Operating expenses	(205)	(948)	(691)	(1,035)
Other income (expenses) including finance costs - net	(3)	69	(24)	(92)
Profit (loss) before tax	69	(746)	68	151
Income tax benefit (expense)	(18)	2	(6)	(4)
Profit (loss) for the period	**51**	**(744)**	**62**	**147**
Other comprehensive income (loss)	(1)	4	7	(27)
Total comprehensive income (loss) for the period	**50**	**(740)**	**69**	**120**

* The summarized financial information of associated companies above were prepared under Indonesian Financial Accounting Standards. Summary of financial information for Tiphone as of December 31, 2020 is not available

The details of long-term investments in associates under equity method as of December 31, 2021 are as follows:

	2021							
	Percentage of ownership	Beginning balance	Additions (Deductions)	Share of net profit (loss)	Dividend	Share of other comprehensive income	Impairment	Ending balance
Long-term investments in associates:								
Jalin[a]	33.00	89	—	25	(7)	—	—	107
Finarya[b]	24.27	87	—	(87)	—	—	—	—
Others (each below Rp75 billion)[e]		16	33	(16)	—	(1)	—	32
Total long-term investments in associates		**192**	**33**	**(78)**	**(7)**	**(1)**	**—**	**139**

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Summarized financial information of the Group's investments accounted for under the equity method as at and for the year ended December 31, 2021:

	Jalin	Finarya	Others
Statements of financial position			
Current assets	239	1,779	1,248
Non-current assets	237	222	4,720
Current liabilities	(144)	(1,654)	(646)
Non-current liabilities	(8)	(35)	(4,618)
Equity	**324**	**312**	**704**
Statements of profit or loss and other comprehensive income			
Revenues	401	137	1,869
Operating expenses	(311)	(1,160)	(1,436)
Other income (expenses) including finance costs - net	6	31	(106)
Profit (loss) before tax	96	(992)	327
Income tax benefit (expense)	(19)	11	(13)
Profit (loss) for the period	**77**	**(981)**	**314**
Other comprehensive income (loss)	1	4	(1)
Total comprehensive income (loss) for the period	**78**	**(977)**	**313**

[a] Jalin was previously a subsidiary. On June 19, 2019 the Group sold 67% of its shares to PT Danareksa (Persero) ("Danareksa") amounted to Rp395 billion.

[b] On January 21, 2019, Telkomsel established of PT Fintek Karya Nusantara ("Finarya "), a subsidiary, with an initial investment amounted to Rp25 billion and on February 22, 2019 Telkomsel transferred its assets amounted to Rp150 billion to Finarya. For this transaction, Telkomsel obtained 2,499 and 14,974 shares, respectively (equal to 100% ownership). Telkomsel with PT Mandiri Capital Indonesia, PT BRI Ventura Indonesia, PT BNI Sekuritas, PT Jasamarga Tollroad Operator, PT Dana Tabungan dan Asuransi Pegawai Negeri (Persero), PT Pertamina Retail, PT Kereta Commuter Indonesia ("KCI"), PT Asuransi Jiwasraya (Persero), and PT Danareksa Capital, entered in to shareholder agreement on July 31, 2019, October 31, 2019, and December 31, 2019 relating to the increase in issued and paid up capital made by each shareholder. On December 31, 2019, Telkomsel owned 48,530 shares or equivalent to 26.58% ownership.

On October 23, 2020 Finarya issued 13,632 series B shares, owned by Grab LA Pte Ltd ("Grab") 11,237 shares, PT BRI Ventura Indonesia 943 shares, Mandiri Capital Indonesia 924 shares, Telkomsel 528 shares. This investment decreased Telkomsel's ownership in PT Finarya, from previously 26.58% and diluted to 25.00%.

On March 8, 2021, PT Dompet Karya Anak Bangsa ("DKAB") invested in Finarya. This investment diluted Telkomsel's ownership in Finarya, from previously 25.00% to 24.33%. Since June 2021, Telkomsel's investment in Finarya has been fully absorbed.

On December 23, 2021, Grab make additional investment in Finarya. This investment diluted Telkomsel's ownership in Finarya, from previously 24.33% to 24.27%. As of December 31, 2021, the unrecognized share of loss amounting to Rp150.6 billion.

[c] Tiphone was established on June 25, 2008 as PT Tiphone Mobile Indonesia Tbk. Tiphone is engaged in the telecommunication equipment business, such as cellullar phone including spare parts, accessories, rechargeable credit vouchers, repair service, and content provider through its subsidiaries. On September 18, 2014, the Company through PINS acquired 25% ownership in Tiphone for Rp1,395 billion, including intangible assets and goodwill amounting to Rp188 billion and Rp647 billion, respectively. In 2020, Management has recognized full impairment on its investment in Tiphone considering the doubts over the

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continuity of its business, financial condition and suspension of stocks effective June 10, 2020. Management has decided to book full allowance for the investment in Tiphone as of December 31, 2020.

Management has reassessed on December 31, 2021 and concluded that there is no recovery from the impairment in the previous year because there is no data that can support the recovery.

d Indonusa had been a subsidiary of the Company until 2013 when the Company disposed 80% of its shares ownership in Indonusa. On May 14, 2014, based on the Circular Resolution of the Stockholders of Indonusa as covered by notarial deed No. 57 dated April 23, 2014 of FX Budi Santoso Isbandi, S.H., which was approved by the MoLHR in its Letter No. AHU-02078.40.20.2014 dated April 29, 2014, Indonusa's stockholders approved an increase in its issued and fully paid capital by Rp80 billion. The Company waived its right to own the new shares issued and transferred it to Metra, as the result, Metra's ownership in Indonusa increased to 4.33% and the Company's ownership become 15.67%. Based on management assessment, there was allowance for impairment on investment in Indonusa as of December 31, 2020.

e The unrecognized share in losses in other investments cumulatively as of December 31, 2020 and 2021 was amounting to Rp228 billion and Rp190 billion, respectively.

13. PROPERTY AND EQUIPMENT

The details of property and equipment are as follows :

	December 31, 2019	Additions	Deductions	Reclassifications/ Translations	December 31, 2020
At cost:					
Buildings	14,062	201	—	1,874	16,137
Leasehold improvements	1,549	31	(192)	22	1,410
Switching equipment	17,368	956	(1,921)	1,103	17,506
Telegraph, telex and data communication equipment	2,258	429	—	(675)	2,012
Transmission installation and equipment	151,752	1,050	(3,825)	10,219	159,196
Satellite, earth station and equipment	12,344	236	(2)	(2,155)	10,423
Cable network	54,423	8,280	(68)	(1,839)	60,796
Power supply	20,114	45	(311)	1,140	20,988
Data processing equipment	16,409	3	(703)	1,954	17,663
Other telecommunication peripherals	5,340	2,157	—	16	7,513
Office equipment	2,361	216	(354)	(98)	2,125
Vehicles	568	48	(104)	39	551
Other equipment	123	17	—	(72)	68
Property under construction	2,619	15,610	(8)	(15,697)	2,524
Total	301,290	29,279	(7,488)	(4,169)	318,912

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	December 31, 2019	Additions	Deductions	Reclassifications/ Translations	December 31, 2020
Accumulated depreciation and amortization:					
Buildings	4,113	739	—	20	4,872
Leasehold improvements	1,091	158	(188)	—	1,061
Switching equipment	11,996	1,569	(1,921)	(23)	11,621
Telegraph, telex and data communication equipment	1,580	—	—	2	1,582
Transmission installation and equipment	79,996	11,463	(3,545)	77	87,991
Satellite, earth station and equipment	5,809	900	(1)	(2,296)	4,412
Cable network	14,237	2,509	(66)	(702)	15,978
Power supply	13,597	1,512	(309)	(43)	14,757
Data processing equipment	11,977	1,522	(708)	(11)	12,780
Other telecommunication peripherals	1,766	1,120	—	(1)	2,885
Office equipment	1,678	375	(360)	(119)	1,574
Vehicles	210	74	(70)	15	229
Other equipment	66	2	—	(21)	47
Total	148,116	21,943	(7,168)	(3,102)	159,789
Net book value	**153,174**				**159,123**

	December 31, 2020	Additions	Deductions	Reclassifications/ Translations	December 31, 2021
At cost:					
Directly acquired assets					
Buildings	16,137	197	(5)	967	17,296
Leasehold improvements	1,410	45	(35)	57	1,477
Switching equipment	17,506	1,112	(1,223)	929	18,324
Telegraph, telex and data communication equipment	2,012	—	—	(429)	1,583
Transmission installation and equipment	159,196	3,829	(3,479)	6,075	165,621
Satellite, earth station and equipment	10,423	359	(15)	(239)	10,528
Cable network	60,796	8,722	(33)	(1,926)	67,559
Power supply	20,988	303	(390)	1,134	22,035
Data processing equipment	17,663	250	(314)	1,659	19,258
Other telecommunication peripherals	7,513	1,646	—	(38)	9,121
Office equipment	2,125	205	(57)	79	2,352
Vehicles	551	34	(43)	(5)	537
Other equipment	68	6	—	(27)	47
Property under construction	2,524	13,613	(29)	(13,158)	2,950
Total	318,912	30,321	(5,623)	(4,922)	338,688

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	December 31, 2020	Additions	Deductions	Reclassifications / Translations	December 31, 2021
Accumulated depreciation and impairment losses:					
Directly acquired assets					
Buildings	4,872	652	(2)	15	5,537
Leasehold improvements	1,061	132	(30)	—	1,163
Switching equipment	11,621	1,871	(1,223)	(44)	12,225
Telegraph, telex and data communication equipment	1,582	—	—	—	1,582
Transmission installation and equipment	87,991	11,554	(3,227)	(1,786)	94,532
Satellite, earth station and equipment	4,412	743	(16)	60	5,199
Cable network	15,978	4,210	(11)	(1,442)	18,735
Power supply	14,757	1,546	(383)	(46)	15,874
Data processing equipment	12,780	1,708	(301)	(57)	14,130
Other telecommunication peripherals	2,885	1,492	—	(47)	4,330
Office equipment	1,574	357	(57)	(8)	1,866
Vehicles	229	71	(26)	(4)	270
Other equipment	47	4	—	(11)	40
Total	159,789	24,340	(5,276)	(3,370)	175,483
Net book value	**159,123**				**163,205**

a. Gain on sale of property and equipment

	2019	2020	2021
Proceeds from sale of property and equipment	1,496	236	756
Net book value	(853)	(20)	(36)
Gain on sale of property and equipment	**643**	**216**	**720**

b. Others

(i) During 2020 and 2021, the CGUs that independently generate cash inflows are fixed wireline, cellular and others. Management believes that there is no indication of impairment in the assets of such CGUs as of December 31, 2020 and 2021.

(ii) Interest capitalized to property under construction amounted to Rp99 billion, Rp160 billion and Rp52 billion for the years ended December 31, 2019, 2020 and 2021, respectively. The capitalization rate used to determine the number of borrowing costs eligible for capitalization ranged from 4.12% to 11.00%, 6.25% to 11.00% and 5.63% to 8.70% for the years ended December 31, 2019, 2020 and 2021, respectively.

(iii) No foreign exchange loss was capitalized as part of property under construction for the years ended December 31, 2019, 2020 and 2021.

(iv) In 2019, 2020 and 2021, the Group obtained proceeds from the insurance claim on lost and broken property and equipment, with a total value of Rp197 billion, Rp234 billion and Rp133 billion, respectively, and were recorded as part of "Other Income - net" in the consolidated statements of profit or loss and other comprehensive income. In 2019, 2020, and 2021 the net carrying values of those assets of Rp165 billion, Rp190 billion and Rp103 billion, respectively, were charged to the consolidated statements of profit or loss and other comprehensive income.

(v) In 2018, the estimated useful lives of radio software license and data processing equipment were changed from 7 to 10 years and from 3 to 5 years, respectively. The impact of reduction in the depreciation expense for the year ended December 31, 2019, 2020 and 2021 amounting to Rp637 billion, Rp266 billion and Rp18 billion, respectively. In 2020, the estimated useful lives of towers in Indonesia were changed from 20 to 30 years. The impact of reduction in the depreciation expense for the years ended December 31, 2021 and 2020, amounted to Rp641

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billion and Rp160 billion, respectively. Towers are presented as part of transmission installation and equipment.

(vi) As of December 31, 2020 and 2021, the equipment units of Telkomsel with the carrying amount of Rp39 billion and Rp818 billion, respectively, to be exchanged, and therefore the equipment units were reclassified as assets held for sale in the consolidated statement of financial position. In 2020 and 2021, the equipment units of Telkomsel with the net carrying amount of RpNil and Rp258 billion, respectively, had been exchanged with equipment units of PT ZTE Indonesia. There is no provision for impairment of assets held for sale as of December 31, 2020 and 2021.

(vii) In 2021, the Company decided to discontinue the use of MSAN assets and accelerate the depreciation of the MSAN assets, which will be fully depreciated in 2022. The impact of accelerated depreciation of MSAN assets for the year ended December 31, 2021 and the estimate for the year ended 2022 amounted to Rp1,603 billion and Rp1,603 billion, respectively. MSAN assets are presented as part of cable network.

(viii) As of December 31, 2020 and 2021, the Group's property and equipment with net carrying amount of Rp159,454 billion and Rp161,287 billion, respectively, were insured against fire, theft, earthquake and other specified risks, including business interruption, under blanket policies totaling Rp22,886 billion and Rp29,601 billion, US$Nil, HK$8 million, SG$315 million and SG$360 million, and MYR39 million and MYR72 million, respectively, and first loss basis amounted to Rp2,750 billion and Rp2,750 billion, respectively. Management believes that the insurance coverage is adequate to cover potential losses from the insured risks.

(ix) As of December 31, 2020 and 2021, the percentage of completion of property under construction was approximately 61.19% and 75.63%, respectively, of the total contract value, with estimated dates of completion until March 2023 and February 2025, respectively. The balance of property under construction mainly consists of buildings, transmission installation and equipment, cable network and power supply. Management believes that there is no impediment to the completion of the construction in progress.

(x) As of December 31, 2020 and 2021, all assets owned by the Company have been pledged as collateral for bonds (Note 21b.i) while certain property and equipment of the Company's subsidiaries with gross carrying value amounting to Rp14,115 billion and Rp22,939 billion, respectively, have been pledged as collaterals under lending agreements (Notes 20a, 21c, and 21d).

(xi) As of December 31, 2020 and 2021, the cost of fully depreciated property and equipment of the Group that are still used in operations amounted to Rp63,656 billion and Rp67,355 billion, respectively. The Group is currently performing modernization of network assets to replace the fully depreciated property and equipment.

(xii) In 2020 and 2021, the total fair values of land rights and buildings of the Group, which are determined based on the sale value of the tax object (Nilai Jual Objek Pajak or "NJOP") of the related land rights and buildings, amounted to Rp41,984 billion and Rp45,604 billion, respectively.

14. RIGHT OF USE ASSETS

The Group leases several assets including building, transmission installation and equipments, power supply, vehicles, and other equipments used in its operations, which generally have lease terms between 1 and 30 years.

The Group leases several pieces of land located throughout Indonesia with Right to Build ("*Hak Guna Bangunan*" or "HGB") for a period of 10-50 years which will expire between 2022 and 2071. Management believes that there will be no issue in obtaining the extension of the land rights when they expire.

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The Group also has certain leases with lease terms of twelve months or less and low-value assets leases. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. There are no lease contracts with variable lease payments. Short-term lease expense during 2020 and 2021 amounted to Rp3,612 billion and Rp5,251 billion, respectively. Low-value assets lease expense during 2020 and 2021 amounted to Rp119 billion and Rp57 billion, respectively.

The carrying amounts of right of use assets recognized and the movement during the year:

	December 31, 2019	Additions	Deductions	Reclassifications/ translations	December 31, 2020
At cost:					
Land rights	5,671	1,704	(630)	(10)	6,735
Buildings	839	126	(120)	21	866
Transmission installation and equipment	17,487	1,899	(1,183)	(85)	18,118
Power supply	589	97	(18)	—	668
Vehicles	700	238	(230)	(103)	605
Others (each below Rp75 billion)	28	1	(1)	66	94
Total	25,314	4,065	(2,182)	(111)	27,086
Accumulated amortization:					
Land rights	(676)	(864)	212	—	(1,328)
Buildings	(237)	(205)	177	(62)	(327)
Transmission installation and equipment	(3,329)	(3,586)	984	—	(5,931)
Power supply	(69)	(194)	9	—	(254)
Vehicles	(111)	(162)	203	1	(69)
Others (each below Rp75 billion)	1	(75)	1	—	(73)
Total	(4,421)	(5,086)	1,586	(61)	(7,982)
Net book value	**20,893**				**19,104**

	December 31, 2020	Additions	Deductions	Reclassifications/ translations	December 31, 2021
At cost:					
Land rights	6,735	1,001	(713)	106	7,129
Buildings	866	461	(252)	1	1,076
Transmission installation and equipment	18,118	4,406	(1,352)	25	21,197
Power supply	668	17	(126)	—	559
Vehicles	605	83	(132)	0	556
Others (each below Rp75 billion)	94	74	(246)	84	6
Total	27,086	6,042	(2,821)	216	30,523
Accumulated amortization:					
Land rights	(1,328)	(975)	512	(0)	(1,791)
Buildings	(327)	(331)	199	13	(446)
Transmission installation and equipment	(5,931)	(3,182)	655	(0)	(8,458)
Power supply	(254)	(280)	126	—	(408)
Vehicles	(69)	(198)	121	(2)	(148)
Others (each below Rp75 billion)	(73)	(38)	113	(21)	(19)
Total	(7,982)	(5,004)	1,726	(10)	(11,270)
Net book value	**19,104**				**19,253**

The carrying amounts of the lease liabilities and the movements are as follows:

	2020	2021
Balance, January 1	17,217	14,877
Additions	4,308	4,234
Deductions	(6,676)	(5,586)
Accrued interest	28	2,363
Balance, December 31	14,877	15,888
The portion that matures within one year	**(4,805)**	**(5,525)**
Long-term portion year	**10,072**	**10,363**

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Maturity analysis of lease payments are as follows:

Years	2020	2021
2022		3,922
2023		3,414
2024		2,434
2025		1,813
2026		1,372
Thereafter		3,024
Total lease payments		15,979
Interest		(2,454)
Net present value of lease payments		13,525
Accrued interest		2,363
Total lease liabilities		15,888
Current maturities		**(5,525)**
Long-term portion		**10,363**

15. OTHER NON-CURRENT ASSETS

The breakdown of other non-current assets is as follows:

	2020	2021
Prepaid frequency license fees - net of current portion (Note 34c.i)	1,237	1,572
Prepaid other taxes - net of current portion (Note 29b)	1,431	1,224
Advances for purchases of property and equipment	404	868
Prepaid income taxes - net of current portion (Note 29a)	738	865
Prepaid expense	498	454
Security deposits	168	102
Others (each below Rp75 billion)	358	446
Total	**4,834**	**5,531**

16. INTANGIBLE ASSETS

The details of intangible assets are as follows:

	Goodwill	Software	License	Other intangible assets	Total
Gross carrying amount:					
Balance, December 31, 2019	1,432	12,480	96	1,571	15,579
Additions	—	2,282	3	3	2,288
Deductions	—	(166)	—	(74)	(240)
Reclassifications/translations	(4)	92	(5)	(26)	57
Balance, December 31, 2020	1,428	14,688	94	1,474	17,684
Accumulated amortization and impairment losses:					
Balance, December 31, 2019	(21)	(8,400)	(93)	(619)	(9,133)
Amortization	—	(1,545)	(9)	(176)	(1,730)
Impairment losses	(104)	—	—	—	(104)
Deductions	—	124	—	—	124
Reclassifications/translations	8	(42)	8	31	5
Balance, December 31, 2020	(117)	(9,863)	(94)	(764)	(10,838)
Net book value	**1,311**	**4,825**	**0**	**710**	**6,846**

	Goodwill	Software	License	Other intangible assets	Total
Gross carrying amount:					
Balance, December 31, 2020	1,428	14,688	94	1,474	17,684
Additions	64	2,938	80	11	3,093
Deductions	—	(19)	—	—	(19)
Reclassifications/translations	—	(149)	—	27	(122)
Balance, December 31, 2021	1,492	17,458	174	1,512	20,636
Accumulated amortization and impairment losses:					
Balance, December 31, 2020	(117)	(9,863)	(94)	(764)	(10,838)
Amortization	—	(1,828)	(31)	(143)	(2,002)
Impairment losses	(277)	—	—	—	(277)
Deductions	—	11	—	—	11
Reclassifications/translations	—	(34)	—	10	(24)
Balance, December 31, 2021	(394)	(11,714)	(125)	(897)	(13,130)
Net book value	**1,098**	**5,744**	**49**	**615**	**7,506**

(i) Goodwill resulted from the acquisition of Sigma (2008), Admedika (2010), data center PT Bina Data Mandiri ("BDM") (2012), Contact Centres Australia Pty. Ltd. (2014), PT Media Nusantara Data Global ("MNDG") (2015), Melon and PT Griya Silkindo Drajatmoerni ("GSDm") (2016), TSGN and Nutech (2017), SSI, CIP, and Telin Malaysia (2018), PST (2019), and Digiserve (2021) (Note 1d).

(ii) As of December 31, 2020 and 2021, the impairment of goodwill arising from the acquisition of Sigma, Contact Centres Australia Pty. Ltd., platform Tiketapasaja.com, SSI, and Telin Malaysia amounted to Rp88 billion and RpNil, Rp14 billion and Rp37 billion, Rp2 billion and RpNil, RpNil and Rp179 billion, and RpNil and Rp61 billion, respectively. The impairment losses are presented as part of “Depreciation and amortization expenses” in the consolidated statements of profit or loss and other comprehensive income.

(iii) The amortization is presented as part of “Depreciation and amortization expenses” in the consolidated statements of profit or loss and other comprehensive income. The remaining amortization periods of software range for the year ended December 2019, 2020 and 2021 are from 1 to 6 years, respectively.

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(iv) As of December 31, 2020 and 2021, the cost of fully amortized intangible assets that are still utilized in operations amounted to Rp7,077 billion and Rp7,910 billion, respectively.

17. TRADE AND OTHER PAYABLES

This account consists of the following:

	2020	2021
Trade payables	16,999	17,170
Other payables	578	609
Total trade and other payables	**17,577**	**17,779**

The breakdown of trade payables is as follows:

	2020	2021
Related parties		
Radio frequency usage charges, concession fees, and Universal Service Obligation ("USO") charges	1,204	1,329
Purchases of equipments, materials, and services	703	431
Payables to other telecommunication providers	250	112
Sub-total	**2,157**	**1,872**
Third parties		
Purchases of equipments, materials, and services	11,928	12,759
Payables to other telecommunication providers	2,914	2,539
Sub-total	**14,842**	**15,298**
Total	**16,999**	**17,170**

Trade payables by currency are as follows:

	2020	2021
Rupiah	14,895	15,584
U.S. Dollar	2,012	1,506
Others	92	80
Total	**16,999**	**17,170**

Terms and conditions of the above financial liabilities:

a. The Group's trade payables and other payables are non-interest bearing and normally settled within 1 year term.
b. Refer to Note 32 for details on related party transactions.
c. Refer to Note 35b.v for the Group's liquidity risk management.

18. ACCRUED EXPENSES

The breakdown of accrued expenses is as follows:

	2020	2021
Operation, maintenance, and telecommunication service	8,455	8,978
Salaries and benefits	3,399	4,180
General, administrative, and marketing expenses	2,255	2,583
Interest and bank charges	156	144
Total	**14,265**	**15,885**

Refer to Note 32 for details of related party transactions.

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19. CONTRACT LIABILITIES

The breakdown of contract liabilities is as follows:

a. Current

	2020	2021
Advances from customers for Mobile	5,047	4,155
Advances from customers for Enterprise	1,884	1,161
Advances from customers for WIB	668	1,138
Advances from customers for Consumer	112	185
Others (each below Rp75 billion)	121	156
Total	**7,832**	**6,795**

b. Non-current

	2020	2021
Advances from customers for Consumer	590	787
Advances from customers for WIB	344	450
Advances from customers for Enterprise	68	39
Others	5	7
Total	**1,007**	**1,283**

As at January 1, 2020, the opening balances of contract liabilities amounted to Rp8,235 billion.

Contract liabilities at the beginning period which were recognized as revenue in 2020 and 2021 amounted to Rp7,430 billion and Rp7,832 billion, respectively.

Refer to Note 32 for details of related party transactions.

20. SHORT-TERM BANK LOANS AND CURRENT MATURITIES OF LONG-TERM BORROWINGS

This account consists of the following:

	2020	2021
Short-term bank loans	9,934	6,682
Current maturities of long-term borrowings	9,350	9,690
Total	**19,284**	**16,372**

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a. Short-term bank loans

		2020		2021	
		Outstanding		Outstanding	
Lenders	Currency	Foreign currency (in millions)	Rupiah equivalent	Foreign currency (in millions)	Rupiah equivalent
Related parties					
BNI	Rp	—	897	—	1,028
Bank Mandiri	Rp	—	2,900	—	550
Sub-total			3,797		1,578
Third parties					
HSBC	Rp	—	2,304	—	1,937
	US$	0	4	—	—
MUFG Bank	Rp	—	2,611	—	1,853
Bank DBS	Rp	—	573	—	545
	US$	1	13	—	—
PT Bank UOB Indonesia ("UOB Indonesia")	Rp	—	200	—	400
BCA	Rp	—	—	—	350
PT Bank Tabungan Pensiunan Nasional Tbk. ("BTPN")	Rp	—	110	—	—
SCB	Rp	—	100	—	—
Bank CIMB Niaga	Rp	—	78	—	—
Others (each below Rp75 billion)	Rp	—	73	—	19
	US$	5	71	—	—
Sub-total			6,137		5,104
Total			**9,934**		**6,682**

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Other significant information relating to short-term bank loans as of December 31, 2021 is as follows:

	Borrower	Currency	Total facility (in billions)*	Maturity date	Interest rate	Interest rate per annum	Security**
BNI							
2014 - 2017	GSD, Sigma[a]	Rp	475	April 9, 2022 - November 7, 2022	Monthly	7.90% - 8.50%	Trade receivables, property and equipment, and inventory
2017 - 2021	Infomedia[b], Sigma[h], Metranet, Telkom Infra	Rp	1,170	February 18, 2022 - June 6, 2022	Monthly	1 month JIBOR + 2.10% - 2.50%	Trade receivables
Mandiri							
2021	Telkomsel, Nutech	Rp	4,050	May 11, 2022 - October 25, 2022	Monthly, Quarterly	3.75% - 9.00%	Trade receivables and property and equipment
2020	Finnet	Rp	500	April 28, 2022	Monthly	1 month JIBOR + 1.50%	None
HSBC							
2014	Sigma[c,h]	Rp	400	July 14, 2022	Monthly	Under BLR 7.40%	Trade receivables
2018 - 2020	Sigma[g], Metra, PINS, Metranet,Telkomsat, GSD	Rp	2,053	December 31, 2021 - June 29, 2022	Monthly, Quarterly	1 month JIBOR + 0.80% 3 months JIBOR + 1.00%	None
MUFG Bank							
2018 - 2021	Infomedia, Metra, GSD, Telkom Infra, Telkomsel	Rp	3,030	October 30, 2022 - April 20, 2023	Monthly	1 month JIBOR + 0.50% - 0.70%	None
DBS							
2016	Sigma[d,e]	US$	0.02	July 31, 2022	Semi-annually	3.25% (US$). 10.75% (Rp)	Trade receivables
2018	Telkom Infra, Infomedia	Rp	600	July 31, 2022	Monthly	1 month JIBOR + 1.20%	None
UOB Indonesia							
2016	Finnet[f]	Rp	500	December 20, 2022	Monthly	1 month JIBOR + 1.75%	None
BCA							
2021	Telkomsel	Rp	500	December 3, 2022	Monthly	3.40%	None

* In original currency
** Refer to Note 6, Note 8, and Note 13 for details of trade receivables, inventory, and property and equipment pledged as collateral.
[a] Based on the latest amendment on April 23, 2019.
[b] Based on the latest amendment on March 28, 2018 and July 6, 2018.
[c] Based on the latest amendment on July 16, 2018 and November 17, 2021.
[d] Based on the latest amendment on December 5, 2018.
[e] Facility in U.S. Dollar. Withdrawal can be executed in U.S. Dollar and Rupiah.
[f] Based on the latest amendment on December 11, 2020.
[g] Based on the latest amendment on April 23, 2021.
[h] Unsettled loan will be automatically extended.

On November 27, 2020, the Company entered into a credit agreement with HSBC with total facilities amounting to Rp500 billion. As of December 31, 2021, all facilities has not been used.

On March 29, 2021, the Company and Telkom Infra entered into a credit agreement with BNI with total facilities amounting to Rp735 billion. As of December 31, 2021, the unused facilities amounted to Rp108 billion.

On April 23, 2021, the Company, Sigma, and Melon entered into a credit agreement amendment with HSBC with total facilities amounting to Rp947 billion. As of December 31, 2021, the unused facilities amounted to Rp217 billion.

On August 26, 2021, the Company entered into a credit agreement amendment with Bank Permata with total facilities amounting to Rp400 billion. As of December 31, 2021, all facilities has not been used.

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On September 10, 2021, the Company, Infomedia, and Telkom Infra entered into a credit agreement amendment with Bank DBS with total facilities amounting to Rp750 billion. As of December 31, 2021, the unused facilities amounted to Rp275 billion.

On October 14, 2021, the Company, Metra, MD Media, Metranet, Telkomsat, and GSD entered into a credit agreement amendment with HSBC with total facilities amounting to Rp1,000 billion. As of December 31, 2021, the unused facilities amounted to Rp21 billion.

On October 22, 2021, the Company entered into a credit agreement amendment with Bank of China with total facilities amounting to Rp1,000 billion. As of December 31, 2021, all facilities has not been used.

On October 29, 2021, the Company, Metra, and Infomedia entered into a credit agreement amendment with MUFG Bank with total facilities amounting to Rp400 billion. As of December 31, 2021, the unused facilities amounted to Rp30 billion.

On October 29, 2021, the Company, Infomedia, MD Media, and Telkom Infra entered into a credit agreement amendment with MUFG Bank with total facilities amounting to Rp1,560 billion. As of December 31, 2021, the unused facilities amounted to Rp1,020 billion.

On October 29, 2021, the Company and GSD entered into a credit agreement amendment with MUFG Bank with total facilities amounting to Rp900 billion. As of December 31, 2021, the unused facilities amounted to Rp521 billion.

On December 24, 2021, the Company entered into a credit agreement amendment with Citibank with total facilities amounting to Rp500 billion. As of December 31, 2021, all facilities has not been used.

As stated in the agreements, the Group is required to comply with all covenants or restrictions such as limitation that the Company must have a majority shareholding of at least 51% of the subsidiaries and maintaining financial ratios. As of December 31, 2021, the Group has complied with all covenants or restrictions, except for certain loans. As of December 31, 2021, the Group obtained waivers from lenders to not demand the loan payment as a result of the breach of covenants for Telkom Infra and Sigma. The waivers from BNI, Bank DBS, and HSBC were received on November 29, 2021, December 30, 2021, and December 31, 2021, respectively.

The credit facilities were obtained by the Group for working capital purposes.

b. Current maturities of long-term borrowings

	Notes	2020	2021
Two-step loans	21a	184	138
Bonds and notes	21b	478	2,200
Bank loans	21c	7,648	6,311
Other borrowings	21d	1,040	1,041
Total		**9,350**	**9,690**

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21. LONG-TERM BANK LOANS AND BORROWINGS

Long-term bank loans and borrowings consist of the following:

	Notes	2020	2021
Two-step loans	21a	384	217
Bonds and notes	21b	6,991	4,793
Bank loans	21c	20,581	29,745
Other borrowings	21d	2,605	1,564
Total		**30,561**	**36,319**

Scheduled principal payments as of December 31, 2021 are as follows:

			Year				
	Notes	Total	2023	2024	2025	2026	Thereafter
Two-step loans	21a	217	122	95	—	—	—
Bonds and notes	21b	4,793	—	—	2,098	—	2,695
Bank loans	21c	29,745	8,842	6,572	5,356	4,358	4,617
Other borrowings	21d	1,564	1,052	512	—	—	—
Total		**36,319**	**10,016**	**7,179**	**7,454**	**4,358**	**7,312**

a. Two-step loans

Two-step loans are unsecured loans obtained by the Government from overseas banks which are then re-loaned to the Company. Loans obtained up to July 1994 are payable in Rupiah based on the exchange rate at the date of drawdown. Loans obtained after July 1994 are payable in their original currencies and any resulting foreign exchange gain or loss is borne by the Company.

		2020		2021	
		Outstanding		Outstanding	
Lenders	Currency	Foreign currency (in millions)	Rupiah equivalent	Foreign currency (in millions)	Rupiah equivalent
Overseas banks	Yen	3,072	418	2,304	285
	US$	4	59	1	14
	Rp	—	91		56
Total			568		355
Current maturities (Note 20b)			(184)		(138)
Long-term portion			**384**		**217**

Lenders	Currency	Principal payment schedule	Interest payment period	Interest rate per annum
Overseas banks	Yen	Semi-annually	Semi-annually	2.95 %
	US$	Semi-annually	Semi-annually	3.85 %
	Rp	Semi-annually	Semi-annually	7.50 %

The loans were intended for the development of telecommunications infrastructure and supporting telecommunications equipment. The loans will be settled semi-annually and due on various dates through 2024.

The Company had used all facilities under the two-step loans program since 2008 and the withdrawal period for the two-step loans has ended.

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Under the loan covenants, the Company is required to maintain financial ratios as follows:

i. Projected net revenue to projected debt service ratio should exceed 1, 2:1 for the two-step loans originating from Asian Development Bank ("ADB").
ii. Internal financing (earnings before depreciation and finance costs) should exceed 20% compared to annual average capital expenditures for loans originating from the ADB.

As of December 31, 2021, the Company has complied with the above-mentioned ratios.

b. Bonds and notes

Bonds and notes	Currency	2020 Outstanding	2021 Outstanding
Bonds			
2015			
Series A	Rp	2,200	2,200
Series B	Rp	2,100	2,100
Series C	Rp	1,200	1,200
Series D	Rp	1,500	1,500
Medium Term Notes ("MTN")			
MTN I Telkom 2018			
Series C	Rp	296	—
MTN Syariah Ijarah I Telkom 2018			
Series C	Rp	182	—
Total		7,478	7,000
Unamortized debt issuance cost		(9)	(7)
Total		7,469	6,993
Current maturities (Note 20b)		(478)	(2,200)
Long-term portion		**6,991**	**4,793**

(i) Bonds

2015

Bonds	Principal	Issuer	Listed on	Issuance date	Maturity date	Interest payment period	Interest rate per annum
Series A	2,200	The Company	IDX	June 23, 2015	June 23, 2022	Quarterly	9.93 %
Series B	2,100	The Company	IDX	June 23, 2015	June 23, 2025	Quarterly	10.25 %
Series C	1,200	The Company	IDX	June 23, 2015	June 23, 2030	Quarterly	10.60 %
Series D	1,500	The Company	IDX	June 23, 2015	June 23, 2045	Quarterly	11.00 %
Total	**7,000**						

The bonds are not secured by specific security but by all of the Company's assets, movable or non-movable, either existing or in the future (Note 13b.x). The underwriters of the bonds are Bahana, PT BRI Danareksa Sekuritas, PT Mandiri Sekuritas, and PT Trimegah Sekuritas Indonesia Tbk. and the trustee is Bank Permata.

The Company received the proceeds from the issuance of bonds on June 23, 2015.

The funds received from the public offering of bonds net of issuance costs, were used to finance capital expenditures which consisted of wave broadband, backbone, metro network, regional metro junction, information technology application and support, and acquisition of some domestic and international entities.

As of December 31, 2021, the rating of the bonds issued by Pefindo is idAAA (Triple A).

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Based on the Indenture Trusts Agreement, the Company is required to comply with all covenants or restrictions, including maintaining financial ratios as follows:
(a) Debt to equity ratio should not exceed 2:1.
(b) EBITDA to interest ratio should not be less than 4:1.
(c) Debt service coverage is at least 125%.

As of December 31, 2021, the Company has complied with the above-mentioned ratios.

(ii) MTN

MTN I Telkom Year 2018

Notes	Currency	Principal	Issuance date	Maturity date	Interest payment period	Interest rate per annum	Security
Series A	Rp	262	September 4, 2018	September 14, 2019	Quarterly	7.25 %	All assets
Series B	Rp	200	September 4, 2018	September 4, 2020	Quarterly	8.00 %	All assets
Series C	Rp	296	September 4, 2018	September 4, 2021	Quarterly	8.35 %	All assets
		758					

Based on Agreement of Issuance and Appointment of Monitoring Agents of MTN I Telkom Year 2018 dated August 31, 2018 as covered by notarial deed No. 24 of Fathiah Helmi, S.H., the Company issued MTN with the principal amount up to Rp758 billion in series.

Bahana, PT BNI Sekuritas, PT CGS-CIMB Sekuritas Indonesia, PT BRI Danareksa Sekuritas, and PT Mandiri Sekuritas act as the Arranger, BTN as the Monitoring Agent and PT Kustodian Sentral Efek Indonesia ("KSEI") as the Payment Agent and the Custodian. The MTN are traded in private placement programs. The funds obtained from MTN are used for access network and backbone development.

As of December 31, 2021, all MTN had been repaid.

MTN Syariah Ijarah I Telkom Year 2018

Notes	Currency	Principal	Issuance date	Maturity date	Return period	Annual return payment	Security
Series A	Rp	264	September 4, 2018	September 14, 2019	Quarterly	19	The Right to benefit of ijarah objects
Series B	Rp	296	September 4, 2018	September 4, 2020	Quarterly	24	The Right to benefit of ijarah objects
Series C	Rp	182	September 4, 2018	September 4, 2021	Quarterly	15	The Right to benefit of ijarah objects
		742				**58**	

Based on Agreement of Issuance and Appointment of Monitoring Agents of MTN Syariah Ijarah Telkom Year 2018 dated August 31, 2018 as covered by notarial deed No. 26 of Fathiah Helmi, S.H., the Company issued MTN Syariah Ijarah with the principal amount up to Rp742 billion in series.

Bahana, PT BNI Sekuritas, PT CGS-CIMB Sekuritas Indonesia, PT BRI Danareksa Sekuritas, and PT Mandiri Sekuritas act as the Arranger, BTN as the Monitoring Agent and KSEI as the Payment Agent and the Custodian. The MTN Syariah Ijarah are traded in private placement programs. The funds obtained from MTN Syariah Ijarah are used for investment projects. The object of MTN Syariah Ijarah transaction is telecommunication network which is located in the special region of Yogyakarta, its network telecommunication involves cable network, information technology equipments, and other production tools of telecommunication services.

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As of December 31, 2021, all MTN Syariah Ijarah had been repaid.

c. Bank loans

		2020 Outstanding		2021 Outstanding	
Lenders	Currency	Foreign currency (in millions)	Rupiah equivalent	Foreign currency (in millions)	Rupiah equivalent
Related parties					
BNI	Rp	—	7,958	—	7,500
Bank Mandiri	Rp	—	6,203	—	7,374
BRI	Rp	—	2,822	—	2,223
BSI	Rp	—	43	—	533
Sub-total			17,026		17,630
Third parties					
BCA	Rp	—	3,145	—	8,651
Bank DBS	Rp	—	1,378	—	3,887
MUFG Bank	Rp	—	2,596	—	1,972
Bank Permata	Rp	—	757	—	1,188
HSBC	Rp	—	214	—	750
Bank of China	Rp	—	—	—	400
Syndication of banks	Rp	—	1,326	—	350
	US$	30	427	24	338
UOB Singapore	US$	31	437	22	314
PT Bank ANZ Indonesia ("Bank ANZ")	Rp	—	374	—	286
Bank CIMB Niaga	Rp	—	307	—	194
	US$	—	—	0	5
BTPN	Rp	—	173	—	84
PT Bank ICBC Indonesia ("ICBC")	Rp	—	113	—	68
Others (each below Rp75 billion)	MYR	12	41	11	36
Sub-total			11,288		18,523
Total			28,314		36,153
Unamortized debt issuance cost			(85)		(97)
			28,229		36,056
Current maturities (Note 20b)			(7,648)		(6,311)
Long-term portion			**20,581**		**29,745**

Other significant information relating to bank loans as of December 31, 2021 is as follows:

	Borrower	Currency	Total facility (in billions)*	Current period payment (in billions)*	Principal payment schedule	Interest payment period	Interest rate per annum	Security**
BNI								
2018	GSD	Rp	182	28	2020 - 2024	Monthly	8.75%	Trade receivables
2013 - 2021	The Company, GSD, TLT, Sigma, Mitratel, Telkomsel[a]	Rp	12,902	2,834	2016 - 2033	Monthly, Quarterly	1 month JIBOR + 0.50% - 2.50%; 3 months JIBOR + 1.70% - 2.25%	Trade receivables, inventory, and property and equipment
Bank Mandiri								
2018	Balebat	Rp	25	0	2018 - 2022	Monthly	9.00%	Trade receivables, inventory, and property and equipment
2017- 2021	The Company, GSD, Mitratel,	Rp	8,793	828	2019 - 2028	Quarterly	3 months JIBOR + 1.50% - 2.25%	Property and equipment

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	Borrower	Currency	Total facility (in billions)*	Current period payment (in billions)*	Principal payment schedule	Interest payment period	Interest rate per annum	Security**
BRI								
2017 - 2019	The Company, Mitratel, GSD	Rp	3,253	600	2019 - 2026	Quarterly	3 months JIBOR + 1.70% - 2.00%	Property and equipment
BSI								
2019 - 2021	SSI, Telkomsel[a]	Rp	560	160	2019 - 2024	Monthly	3.80% - 10.00%	Property and equipment
BCA								
2017 - 2021	The Company, Mitratel, Telkom Infra, PST	Rp	11,811	287	2018 - 2028	Quarterly, Semi-annually	3 months JIBOR + 1.50% - 1.85%	Trade receivables and property and equipment
DBS								
2017 - 2019	PINS, Mitratel, Telkomsat	Rp	4,530	191	2018 - 2028	Quarterly, Semi-annually	3 months JIBOR + 1.50% - 1.85%	Property and equipment
MUFG Bank								
2016 - 2021	Mitratel, GSD	Rp	3,600	593	2016 - 2028	Quarterly	3 months JIBOR + 1.43% - 2.40%	Property and equipment
Bank Permata								
2020 - 2021	Mitratel	Rp	1,250	63	2021 - 2028	Semi-annually	3 months JIBOR + 1.50% - 2.40%	Property and equipment
HSBC								
2021	Mitratel	Rp	750	-	2023 - 2028	Semi-annually	3 months JIBOR + 1.50%	Property and equipment
Bank of China								
2019	Telkomsel[a]	Rp	1,000	1,000	2021 - 2023	Semi-annually	3 months JIBOR + 0.60%	None
Syndication of banks								
2015 - 2021	The Company, GSD	Rp	8,000	500	2016 - 2028	Quarterly	3 months JIBOR + 2.00% - 2.50%	None
2018	Telin	US$	0.09	0.007	2019 - 2025	Semi-annually	6 months LIBOR + 1.25%	None
UOB Singapore								
2018	Telin	US$	0.049	0.009	2019 - 2024	Semi-annually	6 months LIBOR + 1.25%	None
ANZ								
2015	GSD, PINS	Rp	440	88	2020 - 2025	Quarterly	3 months JIBOR + 1.40%	None
Bank CIMB Niaga								
2017 - 2019	GSD, PINS	Rp	700	80	2018 - 2025	Quarterly	3 months JIBOR + 1.50% - 1.95%	None
2021	Telin	US$	0.055	-	2024 - 2029	Semi-annually	6 months LIBOR + 1.70%	None
BTPN								
2017 - 2020	GSD, Mitratel, Telin, Admedika	Rp	489	78	2018 - 2025	Quarterly	3 months JIBOR + 1.435% - 2.00%	None
ICBC								
2017	GSD	Rp	272	45	2017 - 2024	Quarterly	3 months JIBOR + 2.36%	Trade receivables and property and equipment

* In original currency

** Refer to Notes 6, 8, and 13 for details of trade receivables, inventories, and property and equipment pledged as collaterals.

a Telkomsel has no collateral for its bank loans, or other credit facilities. The terms of the various agreements with Telkomsel's lenders and financiers require compliance with a number of covenants and negative covenants as well as financial and other covenants, which include, among other things, certain restrictions on the amount of dividends and other profit distributions which could adversely affect Telkomsel's capacity to comply with its obligation under the facility. The terms of the relevant agreements also contain default and cross default clauses. As of December 31, 2021 Telkomsel has complied with the above covenants

On March 13, 2015, the Company and GSD entered into credit agreements with syndication of banks (BCA and BNI) with total facilities amounting to Rp3,000 billion. As of December 31, 2021, all facilities had been used.

On March, 24, 2017, the Company, Mitratel, Sigma, GSD, and Telin entered into several credit agreements with BRI, BNI, and Bank Mandiri with total facilities amounting to Rp1,000 billion,

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Rp2,005 billion and Rp1,500 billion, respectively. As of December 31, 2021, the unused facility for Bank Mandiri amounted to Rp5 billion.

On March 30, 2017, the Company, GSD, Metra, Mitratel, PINS, and Telkomsat entered into several credit agreements with BTPN, Bank DBS, Bank CIMB Niaga, and BCA with total facilities amounting to Rp400 billion, Rp850 billion, Rp495 billion, and Rp850 billion, respectively. Based on amendment on June 29, 2017, Telkom Infra is included as one of borrower into BCA's credit facility agreement replaced PINS. As of December 31, 2021, the unused facilities for BTPN, Bank DBS, Bank CIMB Niaga and BCA amounted to Rp79 billion, Rp420 billion, Rp20 billion and Rp564 billion, respectively.

On February 26, 2018, the Company entered into a credit agreement with Bank Mandiri with total facilities amounting to Rp775 billion. As of December 31, 2021, all facilities had been used.

On February 26, 2018, the Company entered into a credit agreement with BNI with total facilities amounting to Rp825 billion. As of December 31, 2021, all facilities had been used.

On March 27, 2018 and May 23, 2019, the Company and Mitratel entered into several credit agreements with MUFG Bank and BRI with total facilities amounting to Rp800 billion and

Rp200 billion, respectively. As of December 31, 2021, all facilities had been used.

On January 15, 2019, the Company, Infomedia, Telin, Telkom Infra, Telkomsat, and Sigma entered into a credit agreement with BTPN with total facilities amounting to Rp628 billion. As of December 31, 2021, the unused facility for BTPN amounted to Rp538 billion.

On May 23, 2019, the Company entered into a credit agreement with BRI with total facilities amounting to Rp2,000 billion. As of December 31, 2021, all facilities had been used.

On June 19, 2019, the Company and Mitratel entered into credit agreements with BNI with total facilities amounting to Rp2,160 billion and Rp840 billion, respectively. As of December 31, 2021, all facilities had been used.

On March 12, 2020, the Company, GSD, and PINS entered into credit agreements amendments with Bank ANZ with total facilities amounting to Rp240 billion and Rp200 billion, respectively. As of December 31, 2021, all facilities had been used.

On November 16, 2020, the Company, Mitratel, and GSD entered into credit agreements amendments with Bank Mandiri with total facilities amounting to Rp1,400 billion, Rp1,113 billion, and Rp200 billion, respectively. As of December 31, 2021, the unused facility for Bank Mandiri amounted to Rp136 billion.

On December 4, 2020, the Company and Admedika entered into a credit agreement with BTPN with total facilities amounting to Rp1,500 billion. As of December 31, 2021, the unused facility for BTPN amounted to Rp1,480 billion.

On January 18, 2021, the Company entered into a credit agreement with BRI with total facilities amounting to Rp1,000 billion. As of December 31, 2021, the facilities has not been used.

On January 28, 2021, the Company entered into a credit agreement with Syndication of banks (Bank Mandiri and BNI) with total facilities amounting to Rp5,000 billion. As of December 31, 2021, the unused facility for Syndication of banks amounted to Rp4,900 billion.

On October 28, 2021, the Company entered into a credit agreement with BCA with total facilities amounting to Rp6,000 billion. As of December 31, 2021, the unused facility for BCA amounted to Rp2,500 billion.

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On November 8, 2021, the Company, GSD, Metra, and Mitratel entered into a credit agreement amendment with MUFG Bank with total facilities amounting to Rp400 billion. As of December 31, 2021, the unused facility for MUFG Bank amounted to Rp79 billion.

On November 17, 2021, the Company entered into a credit agreement with Bank Mandiri with total facilities amounting to Rp2,400 billion. As of December 31, 2021, all facilities had been used.

On November 22, 2021, the Company, PINS, and GSD entered into credit agreement amendments with Bank CIMB Niaga with total facilities amounting to Rp500 billion, Rp300 billion, and Rp200 billion, respectively. As of December 31, 2021, the unused facility for Bank CIMB Niaga amounted to Rp796.6 billion.

As stated in the agreements, the Group is required to comply with all covenants or restrictions such as dividend distribution, obtaining new loans, and maintaining financial ratios. As of December 31, 2021, the Group has complied with all covenants or restrictions, except for certain loans. As of December 31, 2021, the Group obtained waivers from lenders for the non-fulfillment financial ratios in Telkom Infra, Sigma and GSD. The waivers from BNI, BCA, Bank DBS, HSBC, Bank Mandiri, and ICBC were received on November 29, 2021, December 16, 2021, December 15, 2021, December 22, 2021, December 30, 2021, and December 31, 2021.

The credit facilities were obtained by the Group for working capital and investment purposes.

d. Other borrowings

		Outstanding	
Lenders	**Currency**	**2020**	**2021**
PT Sarana Multi Infrastruktur	Rp	3,652	2,609
Unamortized debt issuance cost		(7)	(4)
Total		3,645	2,605
Current maturities (Note 20b)		(1,040)	(1,041)
Long-term portion		**2,605**	**1,564**

Other significant information relating to other borrowings as of December 31, 2021 is as follows:

	Borrower	Currency	Total facility (in billions)	Current period payment (in billions)	Principal payment schedule	Interest rate per annum	Security
PT Sarana Multi Infrastruktur							
November 14, 2018	The Company	Rp	1,000	220	Semi-annually (2019 - 2023)	3 months JIBOR + 1.75%	None
March 29, 2019	The Company	Rp	2,836	700	Semi-annually (2020 - 2024)	3 months JIBOR + 1.75%	None
October 12, 2016	Mitratel	Rp	700	100	Semi-annually (2018 - 2024)	3 months JIBOR + 1.85%	Property and equipment
March 29, 2019	Telkomsat	Rp	164	24	Semi-annually (2020 - 2024)	3 months JIBOR + 1.75%	None

Under the agreement, the Company, Mitratel, and Telkomsat are required to comply with all covenants or restrictions, including maintaining financial ratios as follows:
(a) Debt to equity ratio should not exceed 2:1, except Mitratel should not exceed 5:1
(b) Net debt EBITDA to interest ratio should not be less than 4:1, except Mitratel should not exceed 5:1
(c) Debt service coverage is at least 125%, except Mitratel is at least 100%

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As of December 31, 2021, the Company, Mitratel, and Telkomsat has complied with the above-mentioned ratios.

On November 14, 2018, the Company entered into a credit agreement with PT. Sarana Multi Infrastruktur with total facilities amounting to Rp1,000 billion. As of December 31, 2021, all facilities had been used.

On June 15, 2020, the Company, Telkomsat, and Telkom Infra entered into credit agreements amendments with PT Sarana Multi Infrastruktur with total facilities amounting to Rp2,836 billion, Rp164 billion, and RpNil, respectively. As of December 31, 2021, the unused facility for PT Sarana Multi Infrastruktur amounted to Rp106 billion.

22. NON-CONTROLLING INTERESTS

The details of non-controlling interests are as follow:

	2020	2021
Non-controlling interests in net assets of subsidiaries:		
Telkomsel	17,710	13,663
Mitratel	—	9,455
GSD	233	226
Metra	83	98
Others	114	99
Total	**18,140**	**23,541**

	2019	2020	2021
Non-controlling interests in net income (loss) of subsidiaries:			
Telkomsel	8,895	8,849	9,183
Mitratel	—	—	79
GSD	(42)	(13)	(8)
Metra	(56)	(2)	(20)
Others	(5)	4	(12)
Total	**8,792**	**8,838**	**9,222**

Material partly-owned subsidiary

a. Telkomsel

As of December 31, 2020 and 2021, the non-controlling interest holds 35% ownership interest in Telkomsel which is considered material to the Company (Note 1d).

The summarized financial information of Telkomsel below is provided based on amounts before elimination of intercompany balances and transactions.

Summarized statements of financial position:

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	2020	2021
Current assets	19,488	12,288
Non-current assets	82,699	87,825
Current liabilities	(28,289)	(31,316)
Non-current liabilities	(23,292)	(29,757)
Total equity	**50,606**	**39,040**
Attributable to:		
Equity holders of parent company	32,896	25,377
Non-controlling interest	17,710	13,663

Summarized statements of profit or loss and other comprehensive income:

	2019	2020	2021
Revenues	91,093	87,103	87,506
Operating expenses	(54,695)	(55,834)	(52,356)
Other (expense) income – net	(2,321)	451	(1,980)
Profit before income tax	**34,077**	**31,720**	**33,170**
Income tax expense – net	(8,660)	(6,436)	(6,931)
Profit for the year	**25,417**	**25,284**	**26,239**
Other comprehensive loss – net	(415)	(1,054)	(75)
Net comprehensive income for the year	**25,002**	**24,230**	**26,164**
Profit for the year attributable to non-controlling interest	8,895	8,849	9,183
Dividend paid to non-controlling interest	8,490	7,725	13,204

Summarized statements of cash flows:

	2019	2020	2021
Operating activities	41,515	39,758	40,789
Investing activities	(13,448)	(10,923)	(12,943)
Financing activities	(25,943)	(28,277)	(34,239)
Net increase (decrease) in cash and cash equivalents	**2,124**	**558**	**(6,393)**

b. Mitratel

On November 22, 2021, Mitratel have been listed on the IDX give rise to a non-controlling interest in Mitratel. As of December 31, 2021, the non-controlling interest in Mitratel was 28.13% (Note 1d).

The summarized financial information of Mitratel below is provided based on amounts before elimination of intercompany balances and transactions.

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Summarized statements of financial position:

	2021
Current assets	21,303
Non-current assets	36,396
Current liabilities	(6,480)
Non-current liabilities	(17,605)
Total equity	**33,614**
Attributable to:	
Equity holders of parent company	24,159
Non-controlling interest	9,455

Summarized statements of profit or loss and other comprehensive income:

	2021
Revenues	6,870
Operating expenses	(4,123)
Other income - net	16
Income before finance cost and tax	**2,763**
Finance income and cost	(836)
Income before final tax expense and income tax expense	**1,927**
Final tax expense	(308)
Profit before income tax	**1,619**
Income tax expense - net	(186)
Profit for the year	**1,433**
Other comprehensive income - net	8
Net comprehensive income for the year	**1,441**
Attributable to non-controlling interest	79

Summarized statements of cash flows:

	2021
Operating activities	5,363
Investing activities	(12,597)
Financing activities	25,851
Net decrease in cash and cash equivalents	**18,617**

23. CAPITAL STOCK

The details of capital stock are as follows:

Description	2020 Number of shares	2020 Percentage of ownership	2020 Total paid-in capital
Series A Dwiwarna share			
Government	1	0	0
Series B shares			
Government	51,602,353,559	52.09	2,580
The Bank of New York Mellon Corporation*	3,839,380,280	3.88	192
Directors (Note 1b):			
Ririek Adriansyah	1,156,955	0	0
Budi Setyawan Wijaya	275,000	0	0
Dian Rachmawan	120,222	0	0
Afriwandi	42,500	0	0
Herlan Wijanarko	42,500	0	0
Edi Witjara	32,500	0	0
Public (individually less than 5%)	43,618,813,083	44.03	2,181
Total	**99,062,216,600**	**100.00**	**4,953**

Description	2021 Number of shares	2021 Percentage of ownership	2021 Total paid-in capital
Series A Dwiwarna share			
Government	1	0	0
Series B shares			
Government	51,602,353,559	52.09	2,580
The Bank of New York Mellon Corporation*	4,829,039,080	4.87	241
Directors (Note 1b):			
Ririek Adriansyah	1,156,955	0	0
Budi Setyawan Wijaya	275,000	0	0
Afriwandi	42,500	0	0
Herlan Wijanarko	42,500	0	0
Heri Supriadi	40,000	0	0
Edi Witjara	32,500	0	0
Public (individually less than 5%)	42,629,234,505	43.04	2,132
Total	**99,062,216,600**	**100.00**	**4,953**

* The Bank of New York Mellon Corporation serves as the Depositary of the registered ADS holders for the Company's ADSs.1 ADS represents 100 Series B shares.

The Company issued only 1 Series A Dwiwarna share which is held by the Government and can not be transferred to any party, and has a veto in the General Meeting of Stockholders of the Company with respect to election and removal from the Boards of Commissioners and Directors, issuance of new shares, and amendments of the Company's Articles of Association.

The Company's share structure consists of 1 Series A Dwiwarna share and 99,062,216,599 Series B shares (common stock) with total issued and fully paid-up capital of 99,062,216,600 shares. A share of Series A Dwiwarna share belongs to the Government of the Republic of Indonesia. As of December 31, 2021, all of the Company's Series B shares have been listed on the IDX and 48,290,391 ADS have been listed on the NYSE.

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Pursuant to the AGM of Stockholders of the Company as stated in notarial deed No. 31 dated June 19, 2020 of Ashoya Ratam, S.H., M.Kn., the Company's stockholders approved the distribution of cash dividend and special cash dividend for 2019 amounting to Rp11,197 billion (Rp113.04 per share) and Rp4,065 billion (Rp41.03 per share), respectively.

Pursuant to the AGM of Stockholders of the Company as stated in notarial deed No. 37 dated May 28, 2021 of Utiek R. Abdurachman, S.H., MLi., MKn.,, the Company's stockholders approved the distribution of cash dividend and special cash dividend for 2020 amounting to Rp12,482 billion (Rp126.01 per share) and Rp4,161 billion (Rp42.00 per share), respectively. The company paid cash dividend and special cash dividend on July 1, 2021.

During the year ended December 31, 2020, Telkomsel, and Metra distribute cash dividends amounting to Rp7,725 billion, and Rp53 billion, respectively, to non-controlling shareholders.

During the year ended December 31, 2021, Telkomsel, and Metra distribute cash dividends amounting to Rp13,204 billion, and Rp38 billion, respectively, to non-controlling shareholders.

24. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is computed by dividing profit for the year attributable to owners of the parent company amounting to Rp19,068 billion, Rp21,052 billion and Rp24,877 billion by the weighted average number of shares outstanding during the year totaling 99.062.216.600 shares for the years ended December 31, 2019, 2020 and 2021, respectively. The weighted average number of shares takes into account the weighted average effect of changes in treasury stock transactions during the year.

Basic earnings per share amounted to Rp192.49, Rp212.51, and Rp251.13 for the years ended December 31, 2019, 2020 and 2021, respectively. The Company does not have potentially dilutive financial instruments as of December 31, 2019, 2020 and 2021.

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25. REVENUES

The Group derives revenues in the following major product lines:

2019	Mobile	Consumer	Enterprise	WIB	Others	Consolidated revenue
Telephone revenues						
Cellular	27,907	—	—	112	—	28,019
Fixed lines	—	1,565	1,148	175	—	2,888
Total telephone revenues	**27,907**	**1,565**	**1,148**	**287**	**—**	**30,907**
Interconnection revenues	**580**	**—**	**—**	**5,710**	**—**	**6,290**
Data, internet, and information technology service revenues						
Cellular data and internet	52,858	—	—	—	—	52,858
Internet, data communication, and information technology services	—	17	7,715	1,340	—	9,072
SMS	6,555	—	399	—	—	6,954
Others	—	—	558	386	85	1,029
Total data, internet, and information technology service revenues	**59,413**	**17**	**8,672**	**1,726**	**85**	**69,913**
Network revenues	**4**	**1**	**897**	**943**	**—**	**1,845**
Indihome revenues	**—**	**16,083**	**2,242**	**—**	**—**	**18,325**
Other services						
Manage service and terminal	—	—	1,671	1	—	1,672
Sales of peripherals	—	—	1,109	—	—	1,109
Call center service	—	—	650	149	—	799
E-payment	—	—	453	—	113	566
E-health	—	—	523	—	—	523
Others	—	67	1,288	581	433	2,369
Total other services	**—**	**67**	**5,694**	**731**	**546**	**7,038**
Total revenues from contract with customer	**87,904**	**17,733**	**18,653**	**9,397**	**631**	**134,318**
Revenues from lessor transactions	**—**	**—**	**—**	**1,239**	**—**	**1,239**
Total revenues	**87,904**	**17,733**	**18,653**	**10,636**	**631**	**135,557**
Adjustments and eliminations	**(7)**	**(27)**	**48**	**(27)**	**(434)**	
Total external revenues as reported in note operating segment	**87,897**	**17,706**	**18,701**	**10,609**	**197**	

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2020	Mobile	Consumer	Enterprise	WIB	Others	Consolidated revenue
Telephone revenues						
Cellular	19,427	—	—	83	—	19,510
Fixed lines	—	1,072	838	190	—	2,100
Total telephone revenues	**19,427**	**1,072**	**838**	**273**	**—**	**21,610**
Interconnection revenues	**410**	**—**	**—**	**7,276**	**—**	**7,686**
Data, internet, and information technology service revenues						
Cellular data and internet	59,502	—	—	—	—	59,502
Internet, data communication, and information technology services	—	13	8,066	1,665	—	9,744
SMS	4,377	—	440	—	—	4,817
Others	—	42	939	632	140	1,753
Total data, internet, and information technology service revenues	**63,879**	**55**	**9,445**	**2,297**	**140**	**75,816**
Network revenues	**4**	**—**	**766**	**901**	**—**	**1,671**
Indihome revenues	**—**	**19,827**	**2,387**	**—**	**—**	**22,214**
Other services						
Manage service and terminal	—	—	1,292	1	—	1,293
Call center service	—	—	775	70	—	845
E-health	—	—	549	—	—	549
E-payment	—	—	475	—	24	499
Sales of peripherals	—	—	0	—	0	0
Others	—	51	1,189	393	354	1,987
Total other services	**—**	**51**	**4,280**	**464**	**378**	**5,173**
Total revenues from contract with customer	**83,720**	**21,005**	**17,716**	**11,211**	**518**	**134,170**
Revenues from lessor transactions	**—**	**—**	**—**	**2,277**	**—**	**2,277**
Total revenues	**83,720**	**21,005**	**17,716**	**13,488**	**518**	**136,447**
Adjustments and eliminations	**—**	**(48)**	**13**	**13**	**(299)**	
Total external revenues as reported in note operating segment	**83,720**	**20,957**	**17,729**	**13,501**	**219**	

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2021	Mobile	Consumer	Enterprise	WIB	Others	Consolidated revenue
Telephone revenues						
Cellular	14,664	—	—	73	—	14,737
Fixed lines	—	896	649	185	—	1,730
Total telephone revenues	**14,664**	**896**	**649**	**258**	**—**	**16,467**
Interconnection revenues	**368**	**—**	**—**	**7,419**	**—**	**7,787**
Data, internet, and information technology service revenues						
Cellular data and internet	64,500	—	—	—	—	64,500
Internet, data communication, and information technology services	—	240	7,976	2,056	—	10,272
SMS	4,728	—	26	—	—	4,754
Others	—	—	1,596	922	180	2,698
Total data, internet, and information technology service revenues	**69,228**	**240**	**9,598**	**2,978**	**180**	**82,224**
Network revenues	**4**	**—**	**1,087**	**789**	**—**	**1,880**
Indihome revenues	**—**	**23,720**	**2,605**	**—**	**—**	**26,325**
Other services						
Manage service and terminal	—	—	2,047	1	—	2,048
Call center service	—	—	1,012	69	—	1,081
E-health	—	—	640	—	—	640
E-payment	3	—	459	—	25	487
Sales of peripherals	—	—	0	—	—	0
Others	—	72	1,036	325	426	1,859
Total other services	**3**	**72**	**5,194**	**395**	**451**	**6,115**
Total revenues from contract with customer	**84,267**	**24,928**	**19,133**	**11,839**	**631**	**140,798**
Revenues from lessor transactions	**—**	**—**	**—**	**2,412**	**—**	**2,412**
Total revenues	**84,267**	**24,928**	**19,133**	**14,251**	**631**	**143,210**
Adjustments and eliminations	**—**	**2**	**8**	**4**	**(426)**	
Total external revenues as reported in note operating segment	**84,267**	**24,930**	**19,141**	**14,255**	**205**	

Management expects that most of the transaction price allocated to the unsatisfied contracts as of December 31, 2021 will be recognized as revenue during the next reporting periods. Unsatisfied performance obligations as of December 31, 2021, which management expect to be realised within one year is Rp7,849 billion, and more than one year is Rp5,365 billion.

The Group entered into non-cancelable lease agreements as a lessor. The lease agreements cover leased lines, telecommunication equipment, and land and building. These leases have terms of between 1 to 10 years. All leases include a clause to enable an upward revision of the rental charge on an annual basis according to the prevailing market conditions. These lessees are also required to provide a residual value guaranteed on the properties.

There is no revenue from major customers which exceeds 10% of total revenues for the years ended December 31, 2021.

Refer to Note 32 for details of related party transactions.

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26. PERSONNEL EXPENSES

The breakdown of personnel expenses is as follows:

	2019	2020	2021
Salaries and related benefits	7,945	8,272	8,661
Vacation pay, incentives, and other benefits	3,538	4,321	4,999
Periodic pension benefit cost (Note 30)	840	804	1,137
Net periodic post-employment health care benefit cost (Note 30)	167	253	263
Obligation under the Labor Law (Note 30)	136	258	254
LSA expense (Note 31)	290	290	153
Other post-employment benefit cost (Note 30)	33	81	23
Long service employee benefit cost (Note 30)	—	53	3
Others	63	58	31
Total	**13,012**	**14,390**	**15,524**

Refer to Note 32 for details of related parties transactions.

27. OPERATION, MAINTENANCE, AND TELECOMMUNICATION SERVICE EXPENSES

The breakdown of operation, maintenance, and telecommunication service expenses is as follows:

	2019	2020	2021
Operation and maintenance	20,417	19,956	21,467
Radio frequency usage charges (Note 34c.i)	5,736	5,930	6,097
Leased lines and Customer Premises Equipment ("CPE")	4,709	3,353	5,003
Concession fees and USO charges (Note 34c.iii)	2,370	2,411	2,472
Electricity, gas, and water	1,102	946	898
Cost of SIM cards and vouchers (Note 8)	645	487	673
Project management	460	538	519
Insurance	246	378	432
Vehicles rental and supporting facilities	386	334	305
Cost of sales of peripherals (Note 8)	1,109	57	66
Others (each below Rp75 billion)	273	185	201
Total	**37,453**	**34,575**	**38,133**

Refer to Note 32 for details of related parties transactions.

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28. GENERAL AND ADMINISTRATIVE EXPENSES

The breakdown of general and administrative expenses is as follows:

	2019	2020	2021
General expenses	1,651	1,805	2,043
Professional fees	793	981	789
Allowance for expected credit losses	1,899	2,344	477
Traveling	410	275	321
Training, education, and recruitment	461	308	284
Meeting	276	184	249
Social contribution	200	223	213
Collection expenses	176	193	212
Research and development	45	52	82
Others (each below Rp75 billion)	296	199	346
Total	**6,207**	**6,564**	**5,016**

Refer to Note 32 for details of related parties transactions.

29. TAXATION

a. Prepaid income taxes

	2020	2021
The Company - Corporate income tax	465	500
Subsidiaries - Corporate income tax	1,352	662
Total	1,817	1,162
Current portion	(1,079)	(297)
Non current portion (Note 15)	**738**	**865**

b. Prepaid other taxes

The breakdown of prepaid other taxes is as follows:

	2020	2021
The Company:		
VAT	1,215	1,004
Article 22 - Withholding tax on goods delivery and import	2	—
Article 23 - Withholding tax on services delivery	124	81
Subsidiaries:		
VAT	3,012	2,635
Article 4 (2) - Final tax	6	5
Article 23 - Withholding tax on services delivery	17	36
Total	4,376	3,761
Current portion	(2,945)	(2,537)
Non-current portion (Note 15)	**1,431**	**1,224**

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c. Current income tax liabilities

The breakdown of current income tax liabilities is as follows:

	2020	2021
The Company:		
Article 25 - Installment of corporate income tax	—	211
Article 29 - Corporate income tax	814	455
Subsidiaries:		
Article 25 - Installment of corporate income tax	3	24
Article 29 - Corporate income tax	474	919
Total	**1,291**	**1,609**

d. Other tax liabilities

The breakdown of other tax liabilities is as follows:

	2020	2021
The Company:		
Article 4 (2) - Final tax	53	53
Article 21 - Individual income tax	119	97
Article 22 - Withholding tax on goods delivery and import	5	8
Article 23 - Withholding tax on services delivery	21	47
Article 26 - Withholding tax on non-resident income	7	3
VAT	—	505
VAT - Tax collector	490	409
Sub-total	695	1,122
Subsidiaries:		
Article 4 (2) - Final tax	136	214
Article 21 - Individual income tax	176	151
Article 22 - Withholding tax on goods delivery and import	4	3
Article 23 - Withholding tax on services delivery	55	65
Article 26 - Withholding tax on non-resident income	7	14
VAT	349	745
Sub-total	727	1,192
Total	**1,422**	**2,314**

e. The components of consolidated income tax expense (benefit) are as follows:

	2019	2020	2021
Current			
The Company	1,272	1,976	2,236
Subsidiaries	9,347	7,822	7,320
Sub-total	10,619	9,798	9,556
Deferred			
The Company	15	8	(614)
Subsidiaries	(195)	(549)	698
Sub-total	(180)	(541)	84
Net income tax expense	**10,439**	**9,257**	**9,640**

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f. Reconciliation of income tax expense

The details of the net income tax expense for the years ended December 31, 2019, 2020 and 2021 are as follows:

	2019	2020	2021
Estimated taxable income of the Company	6,007	10,140	11,593
Corporate income tax:			
Current corporate income tax expense:			
The Company	1,201	1,927	2,202
Subsidiaries	9,344	7,819	7,318
Current income tax expense of previous year:			
The Company	1	1	—
Final tax expense:			
The Company	70	48	34
Subsidiaries	3	3	2
Total income tax expense - current	**10,619**	**9,798**	**9,556**
Income tax expense (benefit) - deferred - effect of temporary differences at enacted maximum tax rates			
The Company			
Net periodic pension and other post-employment benefits costs	70	179	(134)
Cost to obtain contracts	54	(45)	(17)
Leases	7	(3)	(1)
Realization of accrual (accrual) of expenses and inventory write-off (provision for inventory obsolescence)	4	3	—
Amortization of (addition to) deferred installation fee	0	(28)	(64)
Allowance for expected credit losses	(88)	(48)	(71)
Provision for employee benefits	(15)	(48)	(111)
Valuation of long term investment	—	(11)	—
Amortization of intangible assets, land rights and others	(10)	(4)	1
Depreciation and gain on disposal or sale of property and equipment	(7)	13	(217)
Net	15	8	(614)
Telkomsel			
Fair value measurement of other financial instruments	—	—	549
Leases	90	29	(84)
Trade receivables write-off (allowance for expected credit losses of receivables)	88	(384)	103
Amortization of license	33	(27)	28
Net periodic post-retirement health care benefit costs	0	0	—
Provision for employee benefits	(83)	84	(128)
Contract liabilities	—	9	(9)
Contract cost	—	(27)	27
Other financial instruments	—	65	1
Depreciation and gain on disposal or sale of property and equipment	(68)	(324)	100
Net	60	(575)	587
Subsidiaries - others - net	(255)	26	111
Net income tax benefit - deferred	(180)	(541)	84
Income tax expense - net	**10,439**	**9,257**	**9,640**

The reconciliation between the income tax expense calculated by applying the applicable tax rate of 20% (2019), 19% (2020) and 19% (2021) to the profit before income tax less income subject to final

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tax, and the net income tax expense as shown in the consolidated statements of profit or loss and other comprehensive income is as follows:

	2019	2020	2021
Profit before income tax consolidation	38,299	39,147	43,739
Less: consolidated income subject to final tax - net	(1,141)	(1,675)	(2,378)
Net	37,158	37,472	41,361
Income tax expense calculated at the Company's applicable statutory tax rate	7,432	7,120	7,859
Difference in applicable statutory tax rate for subsidiaries	1,531	898	1,067
Non-deductible expenses	827	370	(24)
Final income tax expense	73	51	36
Deferred tax adjustment rate	—	210	(230)
Unrecognized deferred tax	323	201	17
Others	253	407	915
Net income tax expense	**10,439**	**9,257**	**9,640**

In March 2020, the Government issued Government Regulation in lieu of Law No.1/2020 concerning State Financial Policy and Financial System Stability for Handling Corona Virus Disease 2019 (COVID-19) and / or in the Context of Facing Threats that Harm National Economy and / or Financial System Stability, which has been stipulated into Law No.2/2020, governing the adjustments to the tax rates of domestic corporate taxpayers and permanent establishments, to 22% for fiscal years 2020 and 2021, and 20% for fiscal years 2022. Furthermore, the Government issues Government Regulations ("PP") No. 30/2020 concerning Reduction of Income Tax Rates for Domestic Taxpayers in the form of a Public Company, which regulates the tax rate of 3% lower for domestic taxpayers in the form of publicly listed companies whose shares are listed and traded on the IDX with a minimum of 40% of the total all shares subscribed by the company and such shares are owned by at least 300 shareholders, where the ownership of each may not exceed 5%. These requirements must be fulfilled by companies that listed their shares on the stock exchange in a minimum of 183 calendar days within one fiscal year, and the fulfillment of the requirements referred to is carried out by the Public Company Taxpayer by submitting a report to the Directorate General of Taxes. The Company has met all of the required criteria therefore, for the purpose of calculating current income tax expense and liabilities for the year ended December 31, 2021 and 2020, the Company has reduced the applicable tax rate by 3%.

In October 2021, the Government issued Law No. 7/2021 concerning Harmonization of Tax Regulations. In paragraph (1) letter b Article 17 Chapter III Income Tax Law no. 7/2021 stipulates that the tax rate applied to Taxable Income for domestic corporate taxpayers and permanent establishments is 22%, which comes into force in the 2022 tax year, and for corporate taxpayers in the form of a limited liability company with a total number of paid-up shares is traded on a stock exchange in Indonesia of at least 40% and meeting certain requirements can receive 3% tax rate lower than the expected rate.

The Company applied the tax rate of 19% for the years ended December 31, 2020 and 2021. The subsidiaries applied the tax rate of 22% for the years ended December 31, 2020 and 2021.

The Company will submit the above taxable income and current income tax expense computation in its Annual Tax Return for fiscal year 2021 that will be reported to the Tax Office based on prevailing regulations.

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g. Tax assessments

(i) The Company

Income tax and VAT fiscal year 2012

On November 3, 2016, the Company received an Tax Underpayment Assessment Letter ("SKPKB") for all taxes for fiscal year 2012 amounting to Rp1,820.3 billion (including penalty of Rp592.4 billion) and Tax Collection Letter ("STP") for VAT amounting to Rp37.5 billion. The Company agreed to the recalculation of VAT amounting to Rp35.2 billion, corporate income tax amounting to Rp613.3 million, and withholding tax article 26 amounting to Rp311.5 million that have been charged in the 2016 consolidated statements of profit or loss and other comprehensive income. On November 16, 2016, the Company filed an objection regarding to the remaining assessments.

On November 16, 2016, the Company filed an objection regarding to the remaining assessments. During 2017, the Company received decision letters on objections from the Tax Authorities. On January 17 and 26, 2018, the Company filed an appeal.

On December 16, 2019, the Company received the Tax Court's verdict regarding tax dispute for all taxes for fiscal year 2012. The Tax Court granted the several Company's appeal. Thus, the amount should be paid by Company for withholding tax article 21, 23, 26, 4(2), corporate income tax and VAT amounting to Rp82.9 billion (including penalty of Rp27 billion). The Company has received appeal decision and paid the underpayment of withholding tax, corporate income tax and VAT.

On July 6, 2020, the Company received a notification from Tax Court that Tax Authorities filed a judicial review for all Tax Court Decisions. On July 30, 2020, in response to the judicial review from Tax Authorities, the Company filed a contra memorandum for all 2012 decisions to the Supreme Court ("SC").

In February and March 2021, the Company received the results of the decision on the review process of the VAT dispute over the March and October 2012 tax periods. In October 2021, SC announced rejection for judicial review of the VAT for Januari and May 2012 tax period that proposed by DGT. SC announced rejection for judicial review. Accordingly, from all judicial review cases at the SC for all types of 2012 taxes, the Company has received all final and binding decisions from the SC.

Income tax and VAT fiscal year 2015

On April 25, 2017, the Tax Authorities issued Tax Overpayment Assessment Letter ("SKPLB") for corporate income tax amounting to Rp147 billion, and SKPKBs for underpayment of VAT amounting to Rp13 billion (including penalty of Rp4.1 billion), underpayment of VAT on tax collected amounting to Rp6 billion (including penalty of Rp1.5 billion), underpayment of self-assessed offshore VAT amounting to Rp55.3 billion (including penalty of Rp16.8 billion). The Company also received STP for VAT amounting to Rp34 billion, VAT on tax collected amounting to Rp7 billion, and self-assessed offshore VAT amounting to Rp8 billion.

The Company accepted tax audit decision amounting to Rp17 billion for corporate income tax, to transfer deductible temporary differences related to provision for incentives to fixed wireless (Flexi) subscribers' migration amounting to Rp42 billion from Annual Tax Return of corporate income tax fiscal year 2015 to Annual Tax Return of corporate income tax fiscal year 2016.

The Company also accepted underpayment of VAT, underpayment of VAT on tax collected, and STP for VAT on tax collected amounting to Rp26 billion. The accepted portion was charged to the

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2017 consolidated statements of profit or loss and other comprehensive income. On July 24, 2017, the Company filed Objection Letter to the Tax Authorities for corporate income tax amounting to Rp210.5 billion and self-assessed offshore VAT amounting to Rp55.3 billion.

On May 3 and 22, 2018, the Tax Authorities issued decision letter on Company's objections for SKPLB of self-assessed offshore VAT amounting to Rp54.6 billion, wherein Tax Authorities reduced the Company's underpayment and granted all the Company's objection. The Company agreed with the Tax Authorities decision regarding SKPLB of self-assessed offshore VAT amounting to Rp793 million and charged in the 2018 consolidated statements of profit or loss and other comprehensive income.

On July 18, 2018, the Tax Authorities issued Decision Letter on Company's objections for SKPLB of corporate income tax, wherein the Tax Authorities has granted the several Company's objection and additional amount of overpayment which should be received amounting to Rp76 billion. On October 10, 2018, the Company filed an appeal.

On July 8, 2020, the Company received appeal decision from the Tax Court regarding corporate income tax dispute for fiscal year 2015. The Tax Court partially approved the appeal filed by the Company. On September 9, 2020, the Company received tax refund of additional overpayment of corporate income tax amounting to Rp90.9 billion.

On October 26, 2020, the Company received notification letter from Tax Court that Tax Authorities filed a judicial review of corporate income tax dispute for fiscal year 2015. On December 2, 2020, the Company filed a contra memorandum for judicial review as response of Tax Authorities judicial review. As of the date of approval and authorization for the issuance of these consolidated finanacial statements, the Company did not received verdict from the SC. In accordance with taxation law, for all withholding income tax and VAT except for corporate income tax has passed tax assessment period, therefore all tax liabilities for fiscal year 2015 considered final and has permanent legal force.

Income tax and VAT fiscal year 2018

On December 16, 2020, the Company received Tax Assessment Letter ("SKP") and STP as result of 2018 tax audit. The DGT issued SKPLB of corporate income tax amounting to Rp101.5 billion, SKPLB of withholding tax article 21 amounting to Rp1.9 billion (include penalty Rp573.9 million), SKPLB of withholding tax article 23 amounting to Rp4 million (include penalty Rp1.2 million) and SKPLB of VAT for fiscal period January to August and October to December amounting to Rp85.3 billion). Furthermore The DGT issued SKPKB of VAT for fiscal period September amounting to Rp240.5 billion (include penalty Rp59.5 billion), SKPKB of VAT WAPU amounting to Rp15.17 billion (include penalty Rp4.6 billion) and STP of VAT WAPU amounting to Rp1.2 billion. The Company agreed to receive tax audit correction of corporate income tax amounting Rp1.1 billion, underpayment of withholding tax article 21 amounting to Rp1.9 billion, underpayment of withholding tax article 23 amounting to Rp4 million, VAT tax credit amounting to Rp4.8 billion, STP of VAT WAPU amounting Rp1.2 billion and underpayment of VAT WAPU amounting to Rp15.17 billion. These corrections that have been approved have been charged to the 2020 profit or loss income statement.

The Company did not agree with the correction from tax auditor who imposes VAT on the transaction of submitting the space segment component (asset in constructive) of the Satelit Merah Putih to Telkomsat. In March 2021, the Company has submitted a tax objection letter to the Tax Authority for the correction of the tax auditor. As of the date of approval and authorization for issuance of these consolidated financial statements, the Company has not yet received the result of the appeal decision.

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(ii) Telkomsel

Income tax and VAT fiscal year 2014

On May 31, 2019, Telkomsel received the SKPKB and STP for the fiscal year 2014 amounting to Rp150.6 billion (including penalty of Rp54.6 billion). Telkomsel accepted and paid the portion of Rp16.5 billion on June 27, 2019 and recorded it as other expense. On August 20, 2019, Telkomsel has paid amounting to Rp99.1 billion and recorded it as claim for tax refund. Subsequently, on August 23, 2019, Telkomsel filed an objection to the Tax Authorities amounting to Rp134.1 billion.

On July 15 and July 22, 2020, Telkomsel received objection decision letter from Tax Authorities which accepted Rp27.2 billion and rejected Rp106.8 billion. In August 27, 2020 Telkomsel received partially the tax refund Rp27.2 billion. On September 28, 2020, Telkomsel filed an appeal to the Tax Court for the 2014 corporate income tax, withholding tax, and VAT. As of the date of approval and authorization for issuance of these financial statements, Telkomsel has not yet received the result of the appeal decision.

Income tax and VAT fiscal year 2015

On August 1, 2019, Telkomsel received the SKPKB and STP for fiscal year 2015 amounting to Rp384.8 billion (including penalty of Rp128.6 billion). On August 28, 2019, Telkomsel has paid the whole amount (including penalty). For the amount of Rp34.6 billion was charged to the statement of profit or loss and other comprehensive income and for the remaining portion amounting to Rp350.2 billion was recorded as claim for tax refund. On September 24, 2019, Telkomsel filed an objection to the Tax Authorities amounting to Rp350.2 billion.

On July 13, 2020, Telkomsel received objection decision letter from Tax Authorities that rejected all Company's objection.

On September 28, 2020, the Company filed an appeal to the Tax Court for the 2015 CIT, WHT, and VAT. As of the date of approval and authorization for issuance of these financial statements, the appeal is still in process.

Income tax and VAT fiscal year 2018

On February 20, 2020, Telkomsel received the tax audit instruction letter for compliance of fiscal year 2018. As of the date of approval and authorization for issuance of these financial statements, the tax audit still in process.

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h. Deferred tax assets and liabilities

The details of the Group's deferred tax assets and liabilities are as follows:

	December 31, 2019	Changes of tax rates	(Charged) credited to profit or loss	Credited to other comprehensive income	Charged to equity and reclassification	December 31, 2020
The Company						
Deferred tax assets:						
Allowance for expected credit losses	774	(126)	174	—	2	824
Net periodic pension and other post-employment benefit costs	837	(158)	(21)	546	—	1,204
Difference between accounting and tax bases of property and equipment	427	32	(45)	—	—	414
Provision for employee benefits	230	(12)	60	—	—	278
Deferred installation fee	92	(17)	45			120
Land rights, intangible assets and others	19	(1)	5	—	—	23
Accrued expenses and provision for inventory obsolescence	75	(8)	5	—	—	72
Total deferred tax assets	2,454	(290)	223	546	2	2,935
Deferred tax liabilities:						
Valuation of long-term investment	(11)	1	10	—	—	—
Leases	(8)	1	2	—	—	(5)
Capitalization of contract cost	(134)	15	30	—	—	(89)
Total deferred tax liabilities	(153)	17	42	—	—	(94)
Telkomsel						
Deferred tax assets:						
Provision for employee benefits	865	(186)	102	298	—	1,079
Allowance for expected credit losses	282	(59)	59	—	—	282
Contract liabilities	—	(1)	(8)	—	—	(9)
Other financial instruments	—	(109)	493	—	—	384
Total deferred tax assets	1,147	(355)	646	298	—	1,736
Deferred tax liabilities:						
Leases	(986)	—	76	—	20	(890)
Difference between accounting and tax bases of property and equipment	(557)	446	(122)	—	—	(233)
License amortization	(151)	31	(4)	—	—	(124)
Contract cost	—	3	24	—	—	27
Other financial instruments	—	—	(65)	—	—	(65)
Total deferred tax liabilities	(1,694)	480	(91)	—	20	(1,285)
Deferred tax assets of the Company - net	2,301	(273)	265	546	2	2,841
Deferred tax (liabilities) assets of Telkomsel - net	(547)	125	555	298	20	451
Deferred tax assets of the other subsidiaries - net	478	(57)	(38)	4	64	451
Deferred tax liabilities of the other subsidiaries - net	(657)	(6)	74	11	(29)	(607)
Total deferred tax asset - net	**2,232**					**3,743**
Total deferred tax liabilities - net	**(657)**					**(607)**

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	December 31, 2020	Rate changes	(Charged) credited to profit or loss	Credited to other comprehensive income	Charged to equity and reclassification	Acquisition/ business combination	December 31, 2021
The Company							
Deferred tax assets:							
Allowance for expected credit losses	824	87	(16)	—	—	—	895
Net periodic pension and other post-employment benefit costs	1,204	117	17	(228)	—	—	1,110
Difference between accounting and tax bases of property and equipment	414	(32)	249	—	—	—	631
Provision for employee benefits	278	—	111	—	—	—	389
Deferred installation fee	120	12	52	—	—	—	184
Land rights, intangible assets and others	23	—	(1)	—	—	—	22
Accrued expenses and provision for inventory obsolescence	72	4	(4)	—	—	—	72
Total deferred tax assets	2,935	188	408	(228)	—	—	3,303
Deferred tax liabilities:							
Leases	(5)	(1)	2	—	—	—	(4)
Capitalization of contract cost	(89)	(8)	25	—	—	—	(72)
Total deferred tax liabilities	(94)	(9)	27	—	—	—	(76)
Telkomsel							
Deferred tax assets:							
Provision for employee benefits	1,079	59	69	21	—	—	1,228
Allowance for expected credit losses	282	14	(117)	—	—	—	179
Contract liabilities	(9)	—	9	—	—	—	—
Other financial instruments	384	—	—	—	—	—	384
Total deferred tax assets	1,736	73	(39)	21	—	—	1,791
Deferred tax liabilities:							
Fair value measurement of financial instruments	—	—	(549)	—	—	—	(549)
Leases	(890)	61	104	—	—	—	(725)
Difference between accounting and tax bases of property and equipment	(233)	(137)	37	—	—	—	(333)
License amortization	(124)	(11)	(17)	—	—	—	(152)
Contract cost	27	—	(27)	—	—	—	—
Other financial instruments	(65)	—	—	—	—	—	(65)
Total deferred tax liabilities	(1,285)	(87)	(452)	—	—	—	(1,824)
Deferred tax assets of the Company - net	2,841	179	435	(228)	—	—	3,227
Deferred tax assets of the other subsidiaries - net	451	63	83	—	—	—	597
Deferred tax (liabilities) assets of Telkomsel - net	451	(14)	(491)	21	—	—	(33)
Deferred tax liabilities of the other subsidiaries - net	(607)	4	(262)	(6)	(3)	49	(825)
Total deferred tax asset - net	**3,743**						**3,824**
Total deferred tax liabilities - net	**(607)**						**(858)**

As of December 31, 2020 and 2021, the aggregate amounts of temporary differences associated with investments in subsidiaries and associated companies, for which deferred tax liabilities have not been recognized were Rp32,132 billion and Rp25,480 billion, respectively.

Realization of the deferred tax assets is dependent upon the Group's capability in generating future profitable operations. Although realization is not assured, the Group believes that it is probable that these deferred tax assets will be realized through reduction of future taxable income when temporary differences reverse. The amount of deferred tax assets is considered realizable; however, it can be reduced if actual future taxable income is lower than estimates.

i. Administration

From 2008 to 2019, the Company has been consecutively entitled to income tax rate reduction of 5% for meeting the requirements in accordance with the Government Regulation No. 81/2007 as amended by Government Regulation No. 77/2013 and the latest by Government Regulation No. 56/2015 in conjunction with PMK No. 238/PMK.03/2008. Furthermore, the Company is also entitled to an incentive the tax rate reduce by 3% because it meets the requirements in accordance with PP No. 30/2020. On the basis of historical data, for the year ended December 31, 2020 and 2021, the Company calculates the deferred tax using the tax rate of 19%.

The taxation laws of Indonesia require that the Company and its local subsidiaries submit individual tax returns on the basis of self-assessment. Under prevailing regulations, the DGT may assess or amend taxes within a certain period. For fiscal years 2007 and earlier, the period is within ten years from the time the tax became due, but not later than 2013, while for fiscal years 2008 and onwards, the period is within five years from the time the tax became due.

The Ministry of Finance of the Republic of Indonesia has issued Regulation No. 85/PMK.03/2012 dated June 6, 2012 as amended by PMK No. 136/PMK.03/2012 dated August 16, 2012 concerning the

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appointment of State-Owned Enterprises ("SOEs") to withhold, deposit and report VAT and Sales Tax on Luxury Goods ("PPnBM") according to the procedures outlined in the Regulation which is effective from July 1, 2012. The Ministry of Finance of the Republic of Indonesia also has issued Regulation No. 224/PMK.011/2012 dated December 26, 2012 concerning the appointment of SOEs for withholding tax article 22 as amended by PMK No. 34/PMK.010/2017 dated March 1, 2017. The Company has withheld, deposited, and reported the VAT, PPnBM and also withholding tax article 22 in accordance with the Regulations.

In May 2019, the Company was appointed as Low Risk Taxable Entrepreneur through DGT Decree No.KEP-00080/WPJ.19/KP.04/2019. In accordance with the Ministry of Finance Regulation No. 39/PMK.03/2018 dated April 12, 2018 as amended by PMK No. 117/PMK.03/2019 dated August 16, 2019, the Company was given the preliminary return on tax overpayment as referred to the taxation laws.

During the COVID-19 pandemic, the Government has updated its regulations governing tax incentives. In July 2020, the Minister of Finance of the Republic of Indonesia issued Regulation of the Minister of Finance No. 86 / PMK.03 / 2020 (“PMK-86/2020”) dated 16 July 2020 concerning Tax Incentives for Taxpayers Affected by the Corona Virus Disease 2019 Pandemic. In PMK-86/2020, the Government expanded the Mandatory Business Field Code (KLU) of Taxpayers who are entitled to take advantage of tax incentives and extend the incentive period until December 2020. Based on the list of KLU in the attachment PMK-86/2020, the Company’s KLU is included as the recipient of the incentive withholding tax article 21 for Government Borne Employees (DTP).

In January 2021, the Government issued Minister of Finance Regulation No.8/PMK.03/2021 concerning Procedures for Collecting, Depositing, and Reporting VAT or PPnBM by State-Owned Enterprises (“SOEs”) and Certain Companies Directly Owned by SOEs as VAT Collectors. Based on PMK-8/2021, the Government stipulates that in the event of the submission of BKP and/or JKP by a VAT collector to a VAT collector who is a SOEs or certain company that is directly owned by a SOEs, the VAT or VAT and PPnBM owed are collected, deposited, and reported by the VAT collector who submits the BKP and/or JKP. The company has adjusted the tax invoice issuance system and accounting treatment as an implementation of the provisions stipulated in PMK-8/2021.

In February 2021, the Government issued Minister of Finance Regulation No.9/PMK.03/2021 (“PMK9/2021”). Based on PMK-9/2021, the Government extends the incentive period until June 2021. In July 2021, the Government re-issued the Minister of Finance Regulation No.82/PMK.03/2021 (“PMK-82/2021”) concerning Amendments to PMK No.9/PMK.03/2021. Based on PMK-82/2021, the Government has extended the incentive period until December 2021 for withholding tax article 21 Borne by the Government (DTP) for Employees, Final Income Tax DTP for MSMEs, Final Income Tax DTP on Construction Services, reduction in the amount of withholding tax article 25 installments and a preliminary refund for VAT overpayments, and extend the incentive period until December 31, 2021 for exemption from collection of withholding tax article 22 Imports, limited to taxpayers who have KLU in accordance with the attachment of PMK-82/2021. Based on the list of KLUs in the attachment of PMK-82/2021, the Company's KLUs are still included as recipients of incentives for withholding tax article 21 DTP for Employees.

In October 2021, the Government issued Minister of Finance Regulation No.149/PMK.03/2021 (PMK-149/2021”) concerning the Second Amendment to PMK No.9/PMK.02/2021 which was added to the list of KLU recipients of incentives, and provide an extension of the submission period for the correction of the incentive realization report. Thus, until tax period of December 2021, employees are still entitled to take advantage of withholding tax article 21 DTP who meet the terms and conditions as stipulated in PMK-86/2020 as amended lastly with PMK-149/2021.

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30. PENSION AND OTHER POST-EMPLOYMENT BENEFITS

The details of pension and other post-employment benefit liabilities are as follows:

	Notes	2020	2021
Pension benefit and other post-employment benefit obligations			
Pension benefit			
The Company - funded	30a.i.a		
Defined pension benefit obligation	30a.i.a.i	5,557	4,891
The Company - unfunded	30a.i.b	962	613
Telkomsel	30a.ii	3,852	4,188
Others		1	3
Projected pension benefit obligations		10,372	9,695
Net periodic post-employment health care benefit	30b	1,407	638
Other post-employment benefit	30c	367	300
Long service employee benefit	30d	53	4
Obligation under the Labor Law	30e	777	926
Total		**12,976**	**11,563**

The details of net pension benefit expense recognized in the consolidated statements of profit or loss and other comprehensive income is as follows:

	Notes	2019	2020	2021
Pension benefit cost				
The Company - funded	30a.i.a			
Defined pension benefit obligation	30a.i.a.i	362	545	732
Additional pension benefit obligation	30a.i.a.ii	1	0	0
The Company - unfunded	30a.i.b	163	117	74
Telkomsel	30a.ii	314	142	331
Others		0	0	0
Total periodic pension benefit cost	26	840	804	1,137
Net periodic post-employment health care benefit cost	26,30b	167	253	263
Other post-employment benefit cost	26,30c	33	81	23
Long service employee benefit cost	26,30d	—	53	3
Obligation under the Labor Law	26,30e	136	258	254
Total		**1,176**	**1,449**	**1,680**

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The amounts recognized in OCI are as follows:

	Notes	2019	2020	2021
Defined benefit plan actuarial gain (losses)				
The Company - funded	30a.i.a			
Defined pension benefit obligation	30a.i.a.i	(1,116)	(2,942)	1,123
Additional pension benefit obligation	30a.i.a.ii	7	0	0
The Company - unfunded	30a.i.b	(94)	89	82
Telkomsel	30a.ii	(561)	(1,554)	(110)
Others		0	0	(3)
Post-employment health care benefit cost	30b	(634)	(158)	1,032
Other post-employment benefit	30c	(15)	(15)	2
Obligation under the Labor Law	30e	(107)	125	42
Sub-total		**(2,520)**	**(4,455)**	**2,168**
Deferred tax effect at the applicable tax rates	29h	411	859	(213)
Defined benefit plan acturial gain (losses) - net of tax		**(2,109)**	**(3,596)**	**1,955**

a. Pension benefit cost

i. The Company

(a) Funded pension plan

(i) Defined pension benefit obligation

The Company sponsors a defined benefit pension plan for employees with permanent status prior to July 1, 2002. The plan is governed by the pension laws in Indonesia and managed by Telkom Pension Fund ("*Dana Pensiun Telkom*" or "Dapen"). Pension Fund Management in accordance with the Pension Fund and Investment Directives Regulations determined by the Founder is carried out by the Board of Management. The Board of Management is monitored by the Oversight Board consisting of representatives of the Company and participants.

The pension benefits are paid based on the participating employees' latest basic salary at retirement and the number of years of their service. The participating employees contribute 18% (before March 2003: 8.4%) of their basic salaries to the pension fund. The Company made contributions to the pension fund amounted to Rp205 billion and Rp226 billion, for the years ended December 31, 2020 and 2021, respectively.

Risks exposed to defined benefit programs are risks such as asset volatility and changes in bond yields. The project liabilities are calculated using a discount rate that refers to the level of government bond yields, if the return on program assets is lower, it will result in a program deficit. A decrease in the yield of government bonds will increase the program liabilities, although this will be offset in part by an increase in the value of the program bonds held. The Company ensures that the investment position is set within the framework of asset-liability matching ("ALM") that has been formed to achieve long-term results that are in line with the liabilities in the defined benefit pension plan. Within the ALM framework, the Company's objective is to adjust its pension assets and liabilities by investing in a well diversified portfolio to produce an optimal rate of return, taking into account the level of risk. Investment in the program has been well diversified, so that one investment's poor performance will not have a material impact on all asset groups.

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The following table presents the changes in projected pension benefit obligations, changes in pension benefit plan assets, funded status of the pension plan, and net amount recognized in the consolidated statements of financial position as of December 31, 2020 and 2021, under the defined benefit pension plan:

	2020	2021
Changes in projected pension benefit obligations		
Projected pension benefit obligations at beginning of year	22,061	25,103
Charged to profit or loss:		
Service costs	260	269
Interest costs	1,544	1,577
Pension plan participants' contributions	27	21
Actuarial losses recognized in OCI	2,741	(1,462)
Pension benefits paid	(1,530)	(1,670)
Additional welfare benefits	80	80
Benefits paid by employer	(80)	(80)
Projected pension benefit obligations at end of year	**25,103**	**23,838**
Changes in pension benefit plan assets		
Fair value of pension plan assets at beginning of year	19,723	19,546
Interest income	1,383	1,223
Return on plan assets (excluding amount included in net interest expense)	(201)	(339)
Employer's contributions	205	226
Pension plan participants' contributions	27	21
Pension benefits paid	(1,530)	(1,670)
Plan administration cost	(61)	(60)
Fair value of pension plan assets at end of year	**19,546**	**18,947**
Projected pension benefit obligations at end of year	**5,557**	**4,891**

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As of December 31, 2020 and 2021, plan assets consist of:

	2020		2021	
	Quoted in active market	Unquoted	Quoted in active market	Unquoted
Cash and cash equivalents	426	—	762	—
Equity instruments:				
Financials	1,555	—	1,571	—
Consumer non-cyclicals	814	—	558	—
Basic material	307	—	300	—
Infrastructures	646	—	838	—
Energy	145	—	118	—
Technology	—	—	43	—
Industrials	462	—	421	—
Consumer cyclicals	120	—	112	—
Properties and real estate	122	—	143	—
Healthcare	194	—	202	—
Transportation and logistic	2	—	16	—
Equity-based mutual fund	678	—	321	—
Fixed income instruments:				
Corporate bonds	—	6,208	—	4,558
Government bonds	6,821	—	7,736	—
Mutual funds	181	—	161	—
Non-public equity:				
Direct placement	—	342	—	355
Property	—	185	—	186
Others	—	338	—	545
Total	**12,473**	**7,073**	**13,302**	**5,644**

*Since January 25, 2021, the Jakarta Stock Industrial Classification (JASICA) has been officially replaced by the IDX Industrial Classification (IDX - IC)

Pension plan assets include Series B shares issued by the Company with fair values totalling Rp338 billion and Rp409 billion, representing 1.73% and 2.16% of total plan assets as of December 31, 2020 and 2021, respectively, and bonds issued by the Company with fair value totalling Rp352 billion and Rp356 billion, representing 1.80% and 1.88% of total plan assets as of December 31, 2020 and 2021, respectively.

The expected return is determined based on market expectation for returns over the entire life of the obligation by considering the portfolio mix of the plan assets. The actual return on plan assets was Rp1,121 billion and Rp822 billion for the years ended December 31, 2020 and 2021, respectively. Based on the Company's policy issued on January 14, 2014 regarding Dapen's Funding Policy, the Company will not contribute to Dapen when Dapen's Funding Sufficiency Ratio ("FSR") is above 105%. Based on Dapen's financial statement as of December 31, 2021, Dapen's FSR is below 105%. Therefore, the Company will contribute to the defined benefit pension plan in 2021.

In 2020 and 2021, the Company provided employee welfare benefit to pensioners and pension beneficiaries who entered their retirement period before June 30, 2002 amounting to Rp80 billion.

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The movement of the projected pension benefit obligations for the years ended December 31, 2020 and 2021 are as follow:

	2020	2021
Projected pension benefit obligations (prepaid pension benefit cost) at beginning of year	2,338	5,557
Net periodic pension benefit cost	562	763
Employer's contribution	(205)	(226)
Actuarial (gain) losses recognized in OCI	2,741	(1,462)
Return on plan assets (excluding amount included in net interest expense)	201	339
Benefits paid by employer	(80)	(80)
Projected pension benefit obligations at end of year	**5,557**	**4,891**

The components of net periodic pension benefit cost for the years ended December 31, 2019, 2020 and 2021 are as follows:

	2019	2020	2021
Service costs	259	260	269
Plan administration cost	63	61	60
Net interest cost	76	161	354
Additional welfare benefits	—	80	80
Net periodic pension benefit cost	398	562	763
Amount charged to subsidiaries under contractual agreements	(36)	(17)	(31)
Net periodic pension benefit cost less cost charged to subsidiaries	**362**	**545**	**732**

Amounts recognized in OCI for the years ended December 31, 2019, 2020 and 2021 are as follows:

	2019	2020	2021
Actuarial (gain) losses recognized during the year due to:			
Experience adjustments	(677)	356	(340)
Changes in financial assumptions	1,952	2,190	(1,122)
Changes in demographic assumptions	239	195	—
Return on plan assets (excluding amount included in net interest expense)	(398)	201	339
Net	**1,116**	**2,942**	**(1,123)**

The actuarial valuation for the defined benefit pension plan was performed based on the measurement date as of December 31, 2019, 2020 and 2021, with reports dated April 20, 2020, April 8, 2021, and March 24, 2022, respectively, by KKA Santhi Devi and Ardianto Handoyo, an independent actuary in association with Willis Towers Watson ("WTW") (formerly Towers Watson). The principal actuarial assumptions used by the independent actuary as of December 31, 2019, 2020 and 2021 are as follows:

	2019	2020	2021
Discount rate	7.25 %	6.50 %	7.00 %
Rate of compensation increases	8.00 %	8.00 %	8.00 %
Indonesian mortality table	2011	2019	2019

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(ii) Additional pension benefit obligation

Based on the Company's policy issued on June 7, 2017 regarding Pension Regulation by Dapen, the Company established additional benefit fund at maximum 10% of surplus of defined benefit plan, when FSR is above 105% and return on investment is above actuarial discount rate of pension fund.

Program assets for Additional Benefits have been set aside since 2018 according to the Oversight Board's approval. As of December 31, 2021, the additional benefits liabilities have been fully paid to the pension beneficiaries and no additional obligation was set aside due to the requirement for recognition of the additional benefits as mentioned above have not been met.

(b) Unfunded pension plan

The Company sponsors unfunded defined benefit pension plans and a defined contribution pension plan for its employees.

The defined contribution pension plan is provided to employees with permanent status hired on or after July 1, 2002. The plan is managed by Financial Institutions Pension Fund (*Dana Pensiun Lembaga Keuangan* or "DPLK"). The Company's contribution to DPLK is determined based on a certain percentage of the participants' salaries and amounted to Rp41 billion and Rp44 billion for the years ended December 31, 2020 and 2021, respectively.

Since 2007, the Company has provided pension benefit based on uniformization for both participants prior to and from April 20, 1992 effective for employees retiring beginning February 1, 2009. In 2010, the Company replaced the uniformization with *Manfaat Pensiun Sekaligus* ("MPS"). MPS is given to those employees reaching retirement age, upon death or upon becoming disabled starting from February 1, 2009.

The Company also provides benefits to employees during a pre-retirement period in which they are inactive for 6 months prior to their normal retirement age of 56 years, known as pre-retirement benefits (*Masa Persiapan Pensiun* or "MPP"). During the pre-retirement period, the employees still receive benefits provided to active employees, which include, but are not limited to, regular salary, health care, annual leave, bonus and other benefits. Since April 1, 2012, the employee is required to file a request for MPP and if the employee does not file the request, such employee is required to work until the retirement date.

The following table presents the changes in the unfunded projected pension benefit obligations for MPS and MPP for the years ended December 31, 2020 and 2021:

	2020	2021
Unfunded projected pension benefit obligations at beginning of year	1,479	962
Charged to profit or loss:		
Service costs	28	25
Net Interest costs	89	49
Actuarial (gain) losses recognized in OCI	(89)	(82)
Benefits paid by employer	(545)	(341)
Unfunded projected pension benefit obligations at end of year	**962**	**613**

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The components of total periodic pension benefit cost for the years ended December 31, 2019, 2020 and 2021 are as follows:

	2019	2020	2021
Service costs	29	28	25
Net interest costs	134	89	49
Total periodic pension benefit cost	**163**	**117**	**74**

Amounts recognized in OCI for the years ended December 31, 2019, 2020, and 2021 are as follow:

	2019	2020	2021
Actuarial (gain) losses recognized during the year due to:			
Experience adjustments	12	(32)	(68)
Changes in demographic assumptions	37	(99)	—
Changes in financial assumptions	**45**	**42**	**(14)**
Net	**94**	**(89)**	**(82)**

The actuarial valuation for the defined benefit pension plan was performed, based on the measurement date as of December 31, 2019, 2020, and 2021 with reports dated April 20, 2020, April 8, 2021 and March 24, 2022, respectively, by KKA Santhi Devi and Ardianto Handoyo, an independent actuary in association with WTW.

The principal actuarial assumptions used by the independent actuary for the years ended December 31, 2019, 2020 and 2021 are as follow:

	2019	2020	2021
Discount rate	6.50% - 7.25%	5.25% - 6.50%	5.75% - 7.00%
Rate of compensation increases	6.10% - 8.00%	6.10% - 8.00%	6.10% - 8.00%
Indonesian mortality table	2011	2019	2019

ii. Telkomsel

Telkomsel provides a defined benefit pension plan to its employees. Under this plan, employees are entitled to pension benefits determined based on their latest basic salary or take-home pay (exclusive of functional allowances) and number of service years. The plan is managed by PT Asuransi Jiwasraya (“Jiwasraya”), a state-owned life insurance company, through an annuity insurance contract. Until 2004, employees contributed 5% of their monthly salaries to the plan, while Telkomsel contributed the remaining part required under the plan. Beginning in 2005, Telkomsel has been taking the responsibility for the full amount of the contributions.

In 2020, due to financial condition of Jiwasraya that impacted its ability to fulfill its liabilities to Telkomsel, Jiwasraya proposed to restructure Telkomsel’s pension plan program by transferring 95% of the Cash Value (“CV”) to the new financial institution (IFG Life) established by the government.

This led Telkomsel to change the recognition of plan assets, which previously equal to a guaranteed amount to only 95% of the CV, hence the difference was not recovered and led to a decline in plan asset in December 31, 2020.

On April 23, 2021, Telkomsel and Jiwasraya agreed to terminate the insurance program contract (as mentioned above) and entered into restructuring agreement. The agreement replaced the benefit plan from annuities to lumpsum benefit. Based on this agreement, both parties agreed to

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determine the CV at the termination date which divided into CV for active participant and passive participant amounting to Rp857 billion and Rp73 billion, respectively. There was a 5% haircut from CV for active participant, hence the 95% of Rp857 billion (or equal to Rp814 billion) plus Rp73 billion will be the amount that subsequently taken over by IFG Life when the agreement with IFG Life become effective and accordingly, the restructuring agreement will be terminated. On December 31, 2021, the CV of active participant amounting to Rp832 billion.

The following table presents the changes in projected pension benefit obligation, changes in pension benefit plan assets, funded status of the pension plan and net amount recognized in the consolidated statements of financial position for the years ended December 31, 2020 and 2021, under Telkomsel's defined benefit pension plan:

	2020	2021
Changes in projected pension benefit obligations		
Projected pension benefit obligation at beginning of year	3,738	4,651
Charged to profit or loss:		
Service costs	245	310
Net interest costs	278	299
Actuarial losses recognized in OCI	1,585	91
Benefit paid	(50)	(105)
Past service cost - plan amendments	(1,145)	(440)
Past service cost - curtailment effect	—	214
Projected pension benefit obligation at end of year	**4,651**	**5,020**
Changes in pension benefit plan assets		
Fair value of pension plan assets at beginning of year	1,529	799
Interest income	104	52
Return on plan assets (excluding amount included in net interest expense)	31	(19)
Employer's contributions	53	—
Benefit paid	(50)	—
Settlement loss	(868)	—
Fair value of pension plan assets at end of year	**799**	**832**
Pension benefit obligation at end of year	**3,852**	**4,188**

Movements of the pension benefit obligation during the years ended December 31, 2020 and 2021:

	2020	2021
Pension benefit obligation at beginning of year	2,209	3,852
Periodic pension benefit cost	142	331
Actuarial losses recognized in OCI	1,585	91
Return on plan assets (excluding amount included in net interest expense)	(31)	19
Employer's contributions	(53)	—
Benefit paid	—	(105)
Pension benefit obligation at end of year	**3,852**	**4,188**

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The components of the periodic pension benefit cost for the years ended December 31, 2019, 2020 and 2021 are as follow:

	2019	2020	2021
Service costs	187	(33)	84
Net interest costs	127	175	247
Total periodic pension benefit cost	**314**	**142**	**331**

Amounts recognized in OCI for the years ended December 31, 2019, 2020, and 2021 are as follow:

	2019	2020	2021
Actuarial (gain) losses recognized during the year due to:			
Experience adjustments	115	190	324
Changes in financial assumptions	499	1,082	(233)
Changes in demographic assumptions	—	313	—
Return on plan assets (excluding amount included in net interest expense)	(53)	(31)	19
Net	**561**	**1,554**	**110**

The actuarial valuation for the defined benefit pension plan was performed based on the measurement date as of December 31, 2019, 2020 and 2021 with reports dated, February 28, 2020, March 3, 2021 and March 24, 2022, respectively, by KKA Santhi Devi and Ardianto Handoyo, an independent actuary in association with WTW. The principal actuarial assumptions used by the independent actuary as of December 31, 2019, 2020 and 2021, are as follows:

	2019	2020	2021
Discount rate	7.50 %	6.50 %	7.00 %
Rate of compensation increases	8.00 %	8.00 %	8.00 %
Indonesian mortality table	2011	2019	2019

b. Post-employment health care benefit cost

The Company provides post-employment health care benefits to all of its employees hired before November 1, 1995 who have worked for the Company for 20 years or more when they retire, and to their eligible dependents. The requirement to work for 20 years does not apply to employees who retired prior to June 3, 1995. The employees hired by the Company starting from November 1, 1995 are no longer entitled to this plan. The plan is managed by *Yayasan Kesehatan Telkom* ("Yakes Telkom").

The defined contribution post-employment health care benefit plan is provided to employees with permanent status hired on or after November 1, 1995 or employees with terms of service less than 20 years at the time of retirement. The Company did not make contributions to Yakes Telkom for the years ended December 31, 2020 and 2021.

The following table presents the changes in projected post-employment health care benefit obligation, changes in post-employment health care benefit plan assets, funded status of the post-employment

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health care benefit plan and net amount recognized in the Company's consolidated statements of financial position as of December 31, 2020 and 2021:

	2020	2021
Changes in projected post-employment health care benefit obligation		
Projected post-employment health care benefit obligation at beginning of year	13,823	14,443
Charged to profit or loss:		
Interest costs	1,083	955
Actuarial (gain) losses recognized in OCI	96	(1,394)
Post-employment health care benefits paid	(559)	(588)
Projected post-employment health care benefit obligation at end of year	**14,443**	**13,416**
Changes in post-employment health care benefit plan assets		
Fair value of plan assets at beginning of year	12,827	13,036
Interest income	1,004	860
Return on plan assets (excluding amount included in net interest expense)	(62)	(362)
Post-employment health care benefits paid	(559)	(588)
Plan administration cost	(174)	(168)
Fair value of plan assets at end of year	**13,036**	**12,778**
Projected for post-employment health care benefit obligation at end of year	**1,407**	**638**

As of December 31, 2020 and 2021, plan assets consist of:

	2020		2021	
	Quoted in active market	Unquoted	Quoted in active market	Unquoted
Cash and cash equivalents	745	—	527	—
Equity instruments:				
Financials	1,191	—	1,254	—
Consumer non-cyclicals	113	—	100	—
Basic material	212	—	256	—
Infrastructures	458	—	574	—
Energy	110	—	171	—
Technology	—	—	24	—
Industrials	299	—	274	—
Consumer cyclicals	522	—	483	—
Properties and real estate	83	—	93	—
Healthcare	222	—	232	—
Transportation and logistic	1	—	5	—
Equity-based mutual funds	519	—	569	—
Fixed income instruments:				
Fixed income mutual funds	8,239	—	7,858	—
Unlisted shares:				
Private placement	—	322	—	358
Total	**12,714**	**322**	**12,420**	**358**

*Since January 25, 2021, the Jakarta Stock Industrial Classification (JASICA) has been officially replaced by the IDX Industrial Classification (IDX - IC)

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Yakes Telkom plan assets also include Series B shares issued by the Company with fair value totalling Rp246 billion and Rp229 billion, representing 1.88% and 1.79% of total plan assets as of December 31, 2020 and 2021, respectively.

The expected return is determined based on market expectation for the returns over the entire life of the obligation by considering the portfolio mix of the plan assets. The actual return on plan assets was Rp768 billion and Rp329 billion for the years ended December 31, 2020 and 2021, respectively.

The movements of the projected post-employment health care benefit obligation for the years ended December 31, 2020 and 2021 are as follow:

	2020	2021
Projected post-employment health care benefit obligation at beginning of year	996	1,407
Net periodic post-employment health care benefit costs	253	263
Actuarial (gain) losses recognized in OCI	96	(1,394)
Return on plan assets (excluding amount included in net interest expense)	62	362
Projected post-employment health care benefit obligation at end of year	**1,407**	**638**

The components of net periodic post-employment health care benefit cost for the years ended December 31, 2019, 2020, and 2021 are as follow:

	2019	2020	2021
Plan administration costs	150	174	168
Net interest costs	17	79	95
Net periodic post-employment health care benefit cost	**167**	**253**	**263**

Amounts recognized in OCI for the years ended December 31, 2019, 2020 and 2021 are as follow:

	2019	2020	2021
Actuarial (gain) losses recognized during the year due to:			
Experience adjustments	810	(1,680)	(105)
Changes in financial assumptions	1,190	1,800	(1,289)
Changes in demographic assumptions	(1,095)	(24)	—
Return on plan assets (excluding amount included in net interest expense)	(271)	62	362
Net	**634**	**158**	**(1,032)**

The actuarial valuation for the post-employment health care benefits plan was performed based on the measurement date as of December 31, 2019, 2020, and 2021, with reports dated April 20, 2020 and April 8, 2021 and March 24, 2022 respectively, by KKA Santhi Devi and Ardianto Handoyo, an independent actuary in association with WTW. The principal actuarial assumptions used by the independent actuary as of December 31, 2019, 2020 and 2021 are as follow:

	2019	2020	2021
Discount rate	8.00 %	6.75 %	7.50 %
Health care costs trend rate assumed for next year	7.00 %	7.00 %	7.00 %
Ultimate health care costs trend rate	7.00 %	7.00 %	7.00 %
Year that the rate reaches the ultimate trend rate	2019	2020	2021
Indonesian mortality table	2011	2019	2019

c. Other post-employment benefits cost

The Company provides other post-employment benefits in the form of cash paid to employees on their retirement or termination. These benefits consist of final housing allowance (*Biaya Fasilitas Perumahan Terakhir* or “BFPT”) and home passage leave (*Biaya Perjalanan Pensiun dan Purnabhakti* or “BPP") and death allowance (*Meninggal Dunia* or "MD" allowance) is given to employees who have passed away with an amount of 12 times from the last salary.

The movements of the unfunded projected other post-employment benefit obligations for the years ended December 31, 2020 and 2021 are as follow:

	2020	2021
Projected other post-employment benefit obligations at beginning of year	366	367
Charged to profit or loss:		
Service costs	4	7
Net interest costs	19	16
Past service costs	58	—
Actuarial (gain) losses recognized in OCI	15	(2)
Benefits paid by employer	(95)	(88)
Projected other post-employment benefits obligations at end of year	**367**	**300**

The components of the projected other post-employment benefit cost for the years ended December 31, 2019, 2020 and 2021 are as follow:

	2019	2020	2021
Current service costs	4	4	7
Net interest costs	29	19	16
Past service costs	—	58	—
Projected other post-employment benefit cost	**33**	**81**	**23**

Amounts recognized in OCI for the years ended December 31, 2019, 2020, and 2021 are as follow:

	2019	2020	2021
Actuarial (gain) losses recognized during the year due to:			
Experience adjusments	(25)	(18)	13
Changes in demographic assumptions	20	16	—
Changes in financial assumptions	20	17	(15)
Total	**15**	**15**	**(2)**

The actuarial valuation for the other post-employment benefits plan was performed based on measurement date as of December 31, 2019, 2020 and 2021, with reports dated, April 20, 2020, April

8, 2021, and March 24, 2022, respectively, by KKA Santhi Devi and Ardianto Handoyo, an independent actuary in association with WTW. The principal actuarial assumptions used by the independent actuary as of December 31, 2019, 2020, and 2021, are as follow:

	2019	2020	2021
Discount rate	6.25 %	5.00 %	6.25 %
Indonesian mortality table	2011	2019	2019

d. Long service employee benefit

The Company provides long service employee benefit to employee hired before July 1, 2002 and have a service period of more than 30 years and retired after September 19, 2019. Total obligation recognized as of December 31, 2020 and 2021 amounted to Rp53 billion and Rp4 billion, respectively. The related long service employee benefits cost charged to expense amounted to Rp53 billion and Rp3 billion for the years ended December 31, 2020 and 2021, respectively.

e. Obligation under the Labor Law

Under Law No. 13 Year 2003, the Group is required to provide minimum pension benefits, if not covered yet by the sponsored pension plans, to its employees upon retirement. Total obligation recognized as of December 31, 2020 and 2021 amounted to Rp777 billion and Rp926 billion, respectively. The related pension employee benefits cost charged to expense amounted to Rp136 billion, Rp258 billion, and Rp254 billion for the years ended December 31, 2019, 2020 and 2021, respectively (Note 26). The actuarial (gain) losses recognized in OCI amounted to Rp107 billion, Rp(125) billion and Rp(42) billion for the years ended December 31, 2019, 2020 and 2021, respectively.

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f. Maturity Profile of Defined Benefit Obligation ("DBO")

The timing of benefits payments and weighted average duration of DBO for 2020 and 2021 are as follow:

	Expected Benefits Payment					
	The Company					
	Funded					
Time Period	Defined pension benefit obligation	Additional pension benefit obligation	Unfunded	Telkomsel	Post-employment health care benefits	Other post-employment benefits
2020						
Within next 10 years	18,913	—	1,061	3,795	5,649	417
Within 10-20 years	21,775	—	94	10,620	6,778	102
Within 20-30 years	19,869	—	77	8,203	5,575	78
Within 30-40 years	14,599	—	20	1,035	2,479	4
Within 40-50 years	3,278	—	—	—	398	—
Within 50-60 years	378	—	—	—	6	—
Within 60-70 years	23	—	—	—	—	—
Within 70-80 years	—	—	—	—	—	—
Weighted average duration of DBO	10.48 years	10.48 years	5.76 years	11.00 years	15.14 years	7.21 years
2021						
Within next 10 years	20,809	—	691	4,224	5,959	357
Within 10-20 years	23,096	—	92	10,849	6,697	121
Within 20-30 years	21,308	—	85	8,385	5,117	92
Within 30-40 years	16,537	—	17	901	2,025	5
Within 40-50 years	3,965	—	—	—	259	—
Within 50-60 years	2,803	—	—	—	1	—
Within 60-70 years	16	—	—	—	—	—
Within 70-80 years	—	—	—	—	—	—
Weighted average duration of DBO	10.50 years	10.50 years	5.75 years	10.30 years	14.13 years	4.88 years

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g. Sensitivity Analysis

As of December 31, 2020, and 2021, 1% change in discount rate and rate of compensation would have effect on DBO, as follow:

	Discount Rate		Rate of Compensation	
	1% Increase	1% Decrease	1% Increase	1% Decrease
	Increase (decrease) in amounts		Increase (decrease) in amounts	
Sensitivity				
2020				
Funded:				
Defined pension benefit obligation	(2,305)	2,754	1,733	(1,547)
Unfunded	(36)	28	30	(39)
Telkomsel	(471)	507	494	(463)
Post-employment health care benefits	(1,807)	2,339	2,248	(1,844)
Other post-employment benefits	(15)	17	—	—
2021				
Funded:				
Defined pension benefit obligation	(2,040)	2,419	1,571	(1,439)
Unfunded	(27)	30	33	(30)
Telkomsel	(434)	465	455	(429)
Post-employment health care benefits	(1,605)	1,964	1,985	(1,686)
Other post-employment benefits	(13)	14	—	—

The sensitivity analysis has been determined based on a method that extrapolates the impact on DBO as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The sensitivity results above determine the individual impact on the Plan’s DBO at the end of the year. In reality, the Plan is subject to multiple external experience items which may move the DBO in similar or opposite directions, and the Plan’s sensitivity to such changes can vary over time.

There are no changes in the methods and assumptions used in preparing the sensitivity analysis from the previous period.

31. LONG SERVICE AWARDS ("LSA") PROVISIONS

Telkomsel and Telkomsat provide certain cash awards or certain number of days leave benefits to their employees based on the employees’ length of service requirements, including LSA and Long Service Leaves ("LSL"). LSA are either paid at the time the employees reach certain years of employment, or at the time of termination. LSL are either certain number of days leave benefit or cash, subject to approval by management, provided to employees who meet the requisite number of years of service and reach a certain minimum age.

The obligation with respect to these awards which was determined based on an actuarial valuation using the Projected Unit Credit method amounted to Rp1,254 billion and Rp1,206 billion as of December 31, 2020 and 2021, respectively. The related benefit costs charged to expense amounted to Rp290 billion, Rp290 billion and Rp153 billion for the years ended December 31, 2019, 2020 and 2021, respectively (Note 26).

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32. RELATED PARTY TRANSACTIONS

a. Nature of relationships and accounts/transactions with related parties

Details of the nature of relationships and accounts/transactions with significant related parties are as follows:

Related parties	Nature of relationships parties	Nature of accounts/ transactions
The Government Ministry of Finance	Majority stockholder	Internet and data service revenues, other telecommunication service revenues, finance income, finance costs, and investment in financial instruments
Government agencies	Entities under common control	Network service revenues, internet and data service revenues, other telecommunication revenues, life insurance expenses, press release expenses, customer education expenses, office building lease expenses, consultant expenses, training expenses, finance income, and purchase of property and equipments
MoCI	Entity under common control	Concession fees, radio frequency usage charges, USO charges, telecommunication service revenues, and license expenses
Indosat	Entity under common control	Interconnection revenues, leased lines revenues, satellite transponder usage revenues, interconnection expenses, telecommunication facilities usage expenses, operating and maintenance expenses, and usage of data communication network system expenses
PT Pertamina (Persero) (“Pertamina”)	Entity under common control	Internet and data service revenues, and other telecommunication service revenues
State-owned banks	Entities under common control	Finance income and finance costs
Bank Mandiri	Entity under common control	Internet and data service revenues, other telecommunication service revenues, finance income, and finance costs
BNI	Entity under common control	Internet and data service revenues, other telecommunication service revenues, finance income, and finance costs
BRI	Entity under common control	Internet and data service revenues, other telecommunication service revenues, finance income, and finance costs
BTN	Entity under common control	Internet and data service revenues, other telecommunication service revenues, and finance income
PT Pegadaian (“Pegadaian”)	Entity under common control	Internet and data service revenues, and other telecommunication service revenues
PT Kimia Farma (“Kimia Farma”)	Entity under common control	Internet and data service revenues, and other telecommunication service revenues
PT Garuda Indonesia Tbk. (“Garuda Indonesia”)	Entity under common control	Internet and data service revenues, and other telecommunication service revenues
PT Taspen (“Taspen”)	Entity under common control	Internet and data service revenues, and other telecommunication service revenues
Perum Peruri (“Peruri”)	Entity under common control	Internet and data service revenues, and other telecommunication service revenues
PT Perkebunan Nusantara III (Persero) (“PTPN III”)	Entity under common control	Internet and data service revenues, and other telecommunication service revenues
PT Kereta Api Indonesia (“KAI”)	Entity under common control	Internet and data service revenues, and other telecommunication service revenues
PT Perusahaan Listrik Negara (“PLN”)	Entity under common control	Internet and data service revenues, other telecommunication service revenues, and electricity expenses
PT Asuransi Jasa Indonesia (“Jasindo”)	Entity under common control	Fixed assets insurance expenses and personal insurance expenses
PT Industri Telekomunikasi Indonesia (Persero) (“INTI”)	Entity under common control	Purchase of property and equipments
PT Pembangunan Perumahan (Persero) (“Pembangunan Perumahan”)	Entity under common control	Purchase of property and equipments
Bahana TCW	Entity under common control	Mutual funds
PT Sarana Multi Infrastruktur	Entity under common control	Other borrowings and finance costs
Digital Aplikasi Solusi (“Digiserve”), previously Teltranet (Note 1d)*	Associated company	CPE expense and telecommunication system service
Indonusa	Associated company	Pay TV expenses
Tiphone	Associated company	Distribution of SIM cards and pulse reload voucher
Finarya	Associated company	Marketing expenses
Yakes Telkom	Other related entity	Medical expenses
Padi UMKM	Other related entity	Operational and maintenance expenses, collection fees, training expenses, internal security expenses, research and development expenses, printing expenses, meeting expenses, general and other administrative expenses, promotion expenses, advertising expenses, sales fees, customer education expenses, and marketing expenses
Directors	Key management personnel	Honorarium and facilities
Commissioners	Supervisory personnel	Honorarium and facilities

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*Digiserve status which is accounted as associated company from January to August 2021, and starting from September 2021, has ceased to be associated company and becomes subsidiary with indirect ownership.

The outstanding balances of trade receivables and payables at year-end are unsecured and interest-free and the settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The Group recorded impairment loss from trade receivables of related party amounted to (Rp188) billion, Rp383 billion and (Rp152) billion for the years ended December 31, 2019, 2020, and 2021, respectively. Impairment assessment is undertaken each financial year by examining the current status of existing receivables and historical collection experience.

b. Significant transactions with related parties

The following are significant transactions with related parties:

	2019		2020		2021	
	Amount	% of total revenues	Amount	% of total revenues	Amount	% of total revenues
Revenues						
Majority stockholder						
Ministry of Finance	101	0.07	184	0.13	212	0.15
Entities under common control						
Government agencies	3,894	2.87	3,894	2.85	5,882	4.11
Indosat	860	0.63	1,034	0.76	1,056	0.74
Pertamina	196	0.14	406	0.30	631	0.44
BNI	578	0.43	547	0.40	404	0.28
BRI	619	0.46	580	0.43	341	0.24
Bank Mandiri	204	0.15	191	0.14	212	0.15
PLN	41	0.03	107	0.08	153	0.11
Pegadaian	229	0.17	178	0.13	148	0.10
Peruri	164	0.12	41	0.03	136	0.09
Kimia Farma	161	0.12	122	0.09	120	0.08
BTN	258	0.19	162	0.12	110	0.08
PTPN III	73	0.05	73	0.05	99	0.07
KAI	144	0.11	92	0.07	84	0.06
Garuda Indonesia	112	0.08	115	0.08	79	0.06
Others (each below Rp75 billion)	1,224	0.90	1,036	0.76	619	0.43
Sub-total	8,757	6.45	8,578	6.29	10,074	7.04
Associated companies	75	0.06	47	0.03	16	0.01
Other related entities	47	0.03	160	0.12	33	0.02
Total	**8,980**	**6.61**	**8,969**	**6.57**	**10,335**	**7.22**

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	2019		2020		2021	
	Amount	% of total expenses	Amount	% of total expenses	Amount	% of total expenses
Expenses						
Entities under common control						
MoCI	8,767	9.49	8,347	8.94	8,570	8.64
PLN	2,434	2.64	2,859	3.06	2,349	2.37
Indosat	676	0.73	563	0.60	467	0.47
Jasindo	267	0.29	255	0.27	385	0.39
INTI	—	—	50	0.05	81	0.08
Others (each below Rp75 billion)	301	0.33	262	0.28	241	0.24
Sub-total	12,445	13.48	12,336	13.20	12,093	12.19
Associated companies						
Indonusa	437	0.47	432	0.46	210	0.21
Teltranet	173	0.19	122	0.13	134	0.14
Finarya	—	—	198	0.21	125	0.13
Others (each below Rp75 billion)	79	0.09	53	0.06	—	—
Sub-total	689	0.75	805	0.86	469	0.48
Other related entities						
Padi UMKM	—	—	—	—	269	0.27
Yakes Telkom	133	0.14	125	0.13	115	0.12
Others (each below Rp75 billion)	1,169	1.27	11	0.01	—	—
Sub-total	1,302	1.41	136	0.14	384	0.39
Total	**14,436**	**15.64**	**13,277**	**14.20**	**12,946**	**13.06**

	2019		2020		2021	
	Amount	% of total finance income	Amount	% of total finance income	Amount	% of total finance income
Finance income						
Entities under common control						
State-owned banks	743	67.85	564	70.50	348	62.37
Government agencies	18	1.64	8	1.00	14	2.51
Others	10	0.91	—	—	—	—
Total	**771**	**70.40**	**572**	**71.50**	**362**	**64.88**

	2019		2020		2021	
	Amount	% of total finance cost	Amount	% of total finance cost	Amount	% of total finance cost
Finance cost						
Majority stockholder						
Ministry of Finance	33	0.61	25	0.54	17	0.39
Entities under common control						
State-owned banks	1,332	24.43	1,163	25.27	1,247	28.38
Sarana Multi Infrastruktur	263	4.82	313	6.80	192	4.37
Total	**1,628**	**29.86**	**1,501**	**32.61**	**1,456**	**33.14**

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	2019		2020		2021	
	Amount	% of total revenues	Amount	% of total revenues	Amount	% of total revenues
Distribution of SIM card and pulse reload voucher						
Associated companies						
Tiphone	5,927	4.37	1,766	1.29	959	0.67
Total	**5,927**	**4.37**	**1,766**	**1.29**	**959**	**0.67**

	2020		2021	
	Amount	% of total property and equipment purchased	Amount	% of total property and equipment purchased
Purchase of property and equipment (Note 13)				
Entities under common control				
Pembangunan Perumahan	—	—	309	1.02
INTI	57	0.19	104	0.34
Others	2	0.01	—	—
Total	**59**	**0.20**	**413**	**1.36**

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c. Balance of accounts with related parties

	2020		2021	
	Amount	**% of total assets**	**Amount**	**% of total assets**
Cash and cash equivalents (Note 4)	**15,899**	**6.47**	**31,100**	**11.26**
Other current financial assets (Note 5)	**1,108**	**0.45**	**329**	**0.12**
Trade receivables - net (Note 6)	**2,343**	**0.95**	**1,378**	**0.50**
Contract assets				
Majority stakeholder				
Ministry of Finance	49	0.02	7	0.00
Entities under common control				
Government agencies	487	0.20	389	0.14
Taspen	165	0.07	167	0.06
Others (each below Rp75 billion)	414	0.17	227	0.08
Sub-total	1,066	0.44	783	0.28
Associated companies	1	0.00	1	0.00
Other related entities	2	0.00	—	—
Total	**1,118**	**0.46**	**791**	**0.28**
Other current assets				
Entities under common control				
MoCI	4,376	1.78	4,749	1.72
Others	50	0.02	49	0.02
Sub-total	4,426	1.80	4,798	1.74
Associated companies				
Teltranet	107	0.04	—	—
Total	**4,533**	**1.84**	**4,798**	**1.74**
Other non-current assets				
Entities under common control				
MoCI	1,237	0.50	1,573	0.57
Others	20	0.01	25	0.01
Sub-total	1,257	0.51	1,598	0.58
Other related entities	2	0.00	—	—
Total	**1,259**	**0.51**	**1,598**	**0.58**

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	2020		2021	
	Amount	% of total liabilities	Amount	% of total liabilities
Trade payables (Note 17)				
Majority stockholder				
Ministry of Finance	1	0.00	8	0.01
Entities under common control				
MoCI	1,204	0.96	1,329	1.01
Indosat	31	0.02	144	0.11
Others (each below Rp75 billion)	378	0.30	386	0.29
Sub-total	1,613	1.28	1,859	1.41
Other related entities	470	0.37	—	—
Associated companies	73	0.06	5	0.00
Total	**2,157**	**1.71**	**1,872**	**1.42**
Accrued expenses				
Majority stockholder				
Ministry of Finance	4	0.00	3	0.00
Entities under common control				
PLN	98	0.08	81	0.06
State-owned banks	40	0.03	40	0.03
Others	6	0.00	7	0.01
Sub-total	144	0.11	128	0.10
Other related entities	—	—	—	—
Total	**148**	**0.11**	**131**	**0.10**

	2020		2021	
	Amount	% of total liabilities	Amount	% of total liabilities
Contract liabilities				
Majority stockholder				
Ministry of Finance	97	0.08	19	0.01
Entities under common control				
Government agencies	799	0.64	295	0.23
MoCI	218	0.17	118	0.09
Others (each below Rp75 billion)	354	0.28	229	0.17
Sub-total	1,371	1.09	642	0.49
Associated companies	1	0.00	2	0.00
Other related entities	4	0.00	1	0.00
Total	**1,473**	**1.17**	**664**	**0.50**
Customer deposits	**20**	**0.02**	**19**	**0.01**
Short-term bank loans (Note 20)	**3,797**	**3.03**	**1,578**	**1.20**
Two-step loans (Note 21a)	**568**	**0.45**	**355**	**0.27**
Long-term bank loans (Note 21c)	**17,026**	**13.58**	**17,630**	**13.46**
Other borrowings (Note 21d)	**3,645**	**2.91**	**2,605**	**1.99**

d. Significant agreements with related parties

i. The Government

The Company obtained two-step loans from the Government (Note 21a).

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ii. Indosat

The Company has an agreement with Indosat to provide international telecommunications services to the public.

The Company has also entered into an interconnection agreement between the Company's fixed line network (Public Switched Telephone Network or "PSTN") and Indosat's Global System for Mobile ("GSM") cellular telecommunications network in connection with the implementation of Indosat Multimedia Mobile services and the settlement of related interconnection rights and obligations.

The Company also has an agreement with Indosat for the interconnection of Indosat's GSM mobile cellular telecommunications network with the Company's PSTN, which enable each party's customers to make domestic calls between Indosat's GSM mobile network and the Company's fixed line network, as well as allowing Indosat's mobile customers to access the Company's IDD service by dialing "007".

The Company has been handling customer billings and collections for Indosat. Indosat is gradually taking over the activities and performing its own direct billing and collection. The Company has received compensation from Indosat computed at 1% of the collections made by the Company starting from January 1, 1995, as well as the billing process expenses which are fixed at a certain amount per record. On December 11, 2008, the Company and Indosat agreed to implement IDD service charge tariff which already took into account the compensation for billing and collection. The agreement is valid and effective starting from January to December 2012, and continuous to be applied until a new agreement becomes available.

On December 18, 2017, the Company and Indosat signed amendments to the interconnection agreements for the fixed line networks (local, SLJJ, and international) and mobile network for the implementation of the cost-based tariff obligations under the MoCI Regulation No. 8/Year 2006. These amendments took effect starting on January 1, 2018.

Telkomsel also entered into an agreement with Indosat for the provision of international telecommunications services to its GSM mobile cellular customers.

The Company provides leased lines to Indosat and its subsidiaries, namely PT Indosat Mega Media and PT Aplikanusa Lintasarta ("Lintasarta"). The leased lines can be used by these companies for telephone, telegraph, data, telex, facsimile, or other telecommunication services.

iii. Others

The Company entered into an agreement with Lintasarta for the use of satellite transponders or the Company's subscribed circuit telecommunication satellite frequency channels.

e. Remuneration of key management and supervisory personnel

Key management personnel consists of the Directors of the Company and supervisory personnel consists of Board of Commissioners.

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The Company provides remuneration in the form of salaries/honorarium and facilities to support the governance and oversight duties of the Board of Commissioners and the leadership and management duties of the Directors. The total of such remuneration is as follows:

	2019		2020		2021	
	Amount	% of total expenses	Amount	% of total expenses	Amount	% of total expenses
Board of Directors	270	0.29	263	0.28	347	0.35
Board of Commissioners	123	0.13	108	0.12	140	0.14

The amounts disclosed in the table are the amounts recognized as an expense during the reporting periods.

33. OPERATING SEGMENT

The Group has four primary reportable segments, namely mobile, consumer, enterprise, and WIB. The mobile segment provides mobile voice, SMS, value added services, and mobile broadband. The consumer segment provides Indihome (bundled service of fixed wireline, pay TV, and internet) and other telecommunication services to home customers. The enterprise segment provides end-to-end solution to corporate and institutions. The WIB segment provides interconnection services, leased lines, satellite, Very Small Aperture Terminal (“VSAT”), broadband access, information technology services, data, and internet services to other licensed operator companies and institutions. Other segment provides digital content products (music and games), big data, Business to Business (“B2B”) Commerce, and financial services to individual and corporate customers. There is no operating segments that have been aggregated to form the reportable segments.

Management monitors the operating results of the business units separately for the purpose of decisions making about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured on the basis of Indonesian Financial Accounting Standards which differ from IFRS primarily in the accounting for land rights. However, the financing activities and income taxes are managed on a group basis and are not separately monitored and allocated to operating segments.

Segment revenues and expenses include transactions between operating segments and are accounted at prices that management believes represent market prices.

	2019							
	Mobile	Consumer	Enterprise	WIB	Others	Total segment	Adjustments and eliminations	Total consolidated
Segment results								
Revenues								
External revenues	87,897	17,706	18,701	10,609	197	135,110	447	135,557
Inter-segment revenues	3,163	786	16,834	16,265	1,289	38,337	(38,337)	—
Total segment revenues	91,060	18,492	35,535	26,874	1,486	173,447	(37,890)	135,557
Segment results	34,196	2,588	(1,233)	5,763	(60)	41,254	(2,955)	38,299
Other information								
Capital expenditures	(11,963)	(10,581)	(5,614)	(7,907)	(21)	(36,086)	(399)	(36,485)
Depreciation and amortization	(14,233)	(3,529)	(2,744)	(3,264)	(21)	(23,791)	(3,413)	(27,204)
Provision recognized in current period	(521)	(665)	(973)	(121)	(13)	(2,293)	581	(1,712)

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	2020							
	Mobile	Consumer	Enterprise	WIB	Others	Total segment	Adjustment and elimination	Total consolidated
Segment results								
Revenues								
External revenues	83,720	20,957	17,729	13,501	219	136,126	321	136,447
Inter-segment revenues	3,297	1,148	18,591	16,139	1,550	40,725	(40,725)	—
Total segment revenues	87,017	22,105	36,320	29,640	1,769	176,851	(40,404)	136,447
Segment results	32,966	4,561	(544)	6,497	107	43,587	(4,440)	39,147
Other information								
Capital expenditures	(9,520)	(9,770)	(5,178)	(4,587)	(12)	(29,067)	(212)	(29,279)
Depreciation and amortization	(19,715)	(3,990)	(3,276)	(5,069)	(25)	(32,075)	3,150	(28,925)
Provision recognized in current period	(83)	(511)	(1,390)	(267)	(8)	(2,259)	(85)	(2,344)

	2021							
	Mobile	Consumer	Enterprise	WIB	Others	Total segment	Adjustment and elimination	Total consolidated
Segment results								
Revenues								
External revenues	84,267	24,930	19,141	14,255	205	142,798	412	143,210
Inter-segment revenues	3,097	187	22,395	18,072	2,395	46,146	(46,146)	—
Total segment revenues	87,364	25,117	41,536	32,327	2,600	188,944	(45,734)	143,210
Segment expenses								
Segment results	34,435	5,894	(307)	9,192	199	49,413	(5,674)	43,739
Other information								
Capital expenditures	(10,548)	(10,444)	(4,514)	(4,756)	(13)	(30,275)	(46)	(30,321)
Depreciation and amortization	(20,333)	(6,566)	(3,909)	(4,702)	(20)	(35,530)	3,816	(31,714)
Provision recognized in current period	(99)	(285)	(13)	5	(33)	(425)	(49)	(474)

Adjustments and eliminations:

a. Revenue reconciliation

	2019	2020	2021
Total segment revenues	173,447	176,851	188,944
Revenue from other non-operating segments	457	336	412
Inter-segment elimination	(38,337)	(40,725)	(46,146)
IFRS reconciliation	(10)	(15)	—
Consolidated operating income	**135,557**	**136,447**	**143,210**

b. Segment result reconciliation

	2019	2020	2021
Total segment results	41,254	43,587	49,413
Loss from other non-operating segments	(599)	(627)	(1,237)
Adjustment and inter-segment elimination	1,739	545	(613)
Finance income	1,092	799	558
Finance cost	(4,240)	(4,520)	(4,365)
Share of loss of associated company - net	(166)	(246)	(78)
Impairment loss of investments	(1,172)	(763)	—
IFRS reconciliation	391	372	61
Consolidated operating income	**38,299**	**39,147**	**43,739**

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c. Capital expenditure reconciliation

	2019	2020	2021
Total segment capital expenditure	(36,086)	(29,067)	(30,275)
Capital expenditure from other non-operating segments	(499)	(369)	(66)
IFRS reconciliation	100	157	20
Consolidated capital expenditure	**(36,485)**	**(29,279)**	**(30,321)**

d. Depreciation and amortization reconciliation

	2019	2020	2021
Total segment depreciation and amortization	(23,791)	(32,075)	(35,530)
Depreciation and amortization from other non-operating segments	(223)	(259)	(280)
Adjustment and inter-segment elimination	836	3,442	3,994
IFRS reconciliation	(4,026)	(33)	102
Consolidated depreciation and amortization	**(27,204)**	**(28,925)**	**(31,714)**

e. Provision recognized in current year

	2019	2020	2021
Total segment provision	(2,293)	(2,259)	(425)
Provision recognized from other non-operating segments	(11)	(6)	(3)
Adjustment and inter-segment elimination	21	(97)	(46)
IFRS reconciliation	571	18	—
Consolidated provision recognized in current year	**(1,712)**	**(2,344)**	**(474)**

Geographic information:

	2019	2020	2021
External revenues			
Indonesia	130,979	130,082	136,482
Foreign countries	4,578	6,365	6,728
Total	**135,557**	**136,447**	**143,210**

The revenue information above is based on the location of the customers.

There is no revenue from major customer which exceeds 10% of total revenues for the year ended December 31, 2021.

	2019	2020	2021
Non-current operating assets			
Indonesia	156,068	162,388	168,002
Foreign countries	3,552	3,581	2,709
Total	**159,620**	**165,969**	**170,711**

Non-current operating assets for this purpose consist of property and equipment and intangible assets.

34. SIGNIFICANT COMMITMENTS AND AGREEMENTS

a. Capital expenditures

As of December 31, 2021, capital expenditures committed under the contractual arrangements, principally relating to procurement and installation of data, internet and information technology, cellular, transmission equipment, and cable network are as follows:

Currencies	Amounts in foreign currencies (in millions)	Equivalent in Rupiah
Rupiah	—	10,355
U.S. Dollar	31	448
EUR	1.36	22
HKD	0.02	0
Total		**10,825**

The above balance includes the following significant agreements:

(i) The Company

Contracting parties	Date of agreement	Significant provisions of the agreement
The Company, Telin, and NEC Corporation	May 12, 2016	Procurement and Installation Agreement of *Sistem Komunikasi Kabel Laut* ("SKKL") Indonesia Global Gateway Platform
The Company and PT ZTE Indonesia	December 16, 2019	Procurement and Installation Agreement of Dual Wavelength Division Multiplexing ("DWDM") and Optical Transport Network ("OTN") Platform ZTE
The Company and PT Huawei Tech Investment	November 12, 2020	Procurement and Installation Agreement of DWDM and OTN Platform Huawei – OLO MPLS
The Company and PT Industri Telekomunikasi Indonesia	May 19, 2021	Procurement and Installation Agreement of OSP FO Node - B
The Company and PT Lintas Teknologi Indonesia	May 21, 2021	Procurement and Installation Agreement of DWDM Platform Nokia
The Company and PT Datacomm Diangraha	August 4, 2021	Procurement and Installation Agreement of DWDM Expand Metro Ethernet Platform Nokia
The Company and PT Lintas Teknologi Indonesia	October 26, 2021	Procurement and Installation Agreement of DWDM Platform Nokia for OLO, IPBB, TRUNK
The Company and PT Huawei Tech Investment	November 3, 2021	Procurement and Installation Agreement of Expand Metro Ethernet Platform Huawei

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(ii) Telkomsel

Contracting parties	Date of agreement	Significant provisions of the agreement
Telkomsel and PT WT Indonesia	June 7, 2018	Development and Procurement of OSDSS Solution Agreement
Telkomsel, PT Nokia Solutions and Networks Indonesia, and NSN Oy	May 24, 2019	The combined 2G and 3G CS Core Network Rollout Agreement, which amended to CS Core System ROA and TSA
Telkomsel, PT Sigma Solusi Integrasi, Oracle Corporation, and PT Phincon	July 5, 2019	Development and Rollout Agreement ("DRA") and Technical Support of Customer Relationship Management ("CRM") solution System Integrator
Telkomsel, PT Ericsson Indonesia, and Ericsson AB	September 16, 2019	The combined 2G and 3G CS Core Network Rollout Agreement, Which Amanded to CS Core System ROA and TSA
Telkomsel and PT Huawei Tech Investment	October 22, 2019	Technical Support Agreement for the procurement of Gateway GPRS Support Node (“GGSN”) Service Complex
Telkomsel, PT Ericsson Indonesia, PT Huawei Tech Investment, and PT ZTE Indonesia	January 30, 2021	Procurement agreement for Ultimate Radio Network Infrastructure ROA and TSA
Telkomsel, PT NTT Indonesia Solutions, and PT Huawei	March 31, 2021	Agreement for Mobile Network Router Infrastructure
Telkomsel, PT Sempurna Global Pratama, PT Lintas Teknologi Indonesia, and PT Ericsson Indonesia	September 1, 2021	Procurement of Next Generation of GGSN (Virtualized EPC)
Telkomsel, Amdocs Software Solutions Limited Liability Company, and PT Application Solutions	October 8, 2021	Online Charging System (“OCS”) and Service Control Points (“SCP”) System Solution Development Agreement
Telkomsel and PT Application Solutions	October 8, 2021	Technical Support Agreement to provide technical support services for the OCS and SCP
Telkomsel and PT Lintas Teknologi Indonesia	October 8, 2021	Agreement of BI 2.0 Software License

b. Borrowings and other credit facilities

(i) As of December 31, 2021, the Company has bank guarantee facilities for tender bonds, performance bonds, maintenance bonds, deposit guarantee, and advance payment bonds for various projects of the Company, as follows:

Lenders	Total facility	Maturity	Currency	Facility utilized
BRI	500	March 14, 2022	Rp	309
BNI	500	March 31, 2022	Rp	387
Bank Mandiri	500	December 23, 2023	Rp	314
Total	**1,500**			**1,010**

(ii) As of December 31, 2021, Telkomsel has bank guarantee facilities for various projects, as follows:

Lenders	Total facility	Maturity	Currency	Facility utilized
BRI	1,000	September 25, 2022	Rp	591
BNI	2,100	December 11, 2022	Rp	1,417
Total	**3,100**			**2,008**

Bank guarantee facility with BRI and BNI mainly for performance bond and surety bond of radio frequency (Note 34c.i)

(iii) Telin has a US$15 million or equal to Rp214 billion bank guarantee from Bank Mandiri and has been renewed on December 23, 2021, with a maximum credit limit of US$25 million or equal to Rp356 billion. The facility will expire on December 23, 2021. As of December 31, 2022, Telin has not used the facility.

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c. Others

i. Radio frequency usage

Based on Decree No. 80 dated November 2, 2015 of the Government of the Republic of Indonesia which replaced Decree No. 76 dated December 15, 2010, Telkomsel is required to pay the annual frequency usage fees for the 800 Megahertz (“MHz”), 900 MHz, and 1800 MHz bandwidths using the formula set out in the decree.

As an implementation of the above decree, the Company and Telkomsel paid annual frequency usage fees since 2010.

With reference to Telecommunication Law No. 36/1999, based on the Decision Letter No. 109/TEL.01.02/2021 Year 2021 dated December 22, 2021 of the MoCI, which amended Decision Letter No. 018/TEL.01.02/2019 Year 2019 dated June 11, 2019, the MoCI granted Telkomsel the rights to provide:

1. Mobile telecommunication services with radio frequency bandwidth in the 800 MHz, 900 MHz, 1800 MHz, 2.1 GHz, and 2.3 GHz; and
2. Basic telecommunication services.

With reference to Decision Letters No. 445 Year 2021, No.620 Year 2020, No. 806 Year 2019, No. 356 Year 2018, and No. 1896 year 2017 of the MoCI, Telkomsel is required, among other things, to:

1. Pay an annual right of usage (BHP) over the license term (10 years) as set forth in the decision letters. The BHP is payable upon receipt of *Surat Pemberitahuan Pembayaran* (notification letter) from the DGPI. The BHP fee is payable annually up to the expiry period of the license.
2. Issue a performance bond each year amounting to Rp20 billion and a surety bond amounting Rp567 billion in 2021 for spectrum 2.1 GHz.
3. Issue a surety bond each year amounting Rp1.03 trillion for spectrum 2.3 GHz in 2021.
4. Issue a surety bond each year amounting Rp360 billion for spectrum 2.3 GHz in 2021.

ii. Receivable under non-cancelable lease agreements

The Group entered into non-cancelable lease agreements with both third and related parties. The lease agreements cover leased lines, telecommunication equipment and land and building with terms ranging from 1 to 10 years and with expiry dates between 2022 and 2031. Periods may be extended based on the agreement by both parties.

Receivables under lease agreements as of December 31, 2020 and 2021 are as follows:

	2020	2021
Less than 1 year	2,012	3,095
1-5 years	5,909	6,922
More than 5 years	4,378	4,732
Total	**12,299**	**14,749**

iii. USO

The MoCI issued Regulation No. 17 year 2016 dated September 26, 2016 which replaced Decree No. 45 year 2012 and other previous regulations regarding policies underlying the USO program. The regulation requires telecommunications operators in Indonesia to contribute 1.25% of gross revenues (with due consideration for bad debts and/or interconnection charges and/or connection charges and/or the exclusion of certain revenues that are not considered as part of gross revenues as a basis to calculate the USO charged) for USO development.

Subsequently, Decree No. 17 year 2016 dated September 26, 2016 was replaced by Decree No. 19 year 2016 which was effective from November 4, 2016. The latest Decree stipulates, among other things, the USO charged was effective for fiscal year 2016 and thereafter.

Based on MoCI Regulation No. 25 year 2015 dated June 30, 2015, it is stipulated that, among others, in providing telecommunication access and services in rural areas (USO Program), the provider is determined through a selection process by *Balai Penyedia dan Pengelola Pembiayaan Telekomunikasi dan Informatika* (“BPPPTI”). BPPPTI replaced *Balai Telekomunikasi dan Informatika Pedesaan* (“BTIP”) based on Decree No. 18/PER/M.KOMINFO/11/2010 dated November 19, 2010 of MoCI. Based on Regulation No. 3 year 2018 of MoCI dated May 23, 2018, BPPPTI has been renamed as *Badan Aksesibilitas Telekomunikasi dan Informasi* (“BAKTI”). Subsequently, MoCI Regulation No. 25 year 2015 was replaced by MoCI Regulation No. 10 year 2018.

Based on Decree No. 827/KOMINFO/BAKTI.31/KS.1/10/2021 dated October 4, 2021, BAKTI granted Telkomsel as operating cooperation partners (“KSO”) for eight packages KSO, which cover Nusa Tenggara, Kalimantan, Sulawesi, Maluku, West Papua, Middle West Papua, North Central Papua, and South East Papua for period from 2021 until 2031.

35. FINANCIAL INSTRUMENTS

a. Financial assets and financial liabilities

i. Classification

(a) Financial assets

	2020	2021
Amortized cost		
Cash and cash equivalents	20,589	38,311
Other current financial assets	1,194	415
Trade and other receivables	11,554	8,705
Contract assets	1,239	2,473
Other non-current assets	218	150
FVTPL		
Long-term investment in financial instruments	4,025	13,643
Other current financial assets	109	78
FVTOCI		
Long-term investment in financial instruments	20	18
Total financial assets	**38,948**	**63,793**

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(b) Financial liabilities

	2020	2021
Financial liabilities measured at amortized cost		
Trade and other payables	17,577	17,779
Accrued expenses	14,265	15,885
Customers deposits	698	401
Short-term bank loans	9,934	6,682
Two-step loans	568	355
Bonds and notes	7,469	6,993
Long-term bank loans	28,229	36,056
Lease liabilities	14,877	15,888
Other borrowings	3,645	2,605
Other liabilities	169	126
Total financial liabilities	**97,431**	**102,770**

ii. Fair values

The following table presents comparison of the carrying amounts and fair values of the Company's financial instruments, other than those the fair values are considered to approximate their carrying amounts as the impact of discounting is not significant:

			Fair value measurement at reporting date using		
2020	Carrying value	Fair value	Quoted prices in active markets for identical assets or liabilities (level 1)	Significant other observable inputs (level 2)	Significant unobservable inputs (level 3)
Financial assets measured at fair value					
Other current financial asset	109	109	77	—	32
Long-term investment in financial instruments	4,025	4,025	—	2,115	1,910
Financial assets measured at OCI					
Long-term investment in financial instruments	20	20	—	—	20
Financial liabilities at amortized cost					
Interest-bearing loans and other borrowings:					
Two-step loans	568	575	—	—	575
Bonds and notes	7,469	8,503	8,017	—	486
Long-term bank loans	28,229	28,301	—	—	28,301
Lease liabilities	14,877	14,877	—	—	14,877
Other borrowings	3,645	3,631	—	—	3,631
Other liabilities	169	169	—	—	169
Total	**59,111**	**60,210**	**8,094**	**2,115**	**50,001**

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			Fair value measurement at reporting date using		
2021	Carrying value	Fair value	Quoted prices in active markets for identical assets or liabilities (level 1)	Significant other observable inputs (level 2)	Significant unobservable inputs (level 3)
Financial assets measured at fair value					
Other current financial asset	78	78	78	—	—
Long-term investment in financial instruments	13,643	13,643	—	8,899	4,744
Financial assets measured at OCI					
Long-term investment in financial instruments	18	18	—	—	18
Financial liabilities at amortized cost					
Interest-bearing loans and other borrowings:					
Two-step loans	355	351	—	—	351
Bonds and notes	6,993	8,019	8,019	—	—
Long-term bank loans	36,056	36,176	—	—	36,176
Lease liabilities	15,888	15,888	—	—	15,888
Other borrowings	2,605	2,610	—	—	2,610
Other liabilities	126	126	—	—	126
Total	**75,762**	**76,909**	**8,097**	**8,899**	**59,913**

Gain on fair value recognized in consolidated statements of profit or loss for 2021 amounting to Rp936 billion. There is no movement between fair value hierarchy during 2021.

Reconciliations of the beginning and ending balances for items measured at fair value using significant unobservable inputs (level 3) as of December 31, 2020 and 2021 are as follows:

	2020	2021
Beginning balance	1,346	1,962
Gain recognized in consolidated statement of:		
Proft or loss	126	936
Other comprehensive income	3	—
Purchase/addition	711	2,068
Settlement/deduction	(224)	(204)
Ending balance	**1,962**	**4,762**

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Sensitivity Analysis

The following table summarizes the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

Industry	Valuation technique	Significant unobservable input	Range (weighted average)	Sensitivity of the input of fair value
Subsidiaries investment				
Non-listed equity investment - technology	Backsolve method	Volatility	30% - 120%	10% increase (decrease) in the percentage of volatility would result in an increase (decrease) Rp27 billion of the Investment value
		Exit timing	1 - 6 years	Increase (decrease) in 1 year exit timing would result in an increase(decrease) Rp27 billion of the Investment value
	Multiple and OPM	Volatility	40% - 80%	10% increase (decrease) in the percentage of volatility would result in an increase (decrease) Rp6 billion of the Investment value
		Exit timing	1 - 6 years	Increase (decrease) in 1 year exit timing would result in an increase (decrease) Rp13 billion of the Investment value
		Equity value/revenue multiple	8.1x - 10.1x	Increase in 1x of equity value/revenue multiple would result in an increase Rp2 billion of the Investment value
Non-listed equity investment - credit rating agency	Discounted cash flow	Weighted Average Cost of Capital (“WACC”)	10.60% - 12.60%	1% increase (decrease) in the percentage of WACC would result in an increase (decrease) Rp0 billion of the Investment value
		Terminal growth rate	2.00% - 4.00%	1% increase (decrease) in terminal growth rate would result in an increase (decrease) Rp0 billion of the Investment value
Subsidiaries investment				
Non-listed equity investment - telecommunication	Discounted cash flow	WACC	3.40% - 17.00%	0.5% increase (decrease) in WACC would result in an increase (decrease) Rp16 billion of the Investment value
		Terminal growth rate	-2.60% - 5.10%	1% increase (decrease) in terminal growth rate would result in an increase (decrease) Rp14 billion of the Investment value
Convertible bonds				
Non-listed equity investment - technology	Backsolve method	Volatility	60% - 80%	10% increase (decrease) in the percentage of volatility would result in an increase (decrease) Rp0 billion of the Investment value
		Exit timing	1 -3 years	Increase (decrease) in 1 year exit timing would result in an increase (decrease) Rp0 billion of the Investment value
	Multiple and OPM	Probability of qualified financing	0% - 100%	50% increase (decrease) in probability of qualified financing would result in an increase (decrease) Rp0 billion of the Investment value
	CN with Conversion discount	Probability of qualified financing	0% - 100%	50% increase (decrease) in probability of qualified financing would result in an increase (decrease) Rp18 billion of the Investment value

iii. Fair value measurement

Fair value is the amount for which an asset could be exchanged, or a liability settled, between parties in an arm's length transaction.

The fair values of short-term financial assets and financial liabilities with maturities of one year or less (cash and cash equivalents, trade and other receivables, other current financial assets, trade and other payables, accrued expenses, and short-term bank loans) and other non-current assets are considered to approximate their carrying amounts as the impact of discounting is not significant.

The fair values of long-term financial assets and financial liabilities (other non-current assets (long-term trade receivables and restricted cash) and liabilities) approximate their carrying amounts as the impact of discounting is not significant.

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The Group determined the fair value measurement for disclosure purposes of each class of financial assets and financial liabilities based on the following methods and assumptions:

(a) Fair value through profit or loss, primarily consists of stocks, mutual funds, corporate and government bonds and convertible bonds. Stocks and mutual funds actively traded in an established market are stated at fair value using quoted market price or, if unquoted, determined using a valuation technique.

The fair value of convertible bonds and subsidiaries' investments (non-listed equity investments) are determined using valuation technique. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables above. The Group regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

The fair values of the non-listed equity investments have been estimated using backsolve method, market approach and liquidation preference, first chicago method, LTM revenue movement, discount on conversion price model, or discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, including volatility, exit timing, equity value/revenue multiple, discount rate, probability of conversion, probability of qualified financing, WACC, terminal growth rate, revenue achievement, or net working capital to revenue. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these non-listed equity investments.

Corporate and government bonds are stated at fair value by reference to prices of similar securities at the reporting date;

(b) The fair values of long-term financial liabilities are estimated by discounting the future contractual cash flows of each liability at rates offered to the Group for similar liabilities of comparable maturities by the bankers of the Group, except for bonds which are based on market price.

The fair value estimates are inherently judgmental and involve various limitations, including:

(a) Fair values presented do not take into consideration the effect of future currency fluctuations.
(b) Estimated fair values are not necessarily indicative of the amounts that the Group would record upon disposal/termination of the financial assets and liabilities.

b. Financial risk management objectives and policies

The Group’s activities expose it to a variety of financial risks such as market risks (including foreign exchange risk, market price risk, and interest rate risk), credit risk, and liquidity risk. Overall, the Group’s financial risk management program is intended to minimize losses on the financial assets and financial liabilities arising from fluctuation of foreign currency exchange rates and the fluctuation of interest rates. Management has a written policy on foreign currency risk management mainly on time deposit placements and hedging to cover foreign currency risk exposures for periods ranging from 3 up to 12 months.

Financial risk management is carried out by the Corporate Finance unit under policies approved by the Board of Directors. The Corporate Finance unit identifies, evaluates and hedges financial risks.

i. Foreign exchange risk

The Group is exposed to foreign exchange risk on sales, purchases, and borrowings that are denominated in foreign currencies. The foreign currency denominated transactions are primarily in

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U.S. Dollar and Japanese Yen. The Group's exposures to other foreign exchange rates are not material.

Increasing risks of foreign currency exchange rates on the obligations of the Group are expected to be partly offset by the effects of the exchange rates on time deposits and receivables in foreign currencies that are equal to at least 25% of the outstanding current foreign currency liabilities.

The following table present the Group's financial assets and financial liabilities exposure to foreign currency risk:

	2020		2021	
	U.S. Dollar (in billions)	Japanese Yen (in billions)	U.S. Dollar (in billions)	Japanese Yen (in billions)
Financial assets	681	61	1,364	1
Financial liabilities	(290)	(3,104)	(211)	(2,314)
Net exposure	**391**	**(3,043)**	**1,153**	**(2,313)**

Sensitivity analysis

A strengthening of the U.S. Dollar and Japanese Yen, as indicated below, against the Rupiah at December 31, 2021 would have decreased equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant.

	Equity/profit (loss)
December 31, 2021	
U.S. Dollar (1% strengthening)	164
Japanese Yen (5% strengthening)	(14)

A weakening of the U.S. Dollar and Japanese Yen against the Rupiah at December 31, 2021 would have had an equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

ii. Market price risk

The Group is exposed to changes in debt and equity market prices related to financial assets measured at FVTPL carried at fair value. Gains arising from changes in the fair value of financial assets measured at FVTPL are recognized in the consolidated statements of profit or loss and other comprehensive income.

The performance of the Group's financial assets measured at FVTPL is monitored periodically, together with a regular assessment of their relevance to the Group's long-term strategic plans.

As of December 31, 2021, management considered the price risk for the Group's financial assets measured at FVTPL to be immaterial in terms of the possible impact on profit or loss and total equity from a reasonably possible change in fair value.

iii. Interest rate risk

Interest rate fluctuation is monitored to minimize any negative impact to financial performance. Borrowings at variable interest rates expose the Group to interest rate risk (Notes 20 and 21). To measure market risk pertaining to fluctuations in interest rates, the Group primarily uses interest

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margin and maturity profile of the financial assets and liabilities based on changing schedule of the interest rate.

At reporting date, the interest rate profile of the Group's interest-bearing borrowings was as follows:

	2020	2021
Fixed rate borrowings	(26,734)	(24,944)
Variable rate borrowings	(37,988)	(43,634)

Sensitivity analysis for variable rate borrowings

As of December 31, 2021, a decrease (increase) by 25 basis points in interest rates of variable rate borrowings would have increased (decreased) equity and profit or loss by Rp109 billion, respectively. The analysis assumes that all other variables, in particular foreign currency rates, remain constant.

iv. Credit risk

The following table presents the maximum exposure to credit risk of the Group's financial assets:

	2020	2021
Cash and cash equivalents	20,589	38,311
Other current financial assets	1,303	493
Trade and other receivable	11,554	8,705
Contract assets	1,239	2,473
Other non-current assets	218	150
Total	**34,903**	**50,132**

The Group is exposed to credit risk primarily from cash and cash equivalents and trade and other receivables. The credit risk is controlled by continuous monitoring of outstanding balance and collection. Credit risk from balances with banks and financial institutions is managed by the Group's Corporate Finance Unit in accordance with the Group's written policy.

The Group placed the majority of its cash and cash equivalents in state-owned banks because they have the most extensive branch networks in Indonesia and are considered to be financially sound banks, as they are owned by the State. Therefore, it is intended to minimize financial loss through banks and financial institutions' potential failure to make payments.

The customer credit risk is managed by continuous monitoring of outstanding balances and collection. Trade and other receivables do not have any major concentration of risk whereas no customer receivable balance exceeds 5.05% of trade receivables as of December 31, 2021.

Management is confident in its ability to continue to control and sustain minimal exposure to the customer credit risk given that the Group has recognized sufficient provision for impairment of receivables to cover incurred loss arising from uncollectible receivables based on existing historical data on credit losses.

v. Liquidity risk

Liquidity risk arises in situations where the Group has difficulties in fulfilling financial liabilities when they become due.

Prudent liquidity risk management implies maintaining sufficient cash in order to meet the Group's financial obligations. The Group continuously performs an analysis to monitor financial position ratios, such as liquidity ratios and debt-to-equity ratios, against debt covenant requirements.

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The following is the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	Carrying amount	Contractual cash flows	2021	2022	2023	2024	2025 and thereafter
2020							
Trade and other payables	17,577	(17,577)	(17,577)	—	—	—	—
Accrued expenses	14,265	(14,265)	(14,265)	—	—	—	—
Customer deposits	698	(698)	(698)	—	—	—	—
Short-term bank loans	9,934	(9,934)	(9,934)	—	—	—	—
Interest bearing loans and other borrowings:							
Two-step loans	568	(609)	(204)	(160)	(138)	(107)	—
Bonds and notes	7,469	(14,052)	(1,231)	(2,817)	(507)	(507)	(8,990)
Long-term bank loans	28,229	(32,848)	(9,163)	(6,289)	(5,637)	(4,745)	(7,014)
Other borrowings	3,645	(4,164)	(1,291)	(1,210)	(1,138)	(525)	—
Lease liabilities	14,877	(17,224)	(5,636)	(3,814)	(2,888)	(1,864)	(3,022)
Other liabilities	169	(199)	(11)	(47)	(47)	(47)	(47)
Total	**97,431**	**(111,570)**	**(60,010)**	**(14,337)**	**(10,355)**	**(7,795)**	**(19,073)**

	Carrying amount	Contractual cash flows	2022	2023	2024	2025	2026 and thereafter
2021							
Trade and other payables	17,779	(17,779)	(17,779)	—	—	—	—
Accrued expenses	15,885	(15,885)	(15,885)	—	—	—	—
Customer deposits	401	(401)	(401)	—	—	—	—
Short-term bank loans	6,682	(6,682)	(6,682)	—	—	—	—
Interest bearing loans and other borrowings:							
Two-step loans	355	(375)	(150)	(128)	(97)	—	—
Bonds and notes	6,993	(12,821)	(2,817)	(507)	(507)	(2,500)	(6,490)
Long-term bank loans	36,056	(41,867)	(8,228)	(10,335)	(7,492)	(6,064)	(9,748)
Other borrowings	2,605	(2,801)	(1,164)	(1,115)	(522)	—	—
Lease liabilities	15,888	(15,979)	(3,922)	(3,414)	(2,434)	(1,813)	(4,396)
Other liabilities	126	(148)	(11)	(34)	(34)	(34)	(35)
Total	**102,770**	**(114,738)**	**(57,039)**	**(15,533)**	**(11,086)**	**(10,411)**	**(20,669)**

The difference between the carrying amount and the contractual cash flows is interest value. The interest values of variable-rate borrowings are determined based on the effective interest rates as of reporting dates.

36. CAPITAL MANAGEMENT

The capital structure of the Group is as follows:

	2020		2021	
	Amount	Portion	Amount	Portion
Short-term debts	9,934	5.95 %	6,682	3.51 %
Long-term debts	54,788	32.79 %	61,897	32.54 %
Total debts	64,722	38.74 %	68,579	36.05 %
Equity attributable to owners of the parent company	102,374	61.26 %	121,631	63.95 %
Total	**167,096**	**100.00 %**	**190,210**	**100.00 %**

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The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for stockholders and benefits to other stakeholders and to maintain an optimum capital structure to minimize the cost of capital.

Periodically, the Group conducts debt valuation to assess possibilities of refinancing existing debts with new ones which have more efficient cost that will lead to more optimized cost-of-debt. In case of idle cash with limited investment opportunities, the Group will consider buying back its shares of stock or paying dividend to its stockholders.

In addition to complying with loan covenants, the Group also maintains its capital structure at the level it believes will not risk its credit rating and which is comparable with its competitors.

Debt-to-equity ratio (comparing net interest-bearing debt to total equity) is a ratio which is monitored by management to evaluate the Group's capital structure and review the effectiveness of the Group's debts. The Group monitors its debt levels to ensure the debt-to-equity ratio complies with or is below the ratio set out in its contractual borrowings arrangements and that such ratio is comparable or better than that of regional area entities in the telecommunications industry.

The Group's debt-to-equity ratio as of December 31, 2020 and 2021 is as follows:

	2020	2021
Total interest-bearing debts	64,722	68,579
Less: cash and cash equivalents	(20,589)	(38,311)
Net debts	44,113	30,268
Total equity attributable to owners of the parent company	102,374	121,631
Net debt-to-equity ratio	**43.11** %	**24.89** %

As stated in Note 21, the Group is required to maintain a certain debt-to-equity ratio and debt service coverage ratio by the lenders. For the years ended December 31, 2020 and 2021, the Group has complied with the externally imposed capital requirements with the exception for certain entities in the Group (Note 21).

37. SUPPLEMENTAL CASH FLOW INFORMATION

a. The non-cash investing activities for the years ended December 31, 2019, 2020 and 2021 are as follows:

	2019	2020	2021
Acquisition of property and equipment:			
Credited to trade payables	5,459	5,175	5,723
Borrowing cost capitalization	99	160	52
Addition of right-of-use assets:			
Credited to lease liabilities	2,969	4,308	6,597
Acquisition of intangible assets:			
Credited to trade payables	684	341	501

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b. The changes in liabilities arising from financing activities is as follows:

			Non-cash changes			
	January 1, 2020	Cash flows	Foreign exchange movement	New leases	Other Changes	December 31, 2020
Short-term bank loans	8,705	1,252	(25)	—	2	9,934
Two step loans	736	(203)	35	—	—	568
Bonds and notes payable	9,958	(2,491)	—	—	2	7,469
Long-term bank loans	26,601	1,627	18	—	(17)	28,229
Other borrowings	3,740	(96)	—	—	1	3,645
Lease liabilities	17,217	(4,959)	—	4,308	(1,689)	14,877
Total liabilities from financing activities	**66,957**	**(4,870)**	**28**	**4,308**	**(1,701)**	**64,722**

			Non-cash changes			
	January 1, 2021	Cash flows	Foreign exchange movement	New leases	Other Changes	December 31, 2021
Short-term bank loans	9,934	(3,252)	—	—	—	6,682
Two step loans	568	(182)	(31)	—	—	355
Bonds and notes payable	7,469	(478)	—	—	2	6,993
Long-term bank loans	28,229	7,827	13	—	(13)	36,056
Other borrowings	3,645	(1,043)	—	—	3	2,605
Lease liabilities	14,877	(4,225)	—	6,597	(1,362)	15,887
Total liabilities from financing activities	**64,722**	**(1,353)**	**(18)**	**6,597**	**(1,370)**	**68,578**

38. SUBSEQUENT EVENTS

a. As of the issuance date of these consolidated financial statements, the Group made repayment and withdrawal of several credit facilities as follows:
   i. The Company
      On March 9, 2022, the Company withdrawn facilities from BCA amounting to Rp1,500 billion and on March 15, 2022, the Company withdrawn facilities from Bank of China and Citibank amounting to Rp1,000 billion and Rp500 billion, respectively.
   ii. Telkomsel
      (a) On January 14, 2022, Telkomsel repaid its loans to MUFG Bank, BNI, Bank of China, and Bank Mandiri amounting to Rp300 billion, Rp250 billion, Rp200 billion, and Rp150 billion, respectively. Telkomsel also withdrawn facilities from BCA amounting to Rp150 billion.
      (b) On February 14, 2022, Telkomsel repaid its loans to BNI, BCA, MUFG Bank, Bank of China, and Bank Mandiri amounting to Rp500 billion, Rp500 billion, Rp400 billion, Rp200 billion, and Rp150 billion, respectively.
      (c) On March 14, 2022, Telkomsel repaid its loan to BSI amounting to Rp500 billion.
   iii. Mitratel
      (a) On January 17 and 26, 2022, Mitratel repaid its loan to MUFG Bank and DBS Bank amounting to Rp500 billion and Rp333.4 billion, respectively.
      (b) On February 2 and 22, 2022 Mitratel repaid its loan to BCA and SMI amounting to Rp291.6 billion and Rp350 billion, respectively.
      (c) On March 1 dan 23, 2022, Mitratel repaid its loan to BCA and Bank Mandiri amounting to Rp450 billion and Rp1,600 billion, respectively.
      (d) On March 4 and 21, 2022, Mitratel withdrawn additional facilities from MUFG Bank and BNI amounting to Rp500 billion and Rp1,200 billion, respectively.
      (e) On March 29, Mitratel repaid its loan to MUFG Bank amounting to Rp272 billion.

b. On April 11, 2022, GoTo effectively traded its shares in Indonesia Stock Exchange.

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39. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Effective for annual periods beginning on or after January 1, 2022

- Amendments to IAS 16, Property, Plant and Equipment: Proceeds before Intended Use

  - The amendment prohibits entities from deducting the net proceeds from selling any items produced while bringing the asset to that location and condition (such as samples produced when testing equipment) from the cost of testing.
  - An entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss in accordance with applicable Standards.

  These amendments are not expected to have an impact to the Group's consolidated financial position or performance. The Group intends to adopt these amendments in future periods when they become effective.

- Amendments to IAS 37, Onerous Contracts-Cost of Fulfilling a contracts

  IAS 37 is amended to add the explanation and impact of the cost of fulfilling a contract. This cost comprises the costs that relate directly to the contract that consist of both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

  These amendments are not expected to have an impact to the Group's consolidated financial position or performance. The Group intends to adopt these amendments in future periods when they become effective.

- Amendments to IFRS 3, Reference to the Conceptual Framework

  The amandements to update references to Conceptual Framework for Financial Reporting, clarify the use and definition of provision, contingent liability and contingent asset within scope IAS 37 and levy within scope IFRIC 21.

  These amendments are not expected to have an impact to the Group's consolidated financial position or performance. The Group intends to adopt these amendments in future periods when they become effective.

- Amendment to IFRS 9, Financial Instruments

  The amendments to clarify the term of substantially different and fees in the '10 per cent' test for derecognition of financial liabilities.

  These amendments are expected to have an impact to the Group's future transactions. The Group intends to adopt these amendments in future periods when they become effective.

- Amendment to IFRS 16, Leases

  The amendments to exclude part of the fact pattern a reimbursement relating to leasehold improvements to remove potential for confusion.

  These amendments are not expected to have an impact to the Group's consolidated financial position or performance. The Group intends to adopt these amendments in future periods when they become effective.

- Amendments to IFRS 1, First-time Adoption of International Financial Reporting Standards, will be effective on January 1, 2022, are not applicable to the Group's consolidated financial statements.

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- Amendments to IAS 41, Agriculture, will be effective on January 1, 2022, are considered to be not applicable to the Group's consolidated financial statements.

Effective for annual periods beginning on or after January 1, 2023

- Amendments to IAS 1, Classsification of Liabilities as Current or Non-Current

  The amendments to clarify the entity shall classify a liability as current when:
  - it expects to settle the liability in its normal operating cycle;
  - it holds the liability primarily for the purpose of trading;
  - the liability is due to be settled within twelve months after the reporting period; or
  - it does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

  A liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period.

  These amendments are not expected to have an impact to the Group's consolidated financial position or performance. The Group intends to adopt these amendments in future periods when they become effective.

- Amendments to IAS 8, Definition of Accounting Estimates

  The amendments to clarify the definition of accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. The effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates unless they result from the correction of prior period errors.

  These amendments are not expected to have an impact to the Group's consolidated financial position or performance. The Group intends to adopt these amendments in future periods when they become effective.

- Amendments to IAS 1, Disclosure of Accounting Policies

  The amendments to clarify entity shall disclose material accounting policy information. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

  These amendments are not expected to have an impact to the Group's consolidated financial position or performance. The Group intends to adopt these amendments in future periods when they become effective.

- Amendments to IFRS 17, Insurance Contract, will be effective on January 1, 2023, are considered to be not applicable to the Group's consolidated financial statements.

- Amendments to IAS 12, Deferred tax related to asset and liabilities arising from a single transaction

  The amendments introduce an exception to the initial recognition exemption. Applying this exception, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

  These amendments are not expected to have an impact to the Group's consolidated financial position or performance. The Group intends to adopt these amendments in future periods when they become effective.

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The effective date was postponed to a date yet to be determined

- Amendments to IFRS 10 and IAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

  The amendments provide guidance for accounting treatment when a parent loses control of a subsidiary in a transaction with an associate or joint venture. The amendments require full gain to be recognized when the assets transferred meet the definition of a "business" under IFRS 3, Business Combinations. These amendments are not expected to impact the Group's consolidated financial position or performance. The Group intends to adopt these amendments in future periods when they become effective.

40. UNCERTAINTY OF MACROECONOMIC CONDITIONS

The Group's operation has and may continue to be impacted by the outbreak of COVID-19 pandemic. The effects of COVID-19 pandemic to global and Indonesian economy include lower economic growth, decline in capital markets, increase in credit risk, depreciation of foreign currency exchange rates and disruption of business operation. The effects of the pandemic to the Group are not significant. Further significant impact of the pandemic, if any, will be reflected in the Group's financial reporting in the subsequent periods.

Exhibit 1.1

NAME AND DOMICILE
Article 1

1. This Limited Liability Company is named Perusahaan Perseroan (Persero) PT TELEKOMUNIKASI INDONESIA Tbk or abbreviated as PT TELKOM INDONESIA (PERSERO) Tbk, hereinafter in these Articles of Association shall be referred to as the **"Company"**, having its domicile and headquartered in Bandung City.
2. The Company may open a branch office or representative office in other places, both within and outside the territory of the Republic of Indonesia, provided that the prior approval from the Board of Commissioners has been obtained for branch offices or representative offices outside the territory of the Republic of Indonesia.

TERM OF ESTABLISHMENT OF THE COMPANY
Article 2

The company was established on 24-9-1991 (the twenty-fourth day of September one thousand nine hundred ninety-one) and has obtained the status of a legal entity on 19-11-1991 (the nineteenth day of November one thousand nine hundred and ninety-one) based on the Decree of the Minister of Justice Number C2-6870.HT.01.01.th.91 and established for an indefinite period.

PURPOSE AND OBJECTIVES AND BUSINESS ACTIVITIES
Article 3

1. The purpose and objective of the Company is to conduct business in the field of network and telecommunications services, information technology, as well as optimizing the utilization of the Company's resources to produce high-quality and highly competitive goods and/or services in order to obtain/pursue profits in order to increase the value of the Company. by applying the Limited Liability Company principle.
2. To achieve the aims and objectives mentioned above, the Company may carry out the following main business activities:
    a. Plan, build, provide, develop, operate, market/ sell/ rent and maintain telecommunications and information technology networks in the broadest sense with due observance of the laws and regulations;
    b. Planning, developing, providing, marketing/selling and improving telecommunications and information technology services in the broadest sense with due observance of the laws and regulations;
    c. Make investments including equity participation in other companies in line with and to achieve the goals and objectives of the Company.
    d. In connection with the provisions of letters a and b above, the Company's main business activities include but are not limited to the following business activities:
        1. Telecommunication Center, includes the activities of building, maintaining and repairing the construction of telecommunication central buildings and their equipment, such as telephone exchanges, telegraphs, transmitting towers, microwave radar receivers, small earth station buildings and satellite stations.
           Including local and long-distance communication pipelines.
        2. Construction of Other Electrical and Telecommunication Networks, covers construction, maintenance and repair activities of other electrical and telecommunication network constructions that have not been included in the Irrigation Network Construction group up to Groundwater Well Construction/ Drilling. Including construction of pipelines for oil and gas.
        3. Electrical Installation, includes the installation of electrical installations in buildings for both residential and non-residential premises, such as the installation of low-voltage electricity networks. Including the installation and maintenance of electrical installations for civil buildings, such as roads, railways and airfields.
        4. Telecommunication Installation, including the installation of telecommunications installations in buildings for both residential and non-residential premises, such as antenna installation. This group also includes the installation, maintenance and repair of telecommunications installations at telephone/telegraph exchanges, microwave radar transmitting stations, small earth stations/satellite stations and the like. Including the installation of transmission and telecommunications network activities.
        5. Installation of Air Conditioning and Ventilation, including special activities for the installation and maintenance of air conditioning facilities (Air Conditioner/AC) in buildings for both residential and non-residential premises.

6. Wholesale Trade on the basis of Fees or Contracts, includes the business of agents who receive commissions, intermediaries (brokers), auctions, and other wholesalers who trade goods domestically and abroad on behalf of other parties. Its activities include commission agents, brokerage of goods and all other large trades that sell on behalf of and at the expense of other parties; activities involved in joint selling and buying or conducting transactions on behalf of the company, including via the internet; and agents involved in trades such as agricultural raw materials, live animals; textile raw materials and semi-finished goods; fuel, ores, metals and chemical industries, including fertilizers; food, drink and tobacco; textiles, clothing, fur, footwear and leather goods; timber and building materials; machinery, including office and computer machinery, industrial equipment, ships, aircraft; furniture, household goods and hardware; auction house wholesale trading activities.
7. Wholesale Trade of Computers and Computer Equipment, includes wholesale trade of computers and computer equipment.
8. Wholesale Trade of Software wholesalers, including software wholesalers.
9. Wholesale Trade of Telecommunication Equipment, includes wholesale trade of telecommunications equipment, such as telephone and communication equipment.
10. Wholesale Trade of Office and Industrial Machinery, Spare Parts and Equipment, includes wholesale trading of industrial machinery and office machinery except computers, as well as their equipment, such as prime movers, turbines, wood and metal processing machinery, various machines for industry and for office supplies, power generators and machines for household use. This includes wholesale trade in production robots, other non-classifiable machines for industrial, trade and navigation and other services and computer-controlled machines for the textile industry and computer-controlled sewing and knitting machines.
11. Wholesale Trade of Other Products That Cannot Be Classified, includes wholesale trade of other products that have not been included in one of the big trading groups above. Including wholesale trade in fiber or textile fiber, wholesale trade in precious stones (diamonds, diamonds, and sapphires).
12. Retail Trade of Software (Software), including retail trading of specialized software (software), such as various software, including software for video games.
13. Retail Trade on Telecommunication Equipment, includes retail trading of telecommunication equipment, such as mobile phones, telephone sets and other equipment.
14. Publishing Directories and Mailing Lists, including publishing lists of information (databases). This publication may be published in either electronic or printed form. Its business activities include publishing mailing lists, publishing telephone books and publishing directories and other compilations, such as legal cases, and pharmaceutical compendiums.
15. Publishing Software, including business activities of publishing ready-made (not on-demand) software, such as operating systems, business and other applications and video games for all operating system platforms.
16. Production of Film, Video and Television Programs by the private sector, includes the business of making and producing motion pictures, films, videos, television programs or television advertisements which are managed by the private sector on a fee basis as well as the business of making films for television and film delivery services and agents. film bookkeeping.
17. Cable Telecommunications Activities, including activities of the operation, maintenance or provision of access to facilities for the transmission of voice, data, text, sound and video using telecommunications cable infrastructure, such as the operation and maintenance of conversion and delivery facilities to provide point-to-point communications over land lines. microwave or data channel communication and satellite, operation of the cable distribution system (i.e., for the distribution of data and television signals) and the complement of telegraph and other non-vocal communications using own facilities. Where the transmission facility performs this activity, it can be based on a single technology or a combination of various technologies. This includes purchasing access and network capacity from owners and operators of the network and providing telecommunications services using this capacity for businesses and households and providing internet access through infrastructure operators with cables. Network operation activities for fixed telecommunications intended for the implementation of public telecommunications and leased circuits. Including data communication connection activities that are sent in packets, through a central or through other networks, such as the Public Switched Telephone Network (“PTSN”). This includes the operation of terrestrial networks that serve certain mobile subscribers, including radio trunking services and radio calling services for the public.

18. Wireless Telecommunication Activities, including network operation activities that serve mobile telecommunications using cellular technology on the earth's surface. Its activities include operating, maintaining or providing access to facilities for transmitting voice, data, text, voice and video using wireless communication infrastructure and maintenance and operation of paging numbers, as well as cellular telecommunications networks and other wireless telecommunications networks. The transmission facility provides omni-directional transmission over the airwaves which may be based on a single technology or a combination of several technologies. This includes purchasing access and network capacity from network owners and operators as well as providing wireless network services (except satellite) for business and household activities and providing internet access through wireless network infrastructure operators.
19. Satellite Telecommunication Activities, including network operation activities serving mobile telecommunications through satellite earth stations, central gateways and connecting networks. Activities in this group include operating, maintaining or providing access to facilities for transmitting voice, data, text and video using satellite telecommunications infrastructure, sending audio-visual or text programs received from cable networks, local television stations or radio networks to consumers via satellite systems. directly connected to the home (units classified here generally do not come from programming material). Including the activity of providing internet access through the satellite infrastructure operator.
20. Premium Call Services, which include business calls or conversations to certain numbers that have the prefix 0809, and premium rates apply. The nature of “Premium Call” access is “normally closed” which is opened when there is a request from the customer.
21. Premium Short Message Service (the “SMS”), which includes the provision of premium SMS services to certain numbers, and premium rates apply. The nature of premium SMS access is “normally closed”, which is opened when there is a request from the customer.
22. Other Telephony Value-Added Services, including other activities of telephony value-added services such as calling cards, and including other telecommunications support services.
23. Internet Service Provider, includes business services offered by a company to its customers to access the internet, or can be referred to as a gateway to the internet.
24. Communication System Services, including communication system service activities, such as Very Small Aperture Terminal ("VSAT") services. VSAT is a system that can be used for sending voice, images, data, information and packets. Those who use VSAT facilities are Paging Radio for the Public (“RPUU”), Trunking Radio, STBS and others.
25. Telephony Internet Service for Public Purposes (“ITKP”), includes business services for transmitting calls through the Internet Protocol (“IP”) network. This activity organizes internet telephony of a commercial nature, connected to a telecommunications network.
26. Internet Interconnection Services (“NAP”), includes activities to provide access and/or routing for internet access service providers. In providing access for internet access service providers, internet interconnection service providers may provide a network for internet transmission. Internet interconnection service providers must be connected to each other through interconnection. The interconnection service provider regulates traffic for the provision of internet access services.
27. Content Provider Services Through Cellular Mobile Networks or Mobile Networks Wireless Local Fixed Network with Limited Mobility, includes service businesses to provide content through mobile cellular networks or wireless local fixed networks with limited mobility which are charged through reduced prepaid deposits or postpaid telephone bills for subscribers of mobile cellular and local fixed networks without wires limited mobility. The content provided is all forms of information which can be in the form of writing, images, sound, animation, or a combination of all of them in digital form, including application software for download.
28. Other Multimedia Services, including other multimedia service activities not covered in points 23, 24, 25, and 26 above.
29. Video Game Development Activities, including video game development activities, such as game concept design activities, video game software development, creation of free assets, animation related to video games, sound and music creation, video game testing, and other support for video games.
30. Development of Trading Applications Through the Internet (E-commerce) activities, including activities of developing applications for trading via the Internet (E-commerce). Activities include consulting, analysis and application programming for trading activities via the internet.

31. Other Computer Programming Activities, including consulting related to the analysis, design and programming of other ready-to-use systems. This activity usually involves analyzing the needs of computer users and their problems, solving problems, and making software related to solving these problems. Including writing simple programs according to the needs of computer users. Designing the structure and content of, and/or writing the computer code needed to create and implement, such as system software (updates and fixes), application software (updates and fixes), databases and web pages. This includes software customization, such as modification and adjustment of existing application configurations so that they function in a client information system environment.
32. Information Security Consulting activities, including information security planning and supervision consulting services, information security inspection or assurance, and information security development and implementation.
33. Computer Consulting and Other Computer Facilities Management activities, including consulting on the type and configuration of computer hardware with or without being associated with software applications. Planning and design of computer systems that integrate hardware, software and computer communication technology. Consultation usually involves analyzing the needs of computer users and their problems, and providing the best solution. Units classified in this subclass may provide system hardware and software components as part of an integrated service or these components may be provided by third parties or vendors. Units classified in this subclass generally install systems and train and support system users. This includes providing management and operation of the client's computer system and/or data processing facilities at the client's premises, as well as related support services.
34. Other Information Technology and Computer Services Activities, including information technology activities and other computer services related to activities that have not been classified elsewhere, such as computer damage recovery, personal computer setup (setting up) and software installation. This includes incident management and digital forensics activities.
35. Data Processing Activities, including processing and tabulating all types of data. This activity can cover the entire stage of processing and writing reports from customer-provided data, or only part of the processing stage. This includes the distribution of mainframe facilities to clients and the provision of data entry and big data management activities.
36. Hosting and Unclassifiable Activities, includes service businesses related to the provision of hosting infrastructure, data processing services and Unclassified and specialized activities of hosting, such as web-hosting, streaming services and Application hosting. Included here are Cloud Computing storage such as DropBox, Google Drive, 4shared.
37. Web Portals and/or Digital Platforms Without Commercial Purposes, includes the operation of non-commercial websites that use search engines to generate and maintain large databases of internet addresses and content in a searchable format, the operation of websites that act as portals to the internet, such as media sites that provide updated content periodically without commercial purposes, operating digital platforms and/or web sites/portals that conduct electronic transactions in the form of business activities of facilitation and/or mediation of ownership transfer of goods and/or services and/or other services via the internet and/or electronic devices and/or or by means of other electronic systems without commercial purposes.
38. Web Portals and/or Digital Platforms for Commercial Purposes, including the operation of websites for commercial purposes that use search engines to generate and maintain large databases of internet addresses and content in a searchable format, operating websites that act as a portal to the internet, such as media sites that provide content that is updated regularly, either directly or indirectly for commercial purposes, the operation of digital platforms and/or websites/web portals that conduct electronic transactions in the form of business activities of facilitation and/or mediation of transfer of ownership goods and/or services and/or other services through the internet and/or electronic devices and/or other electronic system methods carried out for commercial purposes (profit) which includes activities either one, part or all of electronic transactions, namely: 1. ordering and/or 2. payment and/or 3. delivery of the activities. Included in this group are sites/web portals and/or digital platforms with commercial (profit) purposes, which are applications used to facilitate and/or mediate electronic transaction services such as but not limited to: merchant collectors (marketplaces), digital advertising, financial technology. (FinTech) and on-demand online services.

39. Other Information Services Activities that cannot be classified, include other information service businesses that cannot be classified elsewhere, such as telephone-based information services, information retrieval services on the basis of remuneration or contracts and news clipping services, and press clipping services. Included in this group are content provider service activities.
40. Retail Trade on Computers and Their Equipment, including specialized retail trade of various kinds of computers, equipment and supplies.
41. Retail Trade on Video Game Equipment and the like, including retail trade of video game equipment.
42. Retail Trade on Office Machines, includes retail trading of special office machines other than computers, such as various typewriters, calculating machines, cash registers and the like.
43. Special Retail Trade on Audio and Video Equipment in Stores, includes retail trade of specialized audio and video equipment, such as radio, television, video, tape recorders, audio amplifiers and cassette recorders. Includes stereo equipment and Compact Disc ("CD") and Digital Video Disc ("DVD") recording and playing equipment.
44. Other Telecommunications Activities That Cannot Be Classified, include other telecommunications operations that have not been covered elsewhere. Included in this group are credit sales activities, both electronic and electronic vouchers and sales of cellular phone starter packs.
45. Internet access resale services, including the business of providing internet access reselling services such as Internet Cafes/Internet Cafes.
46. Resale of basic telephony services, this group includes the business of providing resale of basic telephony services, such as telephone booths ("*wartels*") that provide telephone, facsimile, telex and telegraph services.
47. Calibration / Metrology Services, including calibration laboratory activities to check and test a measuring instrument or calibration tool, and include calibration laboratory activities that perform calibration services for measuring instruments in other agencies/industry/organizations on request, such as calibration of pressure gauges, non-medical thermometers, scales and so on. This activity also includes calibration of radiation measuring instruments, such as survey-meters, contamination meters, dosimeters, and other related measuring instruments as well as measurement of radiation output. Including the activity of giving a calibrator to check/test/maintain a measuring instrument, such as road scales, gas station meters and so on so that the tool is believed to be valid for the specified period.
48. Distribution of Film, Video and Television Programs by Private Activities, includes the distribution of films, video tapes, DVDs and similar productions for motion picture cinemas or feature films, television networks and stations and exhibition organizers managed by the private sector on a fee basis. Including the acquisition of distribution rights for motion pictures, films, video tapes and DVDs.

3. In addition to the main business activities as referred to in paragraph (2), the Company may carry out supporting/supporting business activities in the context of optimizing the utilization of its resources for:
   a. Provide payment transaction and money transfer services through telecommunications and information technology networks;
   b. Carry out other activities and businesses in the context of optimizing the Company's resources, including the utilization of fixed and moving assets, information system facilities, education and training facilities, maintenance and repair facilities;
   c. Cooperating with other parties in order to optimize information, communication or technology resources owned by other parties in the information, communication and technology industry, in line with and to achieve the goals and objectives of the Company.
   d. In accordance with the provisions of letters a and b above, the Company's supporting business activities include but are not limited to the following business activities:

1. General Printing Industry, covering the activities of the printing industry for newspapers, magazines and other periodicals such as tabloids, newspapers, magazines, journals, pamphlets, books and brochures, musical manuscripts, maps, atlases. posters, advertising catalogs, prospectuses and other printed advertisements, diaries, calendars, business forms and other commercial printed matter, stationery or personal stationery and other printed matter produced by printing presses, offsets, photo cliches, flexography and the like. copying machines, computer printers, embossing and so on, including fast printing equipment; direct printing to textiles, plastics, glass, metal, wood and ceramics, except silk screen printing on fabrics and apparel; and printing on labels or identification marks (lithography, writing on graves, flexographic printing and so on). This includes reprinting via computers, stencil machines and the like. These prints are usually copyrighted.
2. Residential building construction, including the construction of buildings used for residential purposes, such as residential houses, apartments and condominiums. Including the construction of residential buildings carried out by real estate companies with the aim of selling them and the activities of changing and renovating residential buildings.
3. Construction of office buildings includes the business of building buildings used for offices, such as offices and home-office ("*rukan*"). Including the construction of buildings for offices carried out by real estate companies with the aim of being sold and building alteration and office renovation activities.
4. Construction of Other Buildings, including the construction of buildings used for other uses, such as places of worship, terminals/stations, monumental buildings, airport buildings, warehouses and others. Including changes and other building renovation activities.
5. Construction of electrical buildings, including construction, maintenance and repair of electrical buildings, such as power generation and transmission, as well as local and long-distance electricity pipelines. This includes the construction of substations and the installation of electric poles that are used for buildings (housing/settlement) as well as rail transportation facilities.
6. Construction of telecommunications for marine navigation aids and river signs, including the construction, maintenance and repair of telecommunications construction for marine navigation aids and river signs, such as beacon towers, beacon, beacon buoys, port signal lights, and other parts of beacon signs.
7. Construction of air navigation telecommunications, including construction, maintenance and repair activities of air navigation telecommunications buildings, including radar transmitter/receiver buildings, antenna buildings and similar buildings.
8. Construction of railway signaling and telecommunications, including construction, maintenance and repair of construction of railway signal and telecommunications buildings.
9. Construction of other civil buildings that cannot be classified elsewhere, includes the construction, maintenance and repair of other civil buildings, such as the construction of sports fields and outdoor sports facilities, parking lots and other residential environment facilities (outside the building). Including the division of land with its development (e.q. the addition of roads and public infrastructure).
10. Air navigation installation, including air installation activities, such as installation in air navigation telecommunications buildings and radar transmitters/receivers, vasi approach light, runway lighting, DVOR, ILS, NDB and the like.
11. Electronic installation, includes the installation of electronic installations in buildings for both residential and non-residential premises, such as the installation of alarm systems, close circuit television ("TV") and sound systems.
12. Installation of plumbing, including the installation of clean water, waste water and drainage channels in buildings for both residential and non-residential premises. Including maintenance and repair of water channel installations.
13. Heating and Geothermal Installations, including special activities for the installation and maintenance of heating and geothermal installations in buildings for both residential and non-residential premises.
14. Mechanical installation, includes installation and maintenance of mechanical installations in buildings, such as elevators, escalators, conveyors, gondolas and automatic doors.
15. Other Construction Installations That Cannot Be Classified Elsewhere, includes other building installation activities and installation, maintenance and repair activities for other civil building installations that cannot be classified elsewhere.

16. Interior decoration, including interior decoration work activities in the context of completing residential and non-residential buildings. Interior decoration work activities include building applications or other construction projects of interior plaster (coating), including related lathing materials, installation or installation of doors (except automatic doors and turnstiles), windows, door and window frames of wood or other materials, installation kitchen (kitchen set), stairs and the like, furniture installation, interior finishes such as ceilings, wall covering with wood, partitions that can be dismantled and so on, tiling or installation in buildings or other construction projects of ceramics, concrete walls or tiles flooring, parquet and wood flooring, linoleum and carpet flooring, including rubber or plastic, terrazzo, marble, granite or floor or wall coating and wallpaper (wallpaper). Including painting, installation of glass and mirrors.
17. Wholesale trade of Printing and Publishing Goods in Various Forms, including wholesale trading of printing and publishing goods in various forms, such as books, magazines and newspapers.
18. Wholesale trade of Laboratory Equipment, Pharmacy and Medicine, including wholesale trade of laboratory, pharmaceutical and medical equipment.
19. Retail Trade on Laboratory, Pharmaceutical and Health Equipment, includes retail trading of specialized laboratory, pharmaceutical and health equipment, including various kinds of glass laboratory equipment (test tubes, measuring tubes, microscope slides, cuvettes, serum/infusion bottles); porcelain laboratory equipment (chemical tubes, filter plates, mortar and pestle, crucibles); tools and equipment for the medical profession (surgical instruments and aircraft, dental instruments and equipment, electro-medical apparatus, thermometers, blood pressure measurements).
20. Sound recording activities, including the business of making original sound recording masters on LPs, tapes, CDs and the like and sound recording service activities in studios or other places, including recorded (indirect) radio programming results, audio for film and television.
21. Special telecommunications activities for the purpose of defense and security, include the operation of telecommunications specifically used for the purposes of state defense and security.
22. Music and Music Book Publishing Activities, including music publishing businesses, such as the acquisition and recording of copyrights for musical compositions, promotion, approval and use of compositions in recording, radio, television, film, live shows, print and other media and distribution of sound recordings to wholesalers, retailers or directly to the public. Including the publication of music books and sheet music books.
23. Other Monetary Intermediaries, including acceptance of deposits and/or closing of deposits and granting of credit or loan funds. Credit assistance can take many forms, such as loans, secured loans and credit cards. These activities are generally carried out by financial institutions other than the central bank, such as financial intermediary services that are not classified elsewhere, such as moneylenders, credit unions, postal giro activities and smart behavior (postal savings), special institutions authorized to provide credit for the purchase of houses and also take deposits and money order activities (money transfers).
24. Transportation Consulting Activities, including transportation consultant activities, including the delivery of views, suggestions, preparation of feasibility studies, planning, supervision, management, and research in the field of land, sea, and air transportation.
25. Other Management Consulting Activities, including provision of advice, guidance and business operations and other organizational and management issues, such as strategic and organizational planning; decisions related to finance; marketing objectives and policies; human resource planning, practices and policies; scheduling planning and production control. The provision of these business services may include advice, guidance and operational assistance for various management functions, management consulting for agronomists and agricultural economists in agriculture and the like, design of accounting methods and procedures, cost accounting programs, budget monitoring procedures, providing advice and assistance for business and community services in planning, organizing, efficiency and monitoring and management information.
26. Certification services, covering the activities of product certification bodies, quality management systems, HACCP (Hazard Analysis and Critical Control Points), environmental management systems, food safety management systems, ecolabels, information security management systems, occupational safety and health management systems (SMK3), organic food certification system, sustainable production forest management system and timber legality verification system.

27. Laboratory Testing Services, covering physical, chemical, biological, electrical, mechanical and other analyzes of all types of materials and products which include testing activities in the field of food health, including animal disease testing and control related to food production; austic and vibration test (vibration), mineral composition and purity test and so on, physical characteristics test and material performance such as strength, thickness, durability. radioactivity and others, qualification and durability tests, performance tests of overall machines such as motorcycles, automobiles, electronic equipment, telecommunications equipment testing, medical laboratory testing, failure analysis, testing and measuring environmental indicators such as air and water pollution, testing using models or mockups such as airplanes, ships, dams and others. Including the operational activities of the police laboratory.
28. Installation Technical Inspection Services, including inspection activities of an installation design and installation process, for example inspection of electrical power installations and other installations.
29. Advertising, including the business of various advertising services (either on their own or on a subcontract), including advisory, creative assistance services, production of advertising materials, planning and purchasing of media. Activities that include such as the creation and placement of advertisements in newspapers, magazines and tabloids, radio, television, internet and other media; creation and placement of field advertisements, such as billboards, panels, types of posters and pictures, flyers, pamphlets, circulars, brochures and frames, window advertisements, showroom designs, car and bus advertisements; depiction media, namely the sale of space and time for various kinds of application advertising media; aerial advertising, distribution or delivery of advertising material or samples; providing advertising space on notice boards or billboards; creation of booths and other structures and exhibits; and lead marketing campaigns and other advertising services aimed at attracting and retaining customers, such as product promotion, point of sale, direct mail advertising, and marketing consulting.
30. Other Reservation Services, Related to It, Which Cannot Be Classified Elsewhere, includes other travel service businesses that are not yet included in the subclass of Tourism Information Services, such as providing other booking services related to travel, such as transportation, hotels, restaurants , car rental, entertainment and sports activities; provision of time share exchange (accommodation) services; ticket sales activities for certain events such as theater, sports and entertainment events, cultural arts performances, and visits to objects and tourist attractions and other pleasures.
31. Tourism Information Services, including providing information on tourist objects and attractions, tourism facilities, tourism services, transportation and other information needed by tourists. Dissemination of information about tourism businesses or other information needed by tourists through print, electronic or other communication media. This includes providing information on booking services, accommodation, restaurants, flights, land transportation and sea transportation.
32. Call Center activities, including call center service businesses, such as: Inbound Call Center, answering calls from customers by human operators, automated call distribution, telephone and computer integration, interactive voice response systems or similar methods for receiving requests, providing information products related to requesting customer assistance or submitting complaints or complaints from customers; Outbound Call Center, using similar methods to sell or market goods or services to potential customers, conduct market research or public opinion polls and similar activities to customers.
33. Other Business Supporting Services Activities, including other business support service provider activities that cannot be classified elsewhere, such as court report services and stenotype records and stenography services for the public, live television broadcasting services for meetings and conferences, bar code addressing services , bar code printing services, fund-raising organization services on the basis of remuneration or contracts, mail sorting services, storage services, parking fees services using coin meters, independent auction activities, loyalty program administration, and other supporting activities provided for businesses that are not classified elsewhere.
34. Event organizer (hereinafter referred to as the “EO”), includes event organizer activities that organize a series of events starting from the process of concept creation, planning, preparation, execution to the completion of a series of events in order to help clients realize the expected goals through a series of events held. EO services are organizing an event based on work guidelines and the concept of the event and managing it professionally. EO activities covered in this group are EO weddings, birthday parties and similar events.

35. Organizing meetings, incentive trips, conferences and exhibitions, including organizing, promoting and or managing events, such as services for a meeting of a group of people (statesmen, businessmen, scholars, and so on). Also included in this group are service businesses that plan, compile and organize incentive travel programs and service businesses that plan and organize trade and business exhibitions, conventions, conferences and meetings or gatherings.
36. Private Tutoring and Counseling Education, including tutoring and counseling education conducted by the private sector. Educational activities or courses included in this group are tutoring, health guidance, organizational guidance, ethics and relationships; business consultant education, tax consultant, psychology consultant and Human Resources development, megabrain, superbrain, power brain, mental arithmetic; playgroup mentors, preschool mentors, family development, child and elderly education, personality development, learning method development, human resource development, child creativity improvement, educator potential improvement, Kindergarten Teacher Education, abacus, preschool tutor.
37. Repair of computers and similar equipment, including repair and maintenance of computers and their equipment, such as desktop computers, laptops, magnetic disk drives, flash drives and other storage media, optical disk drives (CD-R, CD-ROM, DVD-ROM) , DVD-R), printers, monitors, keyboards, mice, joysticks and trackballs, internal and external computer modems, computer terminals, computer servers, scanners including bar code scanners, smart card readers, virtual reality helmets and computer projectors. This includes repair and maintenance services for computer terminals such as automatic teller machines (ATMs), point of sale (POS) terminals, which are not operated mechanically and handheld computers (PDAs).

CAPITAL
Article 4

1. The authorized capital of the Company is in the amount of Rp.19,500,000,000.00 (nineteen trillion five hundred billion Rupiah) which is divided into 390,00,000,000 (three hundred and ninety billion) shares consisting of:
   a. 1 (one) Series A Dwiwarna share; and
   b. 389,999,999,999 (three hundred eighty-nine billion nine hundred ninety-nine million nine hundred ninety-nine thousand nine hundred ninety-nine) Series B shares, each share with a nominal value of Rp50.00 (fifty Rupiah).
2. Of the authorized capital, 25.40% (twenty-five point four zero percent) or amounting to 99,062,216,600 (ninety-nine billion sixty-two million two hundred sixteen thousand six hundred) shares have been issued and paid-up capital. with a total nominal value of Rp.4,953,110,830,000.00 (four trillion nine hundred fifty-three billion one hundred ten million eight hundred and thirty thousand Rupiah) consisting of:
   a. 1 (one) Series A Dwiwarna share with a total nominal value of Rp50.00 (fifty Rupiah); and
   b. 99,062,216,599 (ninety-nine billion sixty-two million two hundred sixty-five thousand five hundred ninety-nine) Series B shares, with a total nominal value of Rp.4,953,110,829,950.00 (four trillion nine hundred fifty-three billion one hundred and ten million eight hundred twenty-nine thousand nine hundred and fifty Rupiah);
3. 100% (one hundred percent) of the nominal value of each issued share as referred to in paragraph 2, or with the total nominal value of Rp.4,953,110,829,950.00 (four trillion nine hundred fifty-three billion one hundred ten million eight hundred twenty-nine thousand nine hundred fifty Rupiah) has been subscribed and fully paid by each shareholder of the Company.
4. With due observance of statutory provisions including provisions in the Capital Market sector, shares can be paid-up in the form of money or in other forms. Payments made for shares in other forms other than money, whether in the form of tangible or intangible objects, must meet the following conditions:
   a. The object to be used as a capital deposit must be announced to the public at the time of the invitations to the General Meeting of Shareholders (hereinafter referred to as the **"GMS"**) regarding the payment;
   b. The object that are used as paid-in capital must be assessed by an Appraiser registered with the Financial Services Authority (hereinafter referred to as the **"OJK"**) and are not charged with collateral in any way;
   c. Obtain GMS approval with a quorum as stipulated in Article 25 paragraph (1) of these Articles of Association;
   d. In the event that the object used as capital deposit is in the form of shares of a limited liability company conducting a Public Offering or a public company listed on the Stock Exchange, the price must be determined based on the fair market value; and
   e. In the event that the payment is derived from retained earnings, share premium, net profit of the Company, and/or the element of equity, then the retained earnings, share premium, net profit of the company, and/or other elements of equity have been included in the latest financial statements that have been examined by an accountant registered with the OJK with an unqualified opinion.

f. In the event that the Company makes additional capital without granting Pre-emptive Rights (hereinafter referred to as the **"Pre-emptive Rights"**), it must obtain approval from the GMS which is attended by independent shareholders and shareholders who are not affiliated with the Company, members of the Board of Directors, members of the Board of Directors, and members of the Board of Directors. The Board of Commissioners, major or controlling shareholders as stipulated in Article 25 paragraph 3 of the Articles of Association.
g. The payment for shares in other forms other than money cannot be made in addition to the Company's capital through the issuance of shares and/or other equity securities in order to improve the Company's financial position.
h. The payment in other forms other than money must be directly related to the planned use of funds.
i. The period between the date of valuation and the date of payment of shares in other forms other than money as referred to in letter b of this paragraph is a maximum of 6 (six) months.

5. Shares that are still in the portfolio will be issued by the Board of Directors according to the Company's capital requirements at the time and with the method and price as well as the requirements determined by the Meeting of the Board of Directors with the approval of the GMS. contained in these Articles of Association and regulations in the field of Capital Market in Indonesia, provided that the expenditure is not at a price below par value.
6. Any additional capital through the issuance of Equity Securities (Equity Securities are Securities that can be exchanged for shares or Securities containing the right to acquire shares from the Company as the issuer), shall be carried out under the following conditions:
   a. If the Company intends to increase its capital through the issuance of shares and/or other equity securities, whether convertible into shares or granting the right to purchase shares, the Company is required to grant Pre-emptive Rights to each shareholder in accordance with a certain ratio to the percentage of share ownership.
   b. The obligation to issue Pre-emptive Rights in the issuance of shares and/or other equity securities as referred to in letter a of this paragraph does not apply to the issuance of shares and/or other equity securities in certain contexts as further regulated in the regulations in the Capital Market sector concerning additional capital for public companies.
   c. In the event that there are still remaining shares or other equity securities which are not subscribed by the shareholders as referred to in letter a of this paragraph, then in the event that there are standby buyers, the shares or other equity securities must be allocated to certain parties acting as standby buyers. at the same price and terms.
   d. Equity Securities that will be issued by the Company and not taken by the Pre-emptive Rights holders must be allocated to all shareholders who order additional Equity Securities, provided that if the number of Equity Securities ordered exceeds the number of Equity Securities to be issued, the unclaimed Equity Securities must be allocated in proportion to the number of Pre-emptive Rights exercised by each shareholder who subscribes for additional Equity Securities.
   e. In the event that there are still remaining Equity Securities which are not subscribed by the shareholders as referred to in paragraph (6) letter d, then in the event that there is a standby buyer, the Equity Securities must be allocated to a certain party who acts as a standby buyer at a price and terms. the same one.
   f. The issuance of shares in portfolios for holders of Securities which can be exchanged for shares or Securities containing the right to acquire shares may be carried out by the Board of Directors based on the previous GMS of the Company which has approved the issuance of such Securities.
   g. The addition of paid-in capital becomes effective after the deposit occurs, and the shares issued have the same rights as shares having the same classification issued by the Company, without prejudice to the Company's obligation to take care of notification to the Minister in the field of Law and Human Rights (hereinafter referred to as the **"Minister of Law"**).
7. The addition of the authorized capital of the Company can only be made based on the decision of the GMS. This amendment to the Articles of Association in the context of changing the authorized capital must be approved by the Minister of Law, with the following provisions:
   a. The addition of authorized capital which causes the issued and paid-up capital to be less than 25% (twenty five percent) of the authorized capital, may be made as long as:
      a.1. has obtained GMS approval to increase authorized capital;
      a.2. has obtained the approval of the Minister of Law;
      a.3. the addition of issued and paid-up capital so that it becomes at least 25% (twenty five percent) must be made within a period of no later than 6 (six) months after the approval of the Minister of Law;
      a.4. in the event that the additional paid-in capital as referred to in point a.3 is not fully fulfilled, the Company must revise its Articles of Association, so that the authorized and paid-up capital comply with the provisions of the Limited Liability Company Law (hereinafter referred to as the "UUPT"), within a period of 2 (two) months after the period in point a.3 is not fulfilled;

a.5. GMS approval as referred to in point a.1 includes approval to amend these Articles of Association as referred to in paragraph (7) letter b below.

b. This amendment to the Articles of Association in order to increase the authorized capital becomes effective after the capital deposit occurs which results in the amount of paid-up capital being at least 25% (twenty five percent) of the authorized capital and has the same rights as other shares issued by the Company with due observance of the provisions in these Articles of Association, without prejudice to the Company's obligation to take care of the approval of amendments to these Articles of Association from the Minister of Law for the implementation of the additional paid-in capital.

8. Any increase in capital through the issuance of Equity Securities may deviate from the above provisions, if the laws and regulations especially in the Capital Market sector and the regulations of the Stock Exchange where the Company's shares are listed determine otherwise.
9. The GMS as referred to in this Article must be attended by Series A Dwiwarna shareholder and the resolution of the Meeting must be approved by the Series A Dwiwarna shareholder.

SHARES
Article 5

1. Company shares are shares in the name of and issued in the name of the owner who is registered in the Register of Shareholders consisting of:
   - Series A Dwiwarna Share which can only be owned by the Republic of Indonesia; and
   - Series B Shares that can be owned by the Republic of Indonesia and/or the public.
2. In these Articles of Association “shares” are Series A Dwiwarna share and Series B shares, “shareholders” are Series A Dwiwarna shareholder and Series B shareholders, unless expressly stated otherwise.
3. The Company only recognizes a person or a legal entity as the party authorized to exercise the rights granted by law on shares.
4. a. As long as these Articles of Association does not stipulate otherwise, then Series A Dwiwarna shareholder, Series B shareholder has the same rights and each 1 (one) share gives 1 (one) voting right.
   b. According to these Articles of Association, Series A Dwiwarna share is share specifically owned by the Republic of Indonesia which grants the holder special rights as Series A Dwiwarna shareholder.
   c. The privileges of the Series A Dwiwarna shareholder are:
      c.1 The right to approve in the GMS regarding the following matters:
         c.1.1. approval of amendments to these Articles of Association;
         c.1.2. approval of changes in Capital;
         c.1.3. approval of the appointment and dismissal of members of the Board of Directors and the Board of Commissioners;
         c.1.4. approval regarding merger, consolidation, acquisition, separation and dissolution;
         c.1.5. approval of the remuneration of members of the Board of Directors and the Board of Commissioners;
         c.1.6. approval of the transfer of assets based on these Articles of Association requires the approval of the GMS;
         c.1.7. approval of the participation and reduction of the percentage of equity participation in other companies based on these Articles of Association requires the approval of the GMS;
         c.1.8. approval of the use of profits;
         c.1.9. approval of non-operational long-term investment and financing based on these Articles of Association requires the approval of the GMS;
      c.2 Right to propose candidates for members of the Board of Directors and candidates for members of the Board of Commissioners;
      c.3. The right to propose the agenda of the GMS;
      c.4. The right to request and access company data and documents. with the mechanism for the use of the rights referred to in accordance with the provisions of these Articles of Association and the laws and regulations.
   d. Except for the special rights held by Series A Dwiwarna shareholder as referred to in letter c and in other Articles of these Articles of Association, Series B shareholders have the same rights with respect to Article 25 of these Articles of Association.
5. If a share changes hands due to inheritance or based on other reasons and therefore becomes the property of more than 1 (one) person, then those who have 1 (one) share jointly are required to appoint one of them and the person appointed is recorded as their joint representatives in the Register of Shareholders, who are entitled to exercise the rights granted by law to the shares.

6. In the event that the joint owners fail to notify the Company in writing of the appointment of the joint representative, the Company shall treat the shareholder whose name is registered in the Company's Register of Shareholders as the only legal owner of the share(s).
7. Every shareholder must comply by law with these Articles of Association and all decisions taken legally in the GMS and the laws and regulations.
8. For all the Company's shares listed on the Stock Exchange, the laws and regulations in the Capital Market sector and/or the Stock Exchange regulations at the place where the Company's shares are listed shall apply.

CERTIFICATE OF SHARE
Article 6

1. Proof of share ownership as follows:
   a. In the event that the Company's shares are not included in the Collective Custody at the Settlement and Depository Agency, the Company is required to provide proof of share ownership in the form of share certificates or collective share certificates to its shareholders.
   b. In the event that the Company's shares are included in the Collective Custody of the Settlement and Depository Agency, the Company is required to issue a certificate or written confirmation to the Settlement and Depository Institution as proof of recording in the Company's shareholder register.
2. The Company issues share certificates in the name of the owner who is registered in the Register of Shareholders of the Company, in accordance with the laws and regulations in the Capital Market and Stock Exchange regulations at the place where the Company's shares are listed.
3. The Company may issue a collective share certificate proving ownership of 2 (two) shares or more shares owned by a shareholder.
4. The share certificate must at least include:
   a. names and addresses of shareholders;
   b. shares certificate number;
   c. date of issuance of share certificates;
   d. par value of shares.
5. The collective share certificate must at least include:
   a. names and addresses of shareholders;
   b. shares collective certificate number;
   c. the date of issuance of the collective share certificate;
   d. nominal value of shares and collective value of shares;
   e. the number of shares and the number of the relevant share certificate.
6. Every share certificate, collective share certificate, convertible bond, warrant, and/or other securities that can be converted into shares must contain the signature of the President Director together with the President Commissioner, or if the President Commissioner is unable to do so, which does not need to be proven to the other third party, by the President Director together with a member of the Board of Commissioners, or if the President Director and President Commissioner are unable to do so which does not need to be proven to a third party, then by one of the Directors together with a member of the Board of Commissioners, the signature is can be printed directly on share certificates, collective share certificates, convertible bonds, warrants and/or other securities that can be converted into shares, with due observance of the laws and regulations in the Capital Market sector and the regulations of the Stock Exchange where the Company's shares are listed.
7. In the event that the Company does not issue share certificates, share ownership can be proven by a certificate of share ownership issued by the Company.
8. All share certificates and/or collective share certificates issued by the Company can be guaranteed by following the laws and regulations in the Capital Market sector and the Company Law.

REPLACEMENT OF CERTIFICATE OF SHARE
Article 7

1. If the share certificate is damaged, the share certificate can be replaced if:
   a. the party submitting a written application for the replacement of the share certificate is the owner of the share certificate;
   b. the Company has received damaged share certificates;
   c. the original of the damaged share certificate must be returned and can be exchanged for a new share certificate with the same number as the original share certificate number; and
   d. the Company is obliged to destroy the original damaged share certificate after providing replacement of share certificate.
2. In the event that share certificates are lost, such share certificates may be replaced if:
   a. the party applying for the replacement of the share certificate is the owner of the share certificate;

b. Company has obtained a reporting document from the Indonesian National Police for the loss of the share certificate;
c. the party applying for the replacement of shares provides guarantees deemed necessary by the Board of Directors of the Company; and
d. the plan to issue replacements for lost share certificates has been announced on the Stock Exchange at the place where the Company's shares are listed at least 14 (fourteen) days prior to the issuance of replacement share certificates.

3. After the replacement share certificate is issued, the replaced share certificate is no longer valid for the Company.
4. All costs for the issuance of the replacement share certificate are borne by the interested shareholders.
8. The above provisions regarding the issuance of replacement share certificates also apply to the issuance of replacement share collective certificates or Equity Securities.

COLLECTIVE CUSTODY
Article 8

1. Shares in Collective Custody shall apply the provisions in this Article, namely:
   a. shares in the Collective Custody at the Settlement and Depository Institution must be recorded in the Company's Register of Shareholders on behalf of the Settlement and Depository Institution;
   b. shares in Collective Custody at the Custodian Bank or Securities Company recorded in the Securities account at the Depository and Settlement Institution are recorded in the name of the said Custodian Bank or Securities Company for the benefit of the account holder at the Custodian Bank or Securities Company;
   c. if the shares in the Collective Custody with the Custodian Bank are part of the Mutual Fund Securities Portfolio in the form of a collective investment contract and are not included in the Collective Custody at the Depository and Settlement Institution, the Company will register the shares in the Company's Shareholders Register on behalf of the Custodian Bank for the benefit of the owner The Participation Unit of the Mutual Fund is in the form of the collective investment contract;
   d. The Company is obligated to issue a certificate or confirmation to the Depository and Settlement Institution as referred to in letter a of this paragraph or the Custodian Bank as referred to in letter c as proof of recording in the Company's Register of Shareholders:
   e. The Company is obliged to transfer the shares in the Collective Custody registered in the name of the Depository and Settlement Institution or the Custodian Bank for Mutual Funds in the form of a collective investment contract in the Company's Register of Shareholders to be in the name of the party appointed by the said Depository and Settlement Institution or Custodian Bank;
   f. application for mutation is submitted by the Depository and Settlement Institution or Custodian Bank to the Company or the Securities Administration Bureau appointed by the Company;
   g. Depository and Settlement Institutions, Custodian Banks or Securities Companies are required to issue confirmations to account holders as proof of registration in Securities accounts;
   h. in Collective Custody every share of the same type and classification issued by the Company is equivalent and can be exchanged between one another;
   i. The Company is obliged to refuse the listing of shares into Collective Custody if the share certificate is lost or destroyed, unless the party requesting the transfer can provide sufficient evidence and/or guarantee that the party is correct as a shareholder and the share certificate is truly lost or destroyed;
   j. The Company is obliged to refuse the listing of shares into Collective Custody if the shares are pledged, placed in confiscation based on a court decision or confiscated for criminal case investigations;
   k. Securities account holders whose Securities are registered in Collective Custody are entitled to attend and/or cast votes at the GMS in accordance with the number of shares they have in the account;
   l. Custodian Banks and Securities Companies are required to submit a list of Securities accounts along with the number of Company shares owned by each account holder at the Custodian Bank and Securities Company to the Depository and Settlement Institution, to be subsequently submitted to the Company no later than 1 (one) working day prior to the invitations for the GMS;
   m. The Investment Manager has the right to attend and cast votes in the GMS for the Company's shares which are included in Collective Custody at the Custodian Bank which is part of the Mutual Fund Securities portfolio in the form of a collective investment contract and is not included in Collective Custody at the Depository and Settlement Institution provided that the Custodian Bank is required to submit the name of the Investment Manager no later than 1 (one) working day prior to the invitations for the GMS;

n. The Company is obligated to submit dividends, bonus shares or other rights in connection with share ownership to the Depository and Settlement Institution for shares in Collective Custody at the Depository and Settlement Institution and so on, the Depository and Settlement Institution submits dividends, bonus shares or other rights to the Custodian Bank and to the Company. Securities for the benefit of each account holder at the Custodian Bank and the Securities Company;
o. The Company is required to deliver dividends, bonus shares or other rights in connection with share ownership to the Custodian Bank for shares in Collective Custody at the Custodian Bank which are part of the Mutual Fund Securities Portfolio in the form of a collective investment contract and are not included in Collective Custody at the Depository and Settlement Institution;
p. The time limit for determining the Securities account holders who are entitled to receive dividends, bonus shares or other rights in connection with the ownership of shares in Collective Custody is determined by the GMS provided that the Custodian Bank and Securities Company are required to submit a list of Securities account holders along with the number of Company shares owned by each. each Securities account holder to the Depository and Settlement Institution no later than the date that becomes the basis for determining which shareholders are entitled to receive dividends, bonus shares or other rights, to be subsequently submitted to the Company no later than 1 (one) working day after the date on which it is based. determination of shareholders who are entitled to receive dividends, bonus shares or other rights.

2. Provisions regarding Collective Custody are subject to the laws and regulations in the Capital Market and Stock Exchange regulations at the place where the Company's shares are listed.

REGISTER OF SHAREHOLDERS AND SPECIAL REGISTER
Article 9

1. The Board of Directors shall maintain and maintain a Register of Shareholders and a Special Register, and provide it at the domicile of the Company.
2. In the Register of Shareholders, at least:
   a. names and addresses of shareholders;
   b. the number, number and date of acquisition of shares owned by the shareholders and their classification;
   c. the amount paid for each share;
   d. the name and address of the individual or legal entity that has a lien on the shares or as the recipient of the share fiduciary guarantee and the date of acquisition of the lien or the date of registration of the fiduciary guarantee;
   e. information on payment of shares in other forms other than money; and
   f. other information deemed necessary by the Board of Directors.
3. In the Special Register, information regarding share ownership and/or change in share ownership of members of the Board of Directors and Board of Commissioners and their families in the Company and/or other companies and the date the shares are acquired shall be recorded.
4. Shareholders must notify each change of residence with a letter accompanied by a receipt to the Board of Directors. As long as the notification has not been made, all invitations and notifications to shareholders are valid if they are addressed to the address of the shareholder last recorded in the Register of Shareholders.
5. The Board of Directors is obliged to keep and maintain the Register of Shareholders and the Special Register as well as possible.
6. Every shareholder has the right to view the Register of Shareholders and the Special Register at the Company's office or at the office of the Securities Administration Bureau appointed by the Company during business hours.
7. The Board of Directors of the Company may appoint and authorize the Securities Administration Bureau to carry out the listing of shares in the Register of Shareholders and the Special Register. Every registration or recording in the Register of Shareholders including the recording of a sale, transfer, collateral, pledge or fiduciary guarantee, which involves the Company's shares or rights or interests in shares must be carried out in accordance with these Articles of Association and the laws and regulations in the Capital Market sector.
8. The provisions in this Article shall apply as long as it is not regulated otherwise in the laws and regulations in the Capital Market and Stock Exchange regulations at the place where the Company's shares are listed.
9. In the event of a sale, transfer, collateral in the form of a pledge, fiduciary guarantee or relating to shares of the Company or cession with respect to the rights or interests in shares, the interested party shall report in writing to the Board of Directors or a party appointed by the Board of Directors to be recorded and registered. in the Register of Shareholders in accordance with these Articles of Association with due observance of the laws and regulations in the Capital Market sector as well as the regulations of the Stock Exchange where the Company's shares are listed.

TRANSFER OF RIGHTS TO SHARE
Article 10

1. In the event of a change in ownership of a share, the original owner registered in the Register of Shareholders shall be deemed to remain the owner of the share until the name of the new owner has been recorded in the Register of Shareholders, this is subject to the prevailing laws and regulations in the capital market sector and Stock Exchange regulations where the Company's shares are listed.
2. a. Unless otherwise stipulated in the laws and regulations, especially the laws and regulations in the Capital Market sector and these Articles of Association, the transfer of rights to shares must be proven by a document signed by or on behalf of the party transferring the rights and by or on behalf of the party transferring the rights. receive the transfer of rights to the shares concerned. The document for the transfer of rights to shares must be in the form as determined or approved by the Board of Directors.
   b. The transfer of rights to shares included in Collective Custody is carried out by book-entry from one Securities account to another at the Depository and Settlement Institution, Custodian Bank and Securities Company. The document for the transfer of rights to shares must be in the form as determined and/or acceptable to the Board of Directors, provided that the document for the transfer of rights to shares listed on the Stock Exchange must comply with the regulations of the Stock Exchange at the place where the shares are listed, without prejudice to the laws and regulations and related provisions.
3. The Board of Directors may refuse by giving reasons for that, to register the transfer of rights to shares in the Register of Shareholders of the Company, if the methods required by the provisions of these Articles of Association are not fulfilled or if one of the conditions in the license granted to the Company or other matters required by the authorities not fulfilled.
4. If the Board of Directors refuses to register the transfer of rights to shares, the Board of Directors must send a notification of rejection to the party who will transfer the rights no later than 30 (thirty) calendar days after the date the application for registration is received by the Board of Directors with due observance of the laws and regulations in the field of Capital Market and Stock Exchange regulations where the Company's shares are listed.
5. Regarding the Company's shares which are listed on the Stock Exchange where the Company's shares are listed, any refusal to register the transfer of rights must comply with the regulations of the Stock Exchange where the Company's shares are listed.
6. Registration of the transfer of rights to shares cannot be made within the period from the announcement date of the invitation to the GMS until the closing date of the said GMS with due observance of the laws and regulations in the Capital Market sector.
7. Any person who acquires rights to a share due to the death of a shareholder or due to other causes resulting in the ownership of a share being transferred by law, may submit evidence of such rights, as required by the Board of Directors, by submitting a written application to be registered as a shareholder. of the shares. Registration can only be done if the Board of Directors can accept both on the basis of evidence of that right and without prejudice to the provisions in these Articles of Association.
8. All restrictions, prohibitions and provisions in these Articles of Association which regulate the right to transfer rights to shares and registration of transfer of rights to shares must also apply to any transfer of rights as referred to in paragraph (6) of this Article.
9. Shareholders as referred to in Article 20 paragraph (6) letter a points i and iii must not transfer their share ownership within a period of at least 6 (six) months from the announcement of the GMS by the Board of Directors or the Board of Commissioners or as determined by the chairman of the District Court.
10. The form and procedure for the transfer of rights to shares traded on the Stock Exchange must comply with the laws and regulations in the Capital Market and Stock Exchange regulations at the place where the Company's shares are listed, except for the rights to Series A Dwiwarna share which cannot be transferred to anyone.

BOARD OF DIRECTORS
Article 11

1. The Company is managed and led by the Board of Directors whose number is adjusted to the needs of the Company, consisting of at least 2 (two) people, one of whom is appointed as the President Director, and if necessary one of them can be appointed as the Vice President Director.
2. Requirements for members of the Board of Directors must comply with the following provisions:
   a. UUPT;
   b. laws and regulations in the Capital Market sector; and
   c. other laws and regulations applicable to and related to the Company's business activities.
3. Those who can be appointed as members of the Board of Directors are individuals who meet the requirements at the time of appointment and during their tenure:
   a. have good character, morals and integrity;
   b. capable of carrying out legal actions;
   c. within 5 (five) years prior to the appointment and while serving:

1) have never been declared bankrupt;
2) have never been a member of the Board of Directors and/or a member of the Board of Commissioners who was found guilty of causing a company to be declared bankrupt;
3) have never been convicted of a criminal act that is detrimental to state finances and/or related to the financial sector;
4) have never been member of the Board of Directors and/or Board of Commissioners who during their tenure:
   a) have ever failed holding an Annual GMS;
   b) their responsibilities as members of the Board of Directors and/or members of the Board of Commissioners have ever failed to be accepted by the GMS or have not provided accountability as members of the Board of Directors and/or members of the Board of Commissioners to the GMS; and
   c) have caused a company that has obtained a permit, approval, or registration from the OJK to fail to fulfill the obligation to submit an Annual Report and/or financial report to the OJK;

d. have a commitment to comply with the laws and regulations;
e. have knowledge and/or expertise in the fields required by the Company; and
f. meet other requirements as specified in paragraph (2) of this Article.

4. The fulfillment of the requirements as referred to in paragraph (3) of this Article must be contained in a statement letter signed by the candidate for the Board of Directors and the letter submitted to the Company. The statement letter must be examined and documented by the Company.
5. The Company is required to hold a GMS to replace members of the Board of Directors who do not meet the requirements.
6. The appointment of a member of the Board of Directors who does not meet the requirements as referred to in paragraph (2) is null and void by law from the moment another member of the Board of Directors or the Board of Commissioners finds out that the requirements have not been fulfilled, based on valid evidence, and the member of the Board of Directors concerned is notified in writing with due observance of the provisions of laws and regulations.
7. Within a period of no later than 2 (two) working days from the date of finding out that the appointment of a member of the Board of Directors does not meet the requirements, another member of the Board of Directors or the Board of Commissioners must announce the cancellation of the appointment of the member of the Board of Directors concerned in the announcement media with due observance of the laws and regulations in the capital market sector, and no later than 7 (seven) days notifying it to the Minister of Law to be recorded in accordance with statutory regulations.
8. Legal actions that have been taken for and on behalf of the Company by members of the Board of Directors who do not meet the requirements prior to the cancellation of the appointment of members of the Board of Directors remain binding and become the responsibility of the Company.
9. Any legal action taken for and on behalf of the Company by a member of the Board of Directors who does not meet the requirements after the cancellation of the appointment as referred to in paragraph (6) of this Article is invalid and becomes the personal responsibility of the member of the Board of Directors concerned.
10. The members of the Board of Directors are appointed and dismissed by the GMS, in which the GMS is attended by Series A Dwiwarna shareholder and the decision of the meeting must be approved by the Series A Dwiwarna shareholder with due observance of the provisions in these Articles of Association. The members of the Board of Directors are appointed by the GMS from the candidates proposed by the Series A Dwiwarna shareholder, which nomination is binding on the GMS. This provision also applies to the GMS held in order to revoke or strengthen the decision to temporarily dismiss members of the Board of Directors.
11. The decision of the GMS regarding the appointment and dismissal of members of the Board of Directors shall also determine the effective date of the appointment and dismissal. In the event that the GMS does not determine, the appointment and dismissal of the members of the Board of Directors shall take effect as of the closing of the GMS.
12. a. The members of the Board of Directors are appointed for a period commencing from the closing or the date determined by the GMS that appointed them and ends at the closing of the 5th (fifth) Annual GMS after the date of appointment, provided that it should not exceed a period of 5 (five) years, taking into account laws and regulations in the Capital Market sector, but without prejudice to the right of the GMS to dismiss members of the Board of Directors before their term of office ends.
    b. Such dismissal is effective as of the closing of the GMS, unless otherwise determined by the GMS.
    c. After their term of office ends, the members of the Board of Directors may be reappointed by the GMS for one more term of office.
13. The GMS may dismiss members of the Board of Directors at any time by stating the reasons.

14. The reason for the dismissal of a member of the Board of Directors as referred to in paragraph (13) is carried out if based on the facts, the member of the Board of Directors concerned, among others:
    a. not/less able to fulfill its obligations that have been agreed in the management contract;
    b. unable to carry out their duties properly;
    c. violates the provisions of these Articles of Association and/or laws and regulations.
    d. involved in actions that are detrimental to the Company and/or the state;
    e. takes actions that violate ethics and/or propriety that should be respected as a member of the Board of Directors;
    f. found guilty by a court decision that has permanent legal force;
    g. resigns;
    h. other reasons deemed appropriate by the GMS for the interests and objectives of the Company;
15. The decision to dismiss for reasons as referred to in paragraph (14) of this Article is taken after the person concerned has been given the opportunity to defend himself, except for paragraph (14) letters f and g.
16. Dismissal for reasons as referred to in paragraph (14) letter d and letter f of this Article is a dismissal with no respect.
17. Between members of the Board of Directors and between members of the Board of Directors and members of the Board of Commissioners there shall be no family relationship up to the third degree, either vertically or horizontally, including relationships arising out of marriage.
18. In the event of a situation as referred to in paragraph (17), the GMS has the authority to dismiss one of them.
19. Members of the Board of Directors may be given a salary along with other facilities and/or allowances including *tantiem* and post-service benefits, the type and amount of which is determined by the GMS and the authority can be delegated to the Board of Commissioners.
20. If at any time for any reason one or more members of the Board of Directors are vacant:
    a. The Board of Commissioners appoints another member of the Board of Directors to carry out the work of the vacant member of the Board of Directors with the same power and authority.
    b. Taking into account the applicable provisions, the GMS must be held to fill the vacant position if it causes the number of members of the Board of Directors to be less than 2 (two) one of them is the President Director or the vacant position is the President Director or other Director required by applicable regulations.
    c. The GMS as referred to in letter b is held no later than 90 (ninety) days after the occurrence of the vacancy as referred to in letter b.
21. In the event that there is a member of the Board of Directors whose term of office has ended and the GMS has not determined a replacement, the member of the Board of Directors whose term of office has ended may be appointed by the GMS to carry out his work with the same power and authority as the new member of the Board of Directors whose term of office has ended. run 1 (one) term of office.
22. a. If at any time for any reason all the positions of the members of the Board of Directors of the Company are vacant, then within 90 (ninety) days after the vacancy occurs, a GMS must be held to fill the vacancy for the position of the Board of Directors.
    b. As long as the position is vacant and the GMS has not filled the vacant position of the Board of Directors as referred to in letter a, the Company is temporarily managed by the Board of Commissioners, with the same power and authority.
23. a. A member of the Board of Directors may resign from his/her position before the end of his/her term of office. In the event that a member of the Board of Directors resigns, the relevant member of the Board of Directors must submit a written resignation request regarding the intention to the Company.
    b. The Company is required to hold a GMS to decide on the resignation of members of the Board of Directors no later than 90 (ninety) days after receipt of the resignation letter.
    c. The Company is required to disclose information to the public and submit it to the OJK no later than 2 (two) working days after:
        c.1. receipt of the application for resignation of the Board of Directors as referred to in letter a of this paragraph; and
        c.2. the results of the GMS as referred to in letter b of this paragraph.
    d. Before the resignation becomes effective, the relevant member of the Board of Directors is still obliged to complete his duties and responsibilities in accordance with these Articles of Association and the laws and regulations.
    e. Members of the Board of Directors who resign as mentioned above can still be held accountable as members of the Board of Directors from the appointment in question until the date of approval of his resignation at the GMS.
    f. The resigned Board of Directors is only free from responsibilities after obtaining the release of responsibility from the Annual GMS.

g. In the event that a member of the Board of Directors resigns resulting in the number of members of the Board of Directors being less than 2 (two) people, then the resignation is valid if it has been determined by the GMS and a new member of the Board of Directors has been appointed, thus meeting the minimum requirements for the number of members of the Board of Directors.

24. The position of a member of the Board of Directors ends when:
    a. his resignation has been effective, as referred to in paragraph (23) letter b;
    b. dies;
    c. his term of office ends;
    d. dismissed based on the resolution of the GMS;
    e. declared bankrupt by the Commercial Court which has permanent legal force or is placed under guardianship based on a court decision; or
    f. no longer fulfills the requirements as a member of the Board of Directors based on the provisions of these Articles of Association and the laws and regulations.
25. The provisions as referred to in paragraph (24) letter f include but are not limited to concurrent positions that are prohibited.
26. For members of the Board of Directors who resign before or after their term of office ends, except for resigning due to death, then the person concerned must submit an accountability for his actions for which the GMS has not received the accountability.
27. Members of the Board of Directors may be temporarily dismissed by the Board of Commissioners by stating the reasons if they act contrary to these Articles of Association or there are indications of taking actions that are detrimental to the Company or neglecting their obligations or there are urgent reasons for the Company, taking into account the following provisions:
    a. The said temporary dismissal must be notified in writing to the member of the Board of Directors concerned along with the reasons that caused the action with a copy of the Board of Directors.
    b. The notification as referred to in letter a is submitted no later than 2 (two) working days after the stipulation of the temporary suspension.
    c. Members of the Board of Directors who are temporarily dismissed are not authorized to carry out the management of the Company for the benefit of the Company in accordance with the purposes and objectives of the Company and to represent the Company both inside and outside the Court.
    d. Within a period of no later than 90 (ninety) days after the temporary dismissal, the Board of Commissioners must convene a GMS to revoke or strengthen the decision on the temporary dismissal.
    e. With the lapse of the period of holding the GMS as referred to in letter d or the GMS cannot make a decision, the temporary dismissal will be cancelled.
    f. The limitation of authority in letter c of this paragraph is effective from the decision on temporary dismissal by the Board of Commissioners until:
        1) there is a resolution of the GMS that confirms or cancels the temporary suspension in letter d of this paragraph; or
        2) the lapse of time in letter d of this paragraph.
    g. In the GMS as referred to in letter d of this paragraph, the member of the Board of Directors concerned is given the opportunity to defend himself.
    h. Temporary suspension cannot be extended or re-established for the same reasons if the temporary suspension is declared void as referred to in letter e of this paragraph.
    i. If the GMS cancels the temporary suspension or there is a situation as referred to in letter e of this paragraph, then the member of the Board of Directors concerned must carry out his duties again as appropriate.
    j. In the event that the GMS confirms the decision on temporary dismissal, the member of the Board of Directors concerned is permanently dismissed.
    k. If the temporarily suspended member of the Board of Directors is not present at the GMS after being invited in writing, then the temporarily suspended member of the Board of Directors is deemed not to have exercised his rights to defend himself at the GMS and has accepted the GMS decision.
    l. The Company is required to disclose information to the public and submit to the OJK regarding:
        l.1. temporary dismissal decision; and
        l.2. the result of holding the GMS to revoke or strengthen the decision on the temporary dismissal as referred to in letter d of this paragraph, or information regarding the cancellation of the temporary dismissal by the Board of Commissioners due to not holding the GMS until the expiration of the period as referred to in letter e this paragraph, no later than 2 (two) working days after the occurrence of the event.
28. Members of the Board of Directors are prohibited from holding concurrent positions as mentioned below, namely:
    a. members of the Board of Directors in State-Owned Enterprises, Regional-Owned Enterprises, Private-Owned Enterprises;

b. members of the Board of Commissioners and/or the Supervisory Board of State-Owned Enterprises;
c. other structural and functional positions in central and or regional government agencies/institutions;
d. political party administrators, members of the People's Representative Council, Regional Representative Council, Level I Regional People's Representative Council, and Level II Regional People's Representative Council and/or regional heads/deputy regional heads;
e. become a candidate/member of the People's Representative Council, Regional Representative Council, Level I Regional People's Representative Council, and Level II Regional People's Representative Council or candidate for regional head/deputy regional head;
f. other positions that may cause a conflict of interest; and/or
g. other positions in accordance with the provisions of laws and regulations.

29. For concurrent positions of the Board of Directors that are not included in the provisions of paragraph (28) approval is required from the Meeting of the Board of Commissioners.

DUTIES, AUTHORITIES AND OBLIGATIONS OF
THE BOARD OF DIRECTORS
Article 12

1. The Board of Directors is in charge of carrying out all actions related to and responsible for the management of the Company for the benefit of the Company in accordance with the aims and objectives of the Company and representing the Company both inside and outside the Court on all matters and all events with restrictions as stipulated in the laws and regulations, These Articles of Association and/or GMS Resolutions.
2. In carrying out the tasks as referred to in paragraph (1), then:
   a. The Board of Directors has the rights and powers, among others:
      a.1. establish policies that are deemed appropriate in the management of the Company;
      a.2. regulate the transfer of power of the Board of Directors to represent the Company inside and outside the Court to one or several persons specifically appointed for that purpose, including the Company's employees, either individually or jointly and/or other entities;
      a.3. regulate the provisions regarding the Company's employees including the determination of wages, pensions or old-age benefits and other income for the Company's employees based on the laws and regulations;
      a.4. appoint and dismiss the Company's employees based on the Company's labor regulations and laws and regulations;
      a.5. appoint and dismiss a Corporate Secretary and/or Head of Internal Supervisory Unit with the approval of the Board of Commissioners;
      a.6. write off bad debts with the provisions as stipulated in these Articles of Association and which are subsequently reported to the Board of Commissioners and subsequently reported and accounted for in the Annual Report;
      a.7. no longer collect interest receivables, fines, fees and other receivables other than the principal carried out in the context of restructuring and/or settlement of receivables as well as other actions in the context of settling the Company's receivables with the obligation to report to the Board of Commissioners whose reporting provisions and procedures are determined by the Board Commissioner:
      a.8. take all other actions and actions regarding the management and ownership of the Company's assets, bind the Company with other parties and/or other parties with the Company, and represent the Company inside and outside the Court on all matters and all events, with restrictions as stipulated in the laws and regulations. invitation, these Articles of Association and/or GMS Resolutions.
   b. The Board of Directors is obliged to:
      b.1. seek and ensure the implementation of the Company's business and activities in accordance with the aims and objectives as well as its business activities;
      b.2. prepare in due course the Company's Long-Term Plan, Annual Work Plan and Budget and other work plans and amendments to be submitted to the Board of Commissioners and obtain approval from the Board of Commissioners;
      b.3. make a Register of Shareholders, Special Register, Minutes of GMS and Minutes of Meeting of the Board of Directors;
      b.4. make an Annual Report, which includes among others financial statements, as a form of accountability for the management of the Company, as well as the Company's financial documents as referred to in the Law on Company Documents;
      b.5. prepare the financial report in letter b.4 above based on the Financial Accounting Standards and submit it to the Public Accountant for audit;

b.6. submit the Annual Report after being reviewed by the Board of Commissioners within a period of no later than 5 (five) months after the Company's financial year ends to the GMS for approval and ratification;
b.7. provide an explanation to the GMS regarding the Annual Report;
b.8. submit the Balance Sheet and Profit and Loss Report that has been ratified by the GMS to the Minister of Law in accordance with the provisions of laws and regulations;
b.9. prepare other reports required by the provisions of laws and regulations;
b.10. maintain the Register of Shareholders, Special Register, Minutes of GMS, Minutes of Meeting of the Board of Commissioners and Minutes of Meeting of the Board of Directors, Annual Report and financial documents of the Company as referred to in letter b.4 and letter b.5 above, and other company documents;
b.11. keep at the domicile of the Company: Register of Shareholders, Special Register Minutes of GMS, Minutes of Meeting of the Board of Commissioners and Minutes of Meeting of Directors, Annual Report and financial documents of the Company as well as other company documents;
b.12. establish and maintain the bookkeeping and administration of the Company in accordance with the norms applicable to a company;
b.13. develop an accounting system in accordance with Financial Accounting Standards and based on the principles of internal control, especially the functions of management, recording, storage, and supervision;
b.14. provide periodic reports according to the method and time in accordance with the provisions, as well as other reports whenever requested by the Board of Commissioners and/or Series A Dwiwarna shareholder, with due observance of the laws and regulations, especially regulations in the Capital Market sector;
b.15. prepare the organizational structure of the Company complete with details and duties;
b.16. provide an explanation of all matters that are asked or requested by members of the Board of Commissioners and shareholders of Series A Dwiwarna, taking into account the laws and regulations, especially regulations in the Capital Market sector;
b.17. carry out other obligations in accordance with the provisions stipulated in these Articles of Association and as determined by the GMS with due observance of the laws and regulations.

3. In carrying out their duties, the Board of Directors is required to devote full energy, thought, attention and dedication to the duties, obligations and achievement of the Company's goals.
4. In carrying out their duties, members of the Board of Directors must comply with these Articles of Association and the laws and regulations and must implement the principles of professionalism, efficiency, transparency, independence, accountability, responsibility and fairness.
5. Each member of the Board of Directors is required to carry out the duties and responsibilities as referred to in paragraph (1) of this Article in good faith, full of responsibility, and prudence, for the interests and business of the Company with due observance of the laws and regulations.
6. a. Each member of the Board of Directors is jointly and severally responsible for the Company's losses caused by mistakes or negligence of members of the Board of Directors in carrying out their duties.
   b. Members of the Board of Directors cannot be held responsible for the loss of the Company as referred to in letter a, if they can prove:
      b.1. the loss is not due to his fault or negligence;
      b.2. has carried out management in good faith, full of responsibility, and prudence for the benefit and in accordance with the purposes and objectives of the Company;
      b.3. does not have a conflict of interest, either directly or indirectly, over management actions that result in losses; and
      b.4. has taken action to prevent the loss from arising or continuing.
7. i. The following actions by the Board of Directors must obtain written approval from the Board of Commissioners:
   (a). release/transfer and/or pledge the Company's assets with a value exceeding a certain amount determined by the Board of Commissioners, except for assets recorded as inventory, with due observance of the laws and regulations in the Capital Market sector;
   (b). enter into cooperation with business entities or other parties, in the form of joint operations (KSO), business cooperation (KSU), licensing cooperation, Build, Operate and Transfer (BOT), Build, Transfer and Operate (BTO), Build, Operate and Own (BOO) and other agreements of the same nature whose duration or value exceeds that stipulated by the Board of Commissioners.
   (c). determine and change the Company's logo;
   (d). determine the organizational structure of 1 (one) level below the Board of Directors;

(e). undertake equity participation, release equity participation, including changes in capital structure in other companies' subsidiaries or joint ventures, which are not in the context of saving receivables, including equity participation in other companies through subsidiaries whose funding comes from the Company, with a certain value determined by the Board of Commissioners, with due observance of regulations in the Capital Market sector;

(f). establish a subsidiary and/or joint venture with a certain value determined by the Board of Commissioners with due observance of the laws and regulations in the Capital Market sector;

(g). propose representatives of the Company to become candidates for members of the Board of Directors and the Board of Commissioners in subsidiaries that make significant contributions to the Company and/or have strategic value as determined by the Board of Commissioners.

(h). perform mergers, consolidations, takeovers, separations and dissolution of subsidiaries and joint ventures, with certain value limits determined by the Board of Commissioners with due observance of the laws and regulations in the Capital Market sector;

(i). bind the Company as guarantor (*borg* or *avalist*) with a certain value determined by the Board of Commissioners by taking into account the laws and regulations in the Capital Market sector;

(j). receive medium/long term loans and provide medium/long term loans with a certain value determined by the Board of Commissioners with due observance of the laws and regulations in the Capital Market sector;

(k). provide short/medium/long term loans that are not operational in nature, except for loans to subsidiaries that are sufficient to report to the Board of Commissioners;

(l). write off bad debts and inventories of dead goods in a value that exceeds the limit set by the Board of Commissioners;

(m). take actions that are included in material transactions as stipulated by the laws and regulations in the Capital Market sector with a certain value determined by the Board of Commissioners, unless such actions are included in material transactions that are excluded by the laws and regulations in the Capital Market sector.

(n). actions that have not been stipulated in the Company's Work Plan and Budget.

ii. Determination of limits and/or criteria by the Board of Commissioners for matters referred to in letters (a), (b), (e), (t), (g), (h). (i), (j), (k) and (l) this paragraph is made after obtaining the approval of the Series A Dwiwarna shareholder.

iii. Special approval from the Board of Commissioners regarding letters (a), (b), (e), (f), (g), (h), (i), (j), (k) and (l) with limitations and/or or certain criteria, determined after obtaining approval from the Series A Dwiwarna shareholder.

iv. The actions of the Board of Directors as referred to in letter (b) of this paragraph:

a. As long as it is necessary in the context of carrying out the main business activities that are commonly carried out in the relevant business field by taking into account the laws and regulations, it does not require the approval of the Board of Commissioners and/or GMS; and

b. As long as it is carried out with subsidiaries and affiliates that are consolidated with the Company, it does not require the approval of the Board of Commissioners, but it is enough to report it to the Board of Commissioners.

c. Including cooperation in the form of rent.

v. The actions of the Board of Directors as referred to in letter g of this paragraph, as long as the Company's Representative who is proposed to be a candidate for Member of the Board of Commissioners of a subsidiary is the Board of Directors of the Company, does not require the approval of the Board of Commissioners, but is sufficient to be reported to the Board of Commissioners.

8. Within a maximum period of 30 (thirty) days from the receipt of the application or explanation and complete documents from the Board of Directors, the Board of Commissioners must provide the decision as referred to in paragraph (7) of this Article.

9. The Board of Directors is required to seek GMS approval for:

a. transfers the Company's assets; or

b. make collateral for the Company's assets debt; which constitutes more than 50% (fifty percent) of the total net assets of the Company in 1 (one) transaction or more, whether related to each other or not, except as the executor of the Company's business activities, in accordance with Article 3 of these Articles of Association.

10. a. The following actions can only be carried out by the Board of Directors after receiving a written response from the Board of Commissioners and obtaining approval from the GMS for:

a.1. take actions that are included in material transactions as stipulated by the laws and regulations in the Capital Market sector with a value above 50% (fifty percent) of the Company's equity, unless the actions are included in material transactions that are excluded by the laws and regulations in the Capital Market.

a.2. conduct transactions that contain conflicts of interest as stipulated in the laws and regulations in the Capital Market sector.
a.3. perform other transactions in order to comply with the laws and regulations in the Capital Market.

b. If within 30 (thirty) days after receiving the application or explanation and documents from the Board of Directors, the Board of Commissioners does not provide a written response, then the GMS may issue a decision without a written response from the Board of Commissioners.

11. The legal actions as referred to in paragraph (9) and paragraph (10) above which are carried out without the approval of the GMS, remain binding on the Company as long as the other party in the legal action has good intentions.
12. The GMS may reduce restrictions on the actions of the Board of Directors as regulated in these Articles of Association or determine other restrictions on the Board of Directors other than those stipulated in these Articles of Association.
13. Management policy is determined in the Meeting of the Board of Directors.
14. In order to carry out the management of the Company, each member of the Board of Directors has the right and authority to act for and on behalf of the Board of Directors and represent the Company in accordance with the policies and authorities of the management of the Company which are determined based on the decision of the Board of Directors.
15. If it is not stipulated otherwise in the Company's management policy as referred to in paragraph (14), the President Director has the right and authority to act for and on behalf of the Board of Directors and to represent the Company, both inside and outside the Court.
16. a. If the President Director is absent or unavailable for any reason, which does not need to be proven to a third party, the Vice President Director is authorized to act for and on behalf of the Board of Directors and carry out the duties of the President Director or the President Director appoints in writing one of the members of the Board of Directors who is authorized to act for and on behalf of the Board of Directors and carry out the duties of the President Director and/or Vice President Director if at the same time the Vice President Director is absent or unavailable.
    b. If the Vice President Director is absent or unavailable for any reason, which does not need to be proven to a third party, the Vice President Director shall appoint in writing a member of the Board of Directors who is authorized to carry out the duties of the Vice President Director or the Vice President Director shall appoint in writing a member of the Board of Directors authorized to act for and on behalf of the Board of Directors and carry out the duties of the President Director and/or Vice President Director if, in the first instance, the President Director is absent or unavailable.
    c. If the GMS does not appoint a Vice President Director, in the event that the President Director is absent or unavailable for any reason, which does not need to be proven to a third party, the President Director shall appoint in writing a member of the Board of Directors who is authorized to act for and on behalf of the Board of Directors and carry out the duties of the President Director.
17. In the event that the President Director does not make an appointment, the member of the Board of Directors who has served the longest in office is authorized to act for and on behalf of the Board of Directors and carry out the duties of the President Director.
18. The Board of Directors for certain actions on their own responsibility, has the right to appoint one or more persons as representatives or proxies, by granting them or them the power to carry out certain actions as regulated in a power of attorney.
19. The division of duties and authorities of each member of the Board of Directors is determined by the GMS. In the event that the GMS does not determine the division of duties and authorities, the division of duties and authorities among the Board of Directors is determined based on the decision of the Board of Directors.
20. The Board of Directors in managing the Company carries out the instructions given by the GMS as long as it does not conflict with the laws and regulations and/or these Articles of Association.
21. Members of the Board of Directors are not authorized to represent the Company if:
    a. There is a case in Court between the Company and the relevant member of the Board of Directors; or
    b. The member of the Board of Directors concerned has interests that conflict with the interests of the Company.
22. In the event that there are conditions as referred to in paragraph (21) who are entitled to represent the Company are:
    a. other members of the Board of Directors who do not have a conflict of interest with the Company;
    b. the Board of Commissioners in the event that all members of the Board of Directors have a conflict of interest with the Company; or
    c. other parties appointed by the GMS in the event that all members of the Board of Directors or Board of Commissioners have a conflict of interest with the Company.

MEETING OF THE BOARD OF DIRECTORS
Article 13

1. The Board of Directors is required to hold a Meeting of the Board of Directors periodically at least 1 (one) time in every month.
2. The Board of Directors shall hold a meeting of the Board of Directors together with the Board of Commissioners periodically at least 1 (one) time in 4 (four) months.
3. Meetings of the Board of Directors may be held at any time if:
   a. deemed necessary by one or more members of the Board of Directors;
   b. at the written request of one or more members of the Board of Commissioners.
4. The invitations for the Meeting of the Board of Directors must be made by a member of the Board of Directors who is entitled to represent the Board of Directors according to the provisions of Article 12 of these Articles of Association.
5. a. Invitations for a meeting of the Board of Directors must be made in writing and delivered or submitted directly to each member of the Board of Directors with an adequate receipt, or by registered post or by courier service or by telex, facsimile or electronic mail (e-mail) no later than 5 (five) days. before the meeting is held, without taking into account the date of the invitations and the date of the meeting or in a shorter time if in an urgent situation.
   b. The invitations as mentioned above are not required for meetings that have been scheduled based on the decisions of the Meeting of the Board of Directors previously held or if all members of the Board of Directors are present at the meeting.
6. Invitation to the Meeting of the Board of Directors must include the agenda, date, time and place of the meeting. Meetings of the Board of Directors may be held at the domicile of the Company or in other places within the territory of the Republic of Indonesia or at the place of business activities of the Company.
7. All Meeting of the Board of Directors are chaired by the President Director, if the President Director is absent or unavailable, the Vice President Director shall chair the Meeting of the Board of Directors; or the Meeting of the Board of Directors will be chaired by a Director appointed in writing by the President Director if at the same time the Vice President Director was absent or unavailable; or the Meeting of the Board of Directors will be chaired by a Director who is appointed by the Vice President Director if at the same time the President Director is absent or unavailable and does not make such appointment.
8. If the GMS does not appoint a Vice President Director, then in the event that the President Director is absent or unavailable, one of the Directors appointed in writing by the President Director shall chair the Meeting of the Board of Directors.
9. In the event that the President Director does not make an appointment, then one of the members of the Board of Directors who has served the longest as a member of the Board of Directors shall chair the Meeting of the Board of Directors.
10. In the event that the Director who is longest serving as a member of the Board of Directors of the Company is more than 1 (one) person, then the Director as referred to in paragraph (9) who is oldest in age shall act as chairman of the Meeting of the Board of Directors.
11. A member of the Board of Directors may be represented at the Meeting of the Board of Directors only by another member of the Board of Directors based on a power of attorney. A member of the Board of Directors may only represent another member of the Board of Directors.
12. A member of the Board of Directors who is unable to attend a meeting of the Board of Directors may submit his opinion in writing and signed, then submitted to the President Director or Vice President Director or to other members of the Board of Directors who will chair the Meeting of the Board of Directors, regarding whether he supports or does not support the matter will be discussed and this opinion will be considered as a validly cast vote in the Meeting of the Board of Directors.
13. Meetings of the Board of Directors are valid and have the right to make binding decisions if attended and/or represented by more than 1/2 (half) of the total members of the Board of Directors.
14. In the event that there is more than one proposal, then a re-election shall be conducted so that one of the proposals obtains more than 1/2 (half) of the votes cast.
15. Decisions of the Meeting of the Board of Directors must be taken based on deliberation for consensus. If a decision based on deliberation for consensus is not reached, then the decision must be taken by voting based on the affirmative vote of more than 1/2 (half) of the number of valid votes cast at the relevant meeting.
16. In the Meeting of the Board of Directors, each member of the Board of Directors is entitled to cast 1 (one) vote and an additional 1 (one) vote for each other member of the Board of Directors legally represented at the meeting.
17. A blank vote (abstain) is deemed to have approved the proposal submitted at the meeting. Invalid votes are considered non-existent and are not counted in determining the number of votes cast at the meeting.

18. Voting regarding individuals is carried out by closed ballot without a signature, while voting on other matters is conducted verbally, unless the Chairperson of the Meeting determines otherwise without any objections based on a majority vote of those present.
19. a. The results of the Meeting of the Board of Directors as referred to in paragraph (1) of this Article must be stated in the Minutes of the Meeting. Minutes of the Meeting must be prepared by a person present at the Meeting of the Board of Directors who is appointed by the Chairman of the Meeting and then signed by all members of the Board of Directors present and submitted to all members of the Board of Directors.
    b. The results of the Meeting of the Board of Directors as referred to in paragraph (2) of this Article must be stated in the Minutes of the Meeting. Minutes of the Meeting must be prepared by a person present at the Meeting of the Board of Directors who is appointed by the Chairperson of the Meeting and then signed by all members of the Board of Directors and members of the Board of Commissioners present and submitted to all members of the Board of Directors and members of the Board of Commissioners
    c. In the event that a member of the Board of Directors and/or a member of the Board of Commissioners does not sign the results of the Meeting of the Board of Directors as referred to in letters a and b, the person concerned must state the reasons in writing in a separate letter attached to the Minutes of the Meeting.
    d. Minutes of the Meeting of the Board of Directors as referred to in letter a and letter b of this paragraph must be documented by the Company.
    e. Minutes of the Meeting of the Board of Directors are valid evidence for members of the Board of Directors and for third parties regarding the decisions taken at the relevant Meeting of the Board of Directors.
20. a. The Board of Directors may also make valid decisions without holding a Meeting of the Board of Directors provided that all members of the Board of Directors have been notified in writing and all members of the Board of Directors have given their approval of the proposal submitted in writing and signed the agreement
    b. Decisions taken in this way have the same power as decisions taken legally at the Meeting of the Board of Directors.
21. In the event that a member of the Board of Directors is unable to attend the meeting physically, then the member of the Board of Directors may attend the meeting by means of teleconference, video conference, or other electronic media facilities, in accordance with the provisions.
22. Every member of the Board of Directors who personally in any way, directly or indirectly, has an interest in a transaction, contract or proposed contract in which the Company is a party must be declared the nature of his interest in a Meeting of the Board of Directors and therefore is not entitled to participate in voting on matters relating to the transaction or contract.

BOARD OF COMMISSIONERS
Article 14

1. a. The supervision of the Company is carried out by the Board of Commissioners whose number is adjusted to the needs of the Company, consisting of at least 2 (two) people, one of whom is appointed as the President Commissioner, and if necessary one of them can be appointed as the Vice President Commissioner.
   b. The Board of Commissioners consists of Commissioners and Independent Commissioners. The number of Independent Commissioners is in accordance with the laws and regulations.
2. The Board of Commissioners is an assembly and each member of the Board of Commissioners cannot act alone, but based on the decision of the Board of Commissioners.
3. Requirements for members of the Board of Commissioners must comply with the following provisions:
    a. UUPT;
    b. laws and regulations in the Capital Market sector; and
    c. other laws and regulations applicable to and related to the Company's business activities.
4. Those who can be appointed as members of the Board of Commissioners are individuals who meet the requirements at the time of appointment and during their tenure:
    a. has good character, morals, and integrity;
    b. capable of carrying out legal actions;
    c. within 5 (five) years prior to the appointment and while serving:
        1) have never been declared bankrupt;
        2) have never been a member of the Board of Directors and/or a member of the Board of Commissioners who was found guilty of causing a company to be declared bankrupt;
        3) have never been convicted of a criminal act that is detrimental to state finances and/ related to the financial sector;
        4) have never been a member of the Board of Directors and/or a member of the Board of Commissioners who during his tenure:

a) have ever failed holding an Annual GMS;
b) their responsibilities as members of the Board of Directors and/or members of the Board of Commissioners have ever failed to be accepted by the GMS or have not provided accountability as members of the Board of Directors and/or members of the Board of Commissioners to the GMS; and
c) have caused a company that has obtained a permit, approval, or registration from the OJK to fail to fulfill the obligation to submit an Annual Report and/or financial report to the OJK.

d. have a commitment to comply with the laws and regulations:
e. have knowledge and/or expertise in the fields required by the Company; and
f. meet other requirements as specified in paragraph (3) of this Article.

5. The fulfillment of the requirements as referred to in paragraph (4) of this Article must be contained in a statement letter signed by the candidate for the Board of Commissioners and the letter submitted to the Company. The statement letter must be examined and documented by the Company.
6. The Company is required to hold a GMS to replace members of the Board of Commissioners who do not meet the requirements.
7. The appointment of a member of the Board of Commissioners who does not meet the requirements as referred to in paragraph (3) of this Article, is null and void by law from the moment the other member of the Board of Commissioners or the Board of Directors finds out that the requirements have not been fulfilled, based on valid evidence, and the member of the Board of Commissioners concerned is notified in writing, taking into account the laws and regulations.
8. Within a period of no later than 2 (two) working days from the date of finding out that the appointment of a member of the Board of Commissioners does not meet the requirements, another member of the Board of Commissioners must announce the cancellation of the appointment of the member of the Board of Commissioners concerned in the announcement media with due observance of regulations in the Capital Market sector and at the latest. no later than 7 (seven) days notifying the Minister of Law to be recorded in accordance with the laws and regulations.
9. Legal actions that have been taken for and on behalf of the Company by members of the Board of Commissioners who do not meet the requirements prior to the cancellation of the appointment of members of the Board of Commissioners remain binding and become the responsibility of the Company.
10. Legal actions taken for and on behalf of the Company by members of the Board of Commissioners who do not meet the requirements after the cancellation of the appointment as referred to in paragraph (7) of this Article are invalid and become the personal responsibility of the member of the Board of Commissioners concerned.
11. In addition to meeting the criteria as referred to in paragraphs (3) and (4) of this Article, the appointment of members of the Board of Commissioners is carried out by considering integrity, dedication, understanding of company management issues related to one of the management functions, having adequate knowledge in the field of the Company's business, and can provide sufficient time to carry out its duties and other requirements based on the laws and regulations.
12. The members of the Board of Commissioners are appointed and dismissed by the GMS, where the GMS is attended by the Shareholders of Series A Dwiwarna and the decision of the Meeting must be approved by the Shareholders of Series A Dwiwarna. The members of the Board of Commissioners are appointed by the GMS from the candidates proposed by the Series A Dwiwarna shareholder, which nomination is binding for the GMS.
13. The decision of the GMS regarding the appointment and dismissal of members of the Board of Commissioners shall also determine the effective date of the appointment and dismissal. In the event that the GMS does not determine, the appointment and dismissal of the members of the Board of Commissioners shall take effect as of the closing of the GMS.
14. a. The members of the Board of Commissioners are appointed for a period commencing from the date determined by the GMS that appointed them and ends at the close of the 5th (fifth) Annual GMS after the date of their appointment, provided that they may not exceed a period of 5 (five) years, with taking into account the laws and regulations in the Capital Market sector, but without prejudice to the rights of the GMS at any time to dismiss such members of the Board of Commissioners before their term of office ends.
    b. After their term of office ends, members of the Board of Commissioners may be reappointed by the GMS for one term.
15. Members of the Board of Commissioners may be dismissed at any time based on the decision of the GMS by stating the reasons.
16. The reason for the dismissal of a member of the Board of Commissioners as referred to in paragraph (15) is carried out if based on the facts, the member of the Board of Commissioners concerned includes:
    a. unable to carry out their duties properly.
    b. violates the provisions of these Articles of Association and/or laws and regulations.

   c. involved in actions that are detrimental to the Company and/or the state;
   d. takes actions that violate ethics and/or propriety that should be respected as a member of the Board of Commissioners.
   e. found guilty by a court decision that has permanent legal force,
   f. resigns.

17. In addition to the reasons for dismissing members of the Board of Commissioners as referred to in paragraph (16) letters a to f, members of the Board of Commissioners may be dismissed by the GMS based on other reasons deemed appropriate by the GMS for the interests and objectives of the Company.
18. The decision to dismiss for reasons as referred to in paragraph (16) letter a, letter b, letter c, letter d and paragraph (17), is taken after the person concerned is given the opportunity to defend himself in the GMS.
19. Dismissal for reasons as referred to in paragraph (16) letter c and letter e of this Article is a dismissal with no respect.
20. Between members of the Board of Commissioners and between members of the Board of Commissioners and members of the Board of Directors, it is prohibited to have family relationships up to the third degree, either vertically or horizontally, including relationships arising from marriage.
21. In the event of a situation as referred to in paragraph (20), the GMS has the authority to dismiss one of them.
22. The division of work among the members of the Board of Commissioners is regulated by themselves, and for the smooth running of its duties the Board of Commissioners may be assisted by the Secretary of the Board of Commissioners who is appointed by the Board of Commissioners.
23. If at any time for any reason one or more positions of the Board of Commissioners are vacant:
    a. A GMS must be held to fill the vacant position if there are less than 2 (two) members of the Board of Commissioners, one of which is the President Commissioner or the vacant position is the President Commissioner.
    b. The GMS as referred to in letter a is held no later than 90 (ninety) days after the occurrence of the vacancy as referred to in letter a.
24. If at any time for any reason all the positions of the members of the Board of Commissioners of the Company are vacant, the holders of the Series A Dwiwarna share may temporarily appoint an executor of the duties of members of the Board of Commissioners to carry out the work of the Board of Commissioners with the same authority, provided that within 90 (ninety) days after the vacancy occurs, a GMS must be held to fill the vacancy for the position of the Board of Commissioners.
25.
    a. A member of the Board of Commissioners has the right to resign from his/her position before the end of his/her term of office by giving written notification of his/her intention to the Company.
    b. The Company is required to hold a GMS to decide on the application for resignation of members of the Board of Commissioners within a period of no later than 90 (ninety) days after receipt of the resignation letter.
    c. The Company is obligated to disclose information to the public and submit it to the OJK no later than 2 (two) working days after the receipt of the request for resignation of the members of the Board of Commissioners as referred to in letter a of this paragraph and the results of the GMS as referred to in letter b.
    d. Before the resignation becomes effective, the relevant member of the Board of Commissioners is still obliged to complete his duties and responsibilities in accordance with these Articles of Association and the laws and regulations.
    e. Members of the Board of Commissioners who resign as mentioned above can still be held accountable as members of the Board of Commissioners from the appointment in question until the date of approval of his resignation at the GMS.
    f. The resignation of the resigning member of the Board of Commissioners is given after the Annual GMS releases him.
    g. In the event that a member of the Board of Commissioners resigns so that the number of members of the Board of Commissioners becomes less than 2 (two) people, then the resignation is valid if it has been determined by the GMS and a new member of the Board of Commissioners has been appointed, thus meeting the minimum requirements for the number of members of the Board of Commissioners.
26. The position of a member of the Board of Commissioners ends when:
    a. his resignation has been effective as referred to in paragraph (25) letter b;
    b. dies;
    c. his term of office ends;
    d. dismissed based on the GMS;
    e. declared bankrupt by the Commercial Court which has permanent legal force or is placed under guardianship based on a court decision; or
    f. no longer meets the requirements as a member of the Board of Commissioners based on these Articles of Association and other laws and regulations.

27. The provisions as referred to in paragraph (26) letter f include but are not limited to concurrent positions that are prohibited.
28. For members of the Board of Commissioners who resign before or after their term of office ends, unless they resign due to death, then the person concerned remains responsible for his actions whose accountability has not been accepted by the GMS.
29. Members of the Board of Commissioners are prohibited from holding concurrent positions as:
    a. members of the Board of Directors in State-Owned Enterprises, Regional-Owned Enterprises, Private-Owned Enterprises;
    b. political party administrators and/or candidates/members of the People's Representative Council, Regional Representative Council, Level I Regional People's Representative Council and Level II Regional People's Representative Council and/or candidates for regional head/deputy regional head;
    c. other positions in accordance with the provisions of laws and regulations; and/or
    d. other positions that may give rise to a conflict of interest.
30. Members of the Board of Commissioners are given honorarium and allowances/facilities including *tantiem* and post-service benefits, the types and amounts of which are determined by the GMS with due observance of the laws and regulations.

DUTIES, AUTHORITIES AND OBLIGATIONS OF
THE BOARD OF COMMISSIONERS
Article 15

1. The Board of Commissioners is in charge of supervising management policies, the course of management in general both regarding the Company and the Company's business carried out by the Board of Directors as well as providing advice to the Board of Directors including supervision of the implementation of the Company's Long-Term Plan, Work Plan and Company's Budget as well as the provisions of these Articles of Association and The resolutions of the GMS, as well as the laws and regulations, are for the benefit of the Company and in accordance with the aims and objectives of the Company.
2. In carrying out the tasks as referred to in paragraph (1) then:
    a. The Board of Commissioners is authorized to:
        a.1. examine books, letters, and other documents, examine cash for verification purposes and other securities and examine the assets of the Company;
        a.2. enter the premises, building, and office used by the Company;
        a.3. request an explanation from the Board of Directors and/or other officials regarding all issues related to the management of the Company;
        a.4. acknowledge all policies and actions that have been and will be carried out by the Board of Directors;
        a.5. ask the Board of Directors and/or other officials under the Board of Directors with the knowledge of the Board of Directors to attend the Meeting of the Board of Commissioners;
        a.6. appoint and dismiss a Secretary to the Board of Commissioners;
        a.7. temporarily dismiss members of the Board of Directors in accordance with the provisions of these Articles of Association;
        a.8. establish the Audit Committee, Remuneration and Nomination Committee, Risk Monitoring Committee and other committees, if deemed necessary by taking into account the company's capabilities;
        a.9. use experts for certain matters and for a certain period of time at the expense of the Company, if deemed necessary;
        a.10. take actions to manage the Company under certain conditions for a certain period of time in accordance with the provisions of these Articles of Association;
        a.11. approve the appointment and dismissal of the Corporate Secretary and/or the Head of the Internal Control Unit;
        a.12. attend the Meeting of the Board of Directors and provide views on the matters discussed;
        a.13. carry out other supervisory authorities as long as they do not conflict with the laws and regulations, the Articles of Association, and/or the resolutions of the GMS.
    b. The Board of Commissioners is obliged to:
        a.1. provide advice to the Board of Directors in carrying out the management of the Company;
        a.2. provide opinion and approval of the Company's Annual Work Plan and Budget as well as other work plans prepared by the Board of Directors, in accordance with the provisions of these Articles of Association;
        a.3. following the development of the Company's activities, providing opinions and suggestions to the GMS regarding any issues deemed important to the management of the Company;

a.4. report to the Series A Dwiwarna shareholder if there are signs of a decline in the Company's performance;
a.5. propose to the GMS the appointment of a Public Accountant who will conduct an examination of the Company's books;
a.6. examine and review periodic reports and Annual Reports prepared by the Board of Directors and sign the Annual Report;
a.7. provide explanations, opinions and suggestions to the GMS regarding the Annual Report, if requested;
a.8. make the minutes of the meeting of the Board of Commissioners and keep a copy thereof;
a.9. report to the Company regarding the ownership of their shares and/or their families in the said Company and other companies;
a.10. provide a report on the supervisory duties that have been carried out during the last financial year to the GMS;
a.11. provide an explanation of all matters asked or requested by the Series A Dwiwarna shareholder by taking into account the laws and regulations, especially those applicable in the Capital Market sector;
a.12. carry out other obligations in the context of supervisory duties and providing advice, as long as they do not conflict with the laws and regulations, the Articles of Association, and/or the resolutions of the GMS.

3. In carrying out these duties, each member of the Board of Commissioners must:
   a. complies with these Articles of Association and laws and regulations as well as the principles of professionalism, efficiency, transparency, independence, accountability, responsibility, and fairness;
   b. in good faith, prudently and responsibly in carrying out the duties of supervising and providing advice to the Board of Directors for the benefit of the Company and in accordance with the purposes and objectives of the Company.
4. Under certain conditions, the Board of Commissioners is required to hold the Annual GMS and other GMS in accordance with its authority as stipulated in the laws and regulations and these Articles of Association.
5. a. Each member of the Board of Commissioners is jointly and severally responsible for the Company's losses caused by mistakes or negligence of members of the Board of Commissioners in carrying out their duties.
   b. Members of the Board of Commissioners cannot be held responsible for the loss of the Company as referred to in letter a, if they can prove:
      1) the loss is not due to his fault or negligence;
      2) has carried out supervision in good faith, full of responsibility, and prudence for the benefit and in accordance with the purposes and objectives of the Company;
      3) does not have a conflict of interest, either directly or indirectly, over supervisory actions that result in losses; and
      4) has taken action to prevent the occurrence or continuation of the loss.

MEETING OF THE BOARD OF COMMISSIONERS
Article 16

1. All decisions of the Board of Commissioners are taken at the Meeting of the Board of Commissioners.
2. The Board of Commissioners must hold a meeting at least 1 (one) time in 12 (two) months.
3. The Board of Commissioners must hold regular meetings with the Board of Directors at least 1 (one) time in 4 (four) months.
4. The Board of Commissioners may hold a meeting at any time at the request of 1 (one) or several members of the Board of Commissioners or the Board of Directors, stating the matters to be discussed.
5. Invitations for the Meeting of the Board of Commissioners must be made by the President Commissioner. In the event that the President Commissioner is absent, which does not need to be proven to a third party, the invitations for a meeting shall be made by the Vice President Commissioner. In the event that the Vice President Commissioner is unavailable due to any reason, which does not need to be proven to a third party, the invitations for a meeting shall be made by a member of the Board of Commissioners
6. a. The invitation to the Meeting of the Board of Commissioners must be made in writing and delivered or submitted directly to each member of the Board of Commissioners with an adequate receipt, or by registered post or by courier service or by telex, facsimile or electronic mail (e-mail) no later than 5 (five) days before the meeting is held, without taking into account the date of the invitations and the date of the meeting, or in a shorter time if in an urgent situation.
   b. The invitations as mentioned above are not required for meetings that have been scheduled based on the decisions of the Meeting of the Board of Commissioners previously held.

7. Invitation to the Meeting of the Board of Commissioners must include the agenda, date, time and place of the meeting. Meetings of the Board of Commissioners are held at the domicile of the Company or in other places within the territory of the Republic of Indonesia or at the place of business activities of the Company.
8. All Meeting of the Board of Commissioners are chaired by the President Commissioner.
9.
   a. In the event that the President Commissioner is absent or unavailable, the Vice President Commissioner shall chair the Meeting of the Board of Commissioners; or the Meeting of the Board of Commissioners will be chaired by a member of the Board of Commissioners appointed by the President Commissioner if at the same time the Vice President Commissioner is absent or unavailable; or the Meeting of the Board of Commissioners will be chaired by a member of the Board of Commissioners who is appointed by the Vice President Commissioner if at the same time the President Commissioner is absent or unavailable and does not make appointment.
   b. If the GMS does not appoint a Vice President Commissioner, in the event that the President Commissioner is absent or unavailable, the Meeting of the Board of Commissioners shall be chaired by another member of the Board of Commissioners appointed by the President Commissioner.
10. In the event that the President Commissioner does not make an appointment, then one of the members of the Board of Commissioners Directors who has served the longest as a member of the Board of Commissioners shall chair the Meeting of the Board of Commissioners
11. Meetings of the Board of Commissioners are valid and have the right to make binding decisions if attended and/or represented by more than 1/2 (half) of the total members of the Board of Commissioners.
12. In the event that there is more than one member of the Board of Commissioners who has served the longest as a member of the Board of Commissioners, then the oldest member of the Board of Commissioners as referred to in paragraph (10) of this Article shall act as chairman of the meeting.
13. In the event that there is more than one proposal, then a re-election will be conducted so that one of the proposals receives more than 1/2 (half) of the total votes cast.
14. In a meeting of the Board of Commissioners, each member of the Board of Commissioners is entitled to cast 1 (one) vote and an additional 1 (one) vote for each other member of the Board of Commissioners legally represented at the meeting.
15. A blank vote (abstain) is deemed to have approved the proposal submitted at the meeting. Invalid votes are considered non-existent and are not counted in determining the number of votes cast at the meeting.
16. Voting concerning individuals shall be conducted by means of a closed ballot without a signature. while voting on other matters is conducted orally, unless the Chairperson of the Meeting determines otherwise without any objections based on the majority vote of those present.
17. Resolutions of the Meeting of the Board of Commissioners must be taken based on deliberation for consensus. If a decision based on deliberation for consensus is not reached, then the decision must be taken by voting based on the affirmative vote of more than 1/2 (half) of the number of valid votes cast at the relevant meeting.
18.
   a. The results of the Meeting as referred to in paragraph (2) of this Article must be stated in the Minutes of the Meeting. Minutes of the Meeting must be prepared by a person present at the meeting appointed by the Chairperson of the Meeting and then signed by all members of the Board of Commissioners present and submitted to all members of the Board of Commissioners.
   b. The results of the meeting as referred to in paragraph (3) of this Article must be stated in the Minutes of the Meeting. Minutes of the Meeting must be prepared by a person present at the meeting who is appointed by the Chairperson of the Meeting and then signed by all members of the Board of Commissioners and members of the Board of Directors present and submitted to all members of the Board of Commissioners and members of the Board of Directors.
   c. In the event that a member of the Board of Commissioners and/or a member of the Board of Directors does not sign the results of the meeting as referred to in letters a and b, the person concerned must state the reasons in writing in a separate letter attached to the Minutes of the Meeting.
   d. Minutes of Meeting as referred to in letter a and letter b must be documented by the Company.
   e. Minutes of the Meeting of the Board of Commissioners are valid evidence for the members of the Board of Commissioners and for third parties regarding the decisions taken at the relevant meeting.
19.
   a. The Board of Commissioners may also make valid decisions without holding a Meeting of the Board of Commissioners provided that all members of the Board of Commissioners have been notified in writing and all members of the Board of Commissioners have given their approval of the proposal submitted in writing and signed the agreement.
   b. Decisions taken in this way have the same power as decisions taken legally in the Meeting of the Board of Commissioners.
20. In the event that a member of the Board of Commissioners is unable to attend the meeting physically, the member of the Board of Commissioners may attend the meeting by means of teleconference, video conference, or other electronic media facilities in accordance with the provisions.

21. Every member of the Board of Commissioners who personally in any way, directly or indirectly, has an interest in a transaction, contract or proposed contract in which the Company is a party, must state the nature of his interest in a meeting of the Board of Commissioners and is not entitled to participate in voting on matters relating to the transaction or contract.

ANNUAL WORK PLAN AND BUDGET
Article 17

1. The Board of Directors is required to prepare the Company's Annual Work Plan and Budget for each financial year, which at least contains:
   a. mission, business objectives, business strategy, company policies, and work programs/activities;
   b. the Company's budget which is detailed for each work program/activity budget;
   c. financial projections of the Company and its subsidiaries; and
   d. other matters that require the decision of the Board of Commissioners.
2. The Board of Commissioners is required to prepare a work program for the Board of Commissioners which is an integral part of the Company's Annual Work Plan and Budget prepared by the Board of Directors as referred to in paragraph (1).
3. The draft of the Company's Annual Work Plan and Budget which has been signed by all members of the Board of Directors shall be submitted to the Board of Commissioners, no later than 30 (thirty) days before the start of the new financial year or within the time stipulated in the laws and regulations, for approval. Board of Commissioners.
4. The draft of the Company's Annual Work Plan and Budget is approved by the Board of Commissioners no later than 30 (thirty) days after the current fiscal year (the year of the relevant Company's Annual Work Plan and Budget) or within the time stipulated in the laws and regulations.
5. In the event that the draft of the Company's Work Plan and Budget has not been submitted by the Board of Directors and/or the Company's Work Plan and Budget has not been approved within the period as referred to in paragraph (4), the previous year's Company's Work Plan and Budget shall apply.

FINANCIAL YEAR AND ANNUAL REPORT
Article 18

1. The Company's financial year runs from the 1st (first) January to 31st (thirty-first) December of the same year. At the end of December each year, the Company's books are closed.
2. The Board of Directors is required to prepare an Annual Report which contains at least:
   a. an overview of important financial data;
   b. stock information (if any);
   c. Board of Directors report;
   d. the report of the Board of Commissioners;
   e. Company profile;
   f. management analysis and discussion;
   g. corporate governance;
   h. the Company's social and environmental responsibility;
   i. audited annual financial report;
   j. statement letter from members of the Board of Directors and members of the Board of Commissioners regarding the responsibility for the Annual Report.
3. The Board of Commissioners is required to compile a report on the supervisory duties that have been carried out by the Board of Commissioners during the last financial year which is an integral part of the Annual Report prepared by the Board of Directors as referred to in paragraph (2).
4. The draft Annual Report including the financial statements that have been audited by a public accountant, which has been signed by all members of the Board of Directors shall be submitted to the Board of Commissioners for review and signature prior to submission to the Annual GMS for approval and approval.
5. The Annual Report as referred to in paragraph (2) of this Article which has been signed by all members of the Board of Directors and all members of the Board of Commissioners shall be submitted by the Board of Directors to the Annual GMS no later than 5 (five) months after the end of the Fiscal Year with due observance of the provisions.
6. In the event that a member of the Board of Directors and the Board of Commissioners does not sign the said Annual Report, the reasons must be stated in writing or the reasons stated by the Board of Directors in a separate letter attached to the Annual Report.
7. In the event that a member of the Board of Directors or a member of the Board of Commissioners does not sign the Annual Report as referred to in paragraph (5) of this Article and does not provide a written reason, the person concerned is deemed to have approved the contents of the Annual Report.

8. The approval of the Annual Report, including the ratification of the financial statements as referred to in paragraph (4) of this Article, shall be carried out by the Annual GMS no later than the end of the 5th (fifth) month after the end of the financial year.
9. Approval of the Annual Report, including the ratification of the financial statements as well as the report on the supervisory duties of the Board of Commissioners and the decision on the use of profits are determined by the GMS.
10. Approval of the Annual Report, including the report on supervisory duties by the Board of Commissioners and ratification of the financial statements by the Annual GMS, means granting settlement and release to members of the Board of Directors and members of the Board of Commissioners for the management and supervision that have been carried out during the past financial year, to the extent that such actions evident in the Annual Report including financial reports, reports on supervisory duties by the Board of Commissioners, and in accordance with the provisions.
11. The Annual Report including the financial statements as referred to in paragraph (4) must be provided at the Company's head office from the date of invitation until the date of the Annual GMS.
12. The Company is obliged to publish financial reports including Balance Sheet and Profit/Loss Report in Indonesian language newspapers and with national circulation according to the procedures as regulated in the laws and regulations in the Capital Market sector.

REPORTING
Article 19

1. The Board of Directors is required to prepare periodic reports containing the implementation of the Company's Work Plan and Budget.
2. Periodic reports as referred to in paragraph (I) include quarterly reports and annual reports.
3. In addition to the periodic reports as referred to in paragraph (2), the Board of Directors may at any time also provide special reports to the Board of Commissioners.
4. Periodic reports and other reports as referred to in paragraphs (1) and (3), shall be submitted in the form, content and procedures for preparation in accordance with the laws and regulations.
5. The Board of Directors must submit a quarterly report to the Board of Commissioners no later than 30 (thirty) days after the end of the quarterly period.

GENERAL MEETING OF SHAREHOLDERS
Article 20

1. GMS in the Company are:
   a. Annual GMS, as referred to in Article 21 of these Articles of Association.
   b. Another GMS is the GMS which is held at any time based on the need as stipulated in Article 22 of these Articles of Association. GMS in these Articles of Association means both the “Annual GMS” and “other GMS”, unless expressly stated otherwise.
3. In addition to the implementation of the GMS as referred to in the OJK Regulation regarding the plan and implementation of the Company's GMS, the Company may conduct the GMS electronically in accordance with the regulations in the Capital Market sector.
4. The Company may conduct the GMS electronically (hereinafter referred to as **“e-GMS”**) by using the e-GMS provided by:
   a. Depository and Settlement Institution appointed by the regulator in the Capital Market sector;
   b. e-GMS provider, namely the party providing and managing e-GMS; or
   c. Company;

   as specifically regulated in the regulations in the Capital Market sector.
5. The Board of Directors holds the Annual GMS and other GMS. GMS may be held at the request of the shareholders or the Board of Commissioners with due observance of the provisions in paragraph (6).
6. Requests for the holding of the GMS by the Shareholders or the Board of Commissioners:
   a. The holding of the GMS can be carried out at the request of:
      i. Series A Dwiwarna Shareholder;
      ii. Board of Commissioners; or
      iii. The request of one person or jointly represents 1/10 (one tenth) or more of the total number of shares issued by the Company with valid voting rights, by complying with the provisions of these Articles of Association and the laws and regulations.
   b. The request for holding a GMS in letter a is submitted to the Board of Directors by registered letter accompanied by the reasons with a copy to the Board of Commissioners.
   c. The request for holding a GMS in letter a of this paragraph must:
      1) be done in good faith;
      2) consider the interests of the Company;
      3) be accompanied by reasons and materials related to matters that must be decided in the GMS;

4) not have conflict with the laws and regulations and these Articles of Association;

d. The proposal for holding a GMS from the shareholders as referred to in letter a of this paragraph must be a request that requires a GMS decision and according to the assessment of the Board of Directors has met the requirements in letter c.

e. The Board of Directors is required to make an announcement of the GMS to the shareholders within a period of no later than 15 (fifteen) days as of the date the request for holding the GMS as referred to in letter a paragraph is received by the Board of Directors.

f. In the event that the Board of Directors does not make the announcement of the GMS as referred to in letter e, the shareholders may re-submit the request for holding the GMS to the Board of Commissioners.

g. The Board of Commissioners is required to make announcements of the GMS to shareholders within a period of no later than 15 (fifteen) days from the date the request for holding the GMS in letter f is received by the Board of Commissioners.

h. In the event that the Board of Directors or Board of Commissioners does not make the announcement of the GMS within the period as referred to in letter e of this paragraph and letter g, the Board of Directors or Board of Commissioners must announce:
   1) that there is a request for holding a GMS from the shareholders as referred to in letter a of this paragraph; and
   2) the reason for not holding the GMS.

i. The announcement as referred to in letter h is made within a period of no later than 15 (fifteen) days from the receipt of the request for holding a GMS from the shareholders as referred to in letter b and letter f of this paragraph.

j. Announcement as referred to in letter e, letter g and letter h of this paragraph at least through:
   1) the website of e-GMS provider;
   2) the website of the Stock Exchange; and
   3) the website of the Company.

   In Indonesian and foreign languages, provided that the foreign language used is at least English.

k. In the event that the announcement in letter j uses a language other than Indonesian, it must contain the same information as the information in the announcement that uses Indonesian.

l. In the event that there is a difference in the interpretation of the announcement information in letter j of this paragraph, the information used as a reference is the information in Indonesian.

m. In the event that the Board of Directors does not make the announcement of the GMS as referred to in letter a of this paragraph at the proposal of the Board of Commissioners, then in no later than 15 (fifteen) days from the date the request for holding a GMS is received, the Board of Directors must announce:
   1) that there is a request for holding a GMS from the Board of Commissioners which is not held; and
   2) the reason for not holding the GMS.

n. In the event that the Board of Directors has made the announcement as referred to in letter m of this paragraph or the period of 15 (fifteen) days has elapsed, the Board of Commissioners holds its own GMS.

o. The Board of Commissioners is required to make the announcement of the GMS to shareholders no later than 15 (fifteen) days from the date of announcement as referred to in letter m of this paragraph or the period of 15 (fifteen) days as referred to in number 2 of this paragraph has passed.

p. The Board of Commissioners is required to submit notification of the agenda of the meeting to the Financial Services Authority no later than 5 (five) working days prior to the announcement as referred to in letter o of this paragraph.

q. In the notification of the GMS agenda at the request of the Board of Commissioners, it must also contain information that the Board of Directors does not conduct the GMS at the request of the Board of Commissioners, if the Board of Commissioners conducts the proposed GMS itself.

r. In the event that the Board of Commissioners does not make the announcement of the GMS as referred to in letter g of this paragraph, the shareholders as referred to in letter a of this paragraph may submit a request for the holding of the GMS to the chairman of the District Court whose jurisdiction covers the domicile of the Company to determine the granting of a permit to hold the GMS.

s. Shareholders who have obtained a court decision to hold a GMS as referred to in letter o are also required to attach a document containing the name of the shareholder and the number of their share ownership in a company that has obtained a court order to hold a GMS and a court order in notification to the OJK regarding the GMS will be held.

ANNUAL GENERAL MEETING OF SHAREHOLDERS
Article 21

1. The Annual GMS must be held every year, after the financial year ends in accordance with the laws and regulations.
2. In the Annual GMS:
   a. The Board of Directors submits the Annual Report as referred to in Article 19 of these Articles of Association;
   b. The Board of Directors is required to submit a proposal for the use of the Company's net profit, if the Company has a positive profit;
   c. Appointment of a Public Accounting Firm registered with OJK as proposed by the Board of Commissioners, to audit the Company's financial statements for the current year, including audits of internal control over financial reporting; in accordance with the applicable provisions of the capital market authority at the place where the Company's shares are registered and/or listed;
   d. The Board of Directors may propose other matters in the interest of the Company in accordance with the provisions of these Articles of Association. Approval of the Annual Report including the ratification of the financial statements as well as the report on the supervisory duties of the Board of Commissioners carried out by the GMS, means giving full discharge and release of responsibility to the members of the Board of Directors and the Board of Commissioners for the management and supervision that have been carried out during the past financial year, as long as these actions are reflected in the Annual Report and financial statements except for embezzlement, fraud and other criminal acts.

OTHER GENERAL MEETINGS OF SHAREHOLDERS
Article 22

Other GMS may be held at any time based on the need for the interest of the Company.

PLACE, NOTIFICATION, ANNOUNCEMENT, INVITATION AND TIME OF THE GENERAL MEETING OF SHAREHOLDERS
Article 23

1. The Company is obliged to determine the place and time of holding the GMS.
2. The place where the GMS is held must be conducted in the territory of the Republic of Indonesia, which can be held at:
   a. the domicile of the Company;
   b. the place where the Company conducts its main business activities;
   c. the provincial capital where the domicile or place of the Company's main business activities is located; or
   d. province of the domicile of the Stock Exchange where the Company's shares are listed.
3. The Board of Directors convenes the GMS preceded by notification of the GMS to the OJK, announcement of the GMS and the invitations for the GMS as specified in this Article.
4. Notification of the GMS to OJK is carried out under the following conditions:
   a. The Company is required to submit notification of the GMS agenda to OJK no later than 5 (five) working days prior to the announcement of the GMS, excluding the announcement date of the GMS.
   b. The agenda of the GMS as referred to in letter a must be disclosed clearly and in detail.
   c. In the event that there is a change in the agenda of the GMS as referred to in letter b, the Company is obligated to submit the change in the agenda to the OJK no later than the time of invitations for the GMS.
   d. The provisions of letter a, letter b and letter c mutatis mutandis apply to notification of the holding of the GMS by shareholders who have obtained a court order to hold the GMS as referred to in Article 20 paragraph (4) letter o of these Articles of Association.
5. Announcement of the GMS shall be made with the following provisions:
   a. The Company is obligated to announce the GMS to shareholders no later than 14 (fourteen) days prior to the GMS invitation, excluding the announcement date and the date of the invitation.
   b. Announcement of the GMS in letter a shall at least contain:
      1) provisions for shareholders who are entitled to attend the GMS;
      2) provisions for shareholders who are entitled to propose the agenda of the GMS;
      3) the date of holding the GMS; and
      4) date of invitations for GMS.
   c. In the event that the GMS is held at the request of the shareholders or the Board of Commissioners, in addition to containing the matters referred to in letter b of this paragraph, the announcement of the GMS as referred to in letter a of this paragraph must contain information that the Company is holding a GMS due to the request of the shareholders or the Board of Commissioners.
   d. Announcement of the GMS to shareholders as referred to in letter a of this paragraph, at least through:
      1) the website of e-GMS provider;
      2) the website of the Stock Exchange; and

3) the website of the Company.

In Indonesian and foreign languages, provided that the foreign language used is at least English.

e. Announcements that use foreign languages must contain information in announcements that use Indonesian.

f. In the event that there is a difference in the interpretation of information published in a foreign language with that published in Indonesian, the information in Indonesian shall be used as a reference.

g. In the event that the GMS is held at the request of the shareholders, the submission of evidence of the announcement of the GMS as referred to in letter g is accompanied by a copy of the request for holding the GMS as referred to in Article 20 paragraph (4) of these Articles of Association.

h. Announcement of the GMS, to decide on transactions containing conflicts of interest, is carried out by following the Capital Market regulations.

i. The provisions of letters a to g of this paragraph mutatis mutandis apply to the announcement of the holding of the GMS by shareholders who have obtained a court order to hold the GMS as referred to in Article 20 paragraph (4) letter o of these Articles of Association.

6. The proposed the agenda of the meeting may be submitted by the shareholders with the following conditions:

a. Shareholders may propose the agenda of the meeting in writing to the Board of Directors no later than 7 (seven) days prior to the invitations for the GMS.

b. Shareholders who can propose the agenda of the meeting as referred to in letter a are:

b.1 the shareholder of Series A Dwiwarna;

b.2 1 (one) shareholder or more representing 1/20 (one twenty) or more of the total number of shares issued by the Company with valid voting rights.

c. The proposed agenda of the meeting as referred to in letter a of this paragraph must:

1) be done in good faith;
2) consider the interests of the Company;
3) include reasons and materials for the proposed agenda of the meeting; and
4) not have conflict with the laws and regulations.

d. The proposed agenda for the meeting from the shareholders as referred to in letter a of this paragraph is an agenda that requires a resolution of the GMS, and according to the assessment of the Board of Directors has met the requirements in letter c.

e. The Company is required to include the proposed agenda of the meeting from the shareholders as referred to in letter a of this paragraph in the agenda of the meeting contained in the invitations.

7. Invitations for GMS shall be made with the following conditions:

a. The Company is required to make an invitation to shareholders no later than 21 (twenty-one) days prior to the GMS, excluding the date of the invitations and the date of the GMS.

b. The invitations for the GMS as referred to in letter a shall at least contain the following information:

1) the date of holding the GMS;
2) the time of holding the GMS;
3) the place where the GMS is held;
4) provisions of shareholders who are entitled to attend the GMS:
5) the agenda of the meeting including an explanation of each of the agenda items; and
6) information stating that materials related to the agenda of the meeting are available to shareholders from the date of the invitation to the GMS until the GMS is held
7) Information that shareholders can give power of attorney through the e-GMS.

c. Invitations for the GMS to shareholders as referred to in letter a in this paragraph shall at least be through:

1) the website of e-GMS provider;
2) the website of Stock Exchange; and
3) the website of the Company.

in Indonesian and foreign languages, provided that the foreign language used is at least English.

d. Invitations using a foreign language must contain the same information as the information in the announcement using the Indonesian language.

e. In the event that there is a difference in the interpretation of information announced in a foreign language with that published in Indonesian, the information in Indonesian shall be used as a reference.

f. Without prejudice to other provisions in these Articles of Association, invitations must be made by the Board of Directors or Board of Commissioners in the manner specified in these Articles of Association, with due observance of the laws and regulations in the Capital Market sector.

g. The provisions of letters a to f of this paragraph mutatis mutandis apply to invitations for holding a GMS by shareholders who have obtained a court order to hold a GMS as referred to in Article 20 paragraph (4) letter o of these Articles of Association.

8. The invitations for the second GMS shall be made with the following conditions:

   a. Invitation for the second GMS is made within a period of no later than 7 (seven) days before the second GMS is held.
   b. In the invitation to the second GMS, it must state that the first GMS has been held and has not reached a quorum of attendance. This provision applies without prejudice to the laws and regulations in the Capital Market sector and other laws and regulations as well as the regulations of the Stock Exchange where the Company's shares are listed.
   c. The second GMS is held within a period of no later than 10 (ten) days and no later than 21 (twenty-one) days after the first GMS is held.
   d. The provisions on the media for the invitations and the rectification of the invitations for the GMS as referred to in paragraph (7) letter c to letter f and paragraph (11) of this Article shall apply mutatis mutandis to the invitations for the second GMS.

9. The invitations for the third GMS shall be made with the following conditions:
   a. The invitations for the third GMS at the request of the Company shall be determined by OJK.
   b. The invitations for the third GMS stated that the second GMS had been held and did not reach a quorum of attendance.
10. The agenda for the meeting shall be regulated with the following provisions:
   a. The Company is required to provide materials of the agenda of the meeting for shareholders which can be accessed and downloaded through the website of Company and/or the website of e-GMS;
   b. The material for the agenda of the meeting as referred to in letter a must be available from the date of the invitation to the GMS until the holding of the GMS;
   c. In the event that the provisions of other laws and regulations stipulate the obligation to provide materials for the agenda of the meeting earlier than the provisions referred to in letter b, the provision of materials for the agenda of the meeting shall comply with the provisions of the said other laws and regulations;
   d. In the event that the GMS is a GMS which is only attended by Independent Shareholders, the Company is required to provide a statement form with sufficient stamp duty to be signed by the Independent Shareholders prior to the implementation of the GMS, at least stating that:
      1) the person concerned is truly an Independent Shareholder; and
      2) if at a later date it is proven that the statement is not true, the person concerned may be subject to sanctions in accordance with the provisions.
   e. Copies of the physical documents as referred to in letter d are provided free of charge at the Company's office if it is requested in writing by the shareholders.
   f. Copies of electronic documents as referred to in letter d of this paragraph can be accessed or downloaded through the website of the Company.
   g. During the holding of the GMS, the Shareholders are entitled to obtain information on the agenda of the meeting and materials related to the agenda of the meeting as long as it does not conflict with the interests of the Company.
11. A correction of the invitations for the GMS can be made with the following conditions:
   a. The Company is obliged to make corrections to the GMS invitations if there is a change in the information in the GMS invitations that has been made as referred to in paragraph (7) letter b of this Article;
   b. In the event that the correction of the invitation to the GMS as referred to in letter a contains information on the change in the date of holding the GMS and/or the addition of the agenda for the GMS, the Company is obligated to carries out re-invitation for the GMS in accordance with the procedure of invitation as regulated in paragraph (7) of this Article;
   c. If the change in information regarding the date of holding the GMS and/or the addition of the agenda for the GMS is made through no fault of the Company or on the orders of the Financial Services Authority, the provisions on the obligation to make re-invitation of the GMS as referred to in letter (b) do not apply, as long as the Financial Services Authority does not order it to be carried out re-invitation.

CHAIRMAN, RULES AND MINUTES OF
THE GENERAL MEETING OF SHAREHOLDERS
Article 24

1. The GMS is chaired by the chairman of the GMS with the following provisions:
   a. The chairman of the GMS is a member of the Board of Commissioners appointed by the Board of Commissioners.
   b. In the event that all members of the Board of Commissioners are absent or unavailable, the GMS shall be chaired by a member of the Board of Directors appointed by the Board of Directors.
   c. In the event that all members of the Board of Commissioners or members of the Board of Directors are absent or unavailable as referred to in letters a and b, the GMS shall be chaired by the shareholders present at the GMS appointed from and by the participants of the GMS.

d. In the event that a member of the Board of Commissioners appointed by the Board of Commissioners to chair the GMS has a conflict of interest with the agenda to be decided at the GMS, the GMS shall be chaired by another member of the Board of Commissioners who does not have a conflict of interest, who is appointed by the Board of Commissioners.
e. In the event that all members of the Board of Commissioners have a conflict of interest, the GMS shall be chaired by a member of the Board of Directors appointed by the Board of Directors.
f. In the event that one of the members of the Board of Directors appointed by the Board of Directors to chair the GMS has a conflict of interest on the agenda to be decided at the GMS, the GMS shall be chaired by a member of the Board of Directors who does not have a conflict of interest.
g. In the event that all members of the Board of Directors have a conflict of interest, the GMS shall be chaired by a non-controlling shareholder who is elected by the majority of the other shareholders present at the GMS.
h. The Chairman of the GMS has the right to request that those present prove their authority to attend the GMS and/or request that a power of attorney to represent the shareholders be shown to him.

2. The Company is required to conduct a GMS with the following rules:
   a. At the time of the GMS, the rules of GMS must be given to the shareholders present.
   b. The main points of the rules of the GMS as referred to in letter a must be read out before the GMS begins.
   c. At the opening of the GMS, the chairman of the GMS is required to provide an explanation to the shareholders regarding at least:
      1) the general condition of the Company in brief;
      2) the agenda of the meeting;
      3) decision-making mechanism related to the agenda of the meeting; and
      4) procedures for using the rights of shareholders to raise questions and/or opinions.
3. The Company is required to make the minutes of the GMS with the following provisions:
   a. Minutes of the GMS are made in Indonesian. The minutes of the GMS are valid evidence to all shareholders and third parties regarding the decisions and everything that happened in the meeting.
   b. Minutes of the GMS must be drawn up and signed by the chairman of the meeting and at least 1 (one) shareholder appointed from and by the participants of the GMS.
   c. The signature as referred to in letter b is not required if the minutes of the GMS are made in the form of a deed of minutes of the GMS made by a Notary.
   d. The minutes of the GMS as referred to in letter a of this paragraph must be submitted to the OJK no later than 30 (thirty) days after the GMS is held.
   e. In the event that the time for submitting the minutes of the GMS as referred to in letter d falls on a holiday, the minutes of the GMS must be submitted no later than the next working day.
4. The Company is required to make a summary of the minutes of the GMS with the following provisions:
   a. The summary of the minutes of the GMS must contain at least the following information:
      1) the date of the GMS, the place of the GMS, the time of the GMS, as well as the agenda of the GMS;
      2) members of the Board of Directors and members of the Board of Commissioners present at the GMS;
      3) the number of shares with valid voting rights present at the GMS and the percentage of the total shares with valid voting rights;
      4) whether or not there is an opportunity for shareholders to ask questions and/or provide opinions regarding the agenda of the meeting;
      5) the number of shareholders who ask questions and/or provide opinions regarding the agenda of the meeting, if the shareholders are given the opportunity;
      6) mechanism for the GMS decision-making;
      7) voting results which include the number of votes for agreeing, disagreeing, and abstain (not voting) for each agenda item of the meeting, if the decision is made by voting;
      8) the resolution adopted in the GMS; and
      9) implementation of cash dividend payments to entitled shareholders, if there is a GMS decision related to the distribution of cash dividends.
   b. The summary of the minutes of the GMS as referred to in letter a must be announced to the public at least through:
      1) the website of e-GMS provider;
      2) the website of Stock Exchange; and
      3) the website of Company.

      in Indonesian and foreign languages provided that the foreign language used is at least English.
   c. Announcements using foreign languages must contain the same information as information in announcements using Indonesian.

d. In the event that there is a difference in the interpretation of information announced in a foreign language with that published in Indonesian, the information in Indonesian shall be used as a reference.
e. The announcement of the summary of the minutes of the GMS as referred to in letter b of this paragraph must be announced to the public no later than 2 (two) working days after the GMS is held.
f. The proof of announcement of the minutes of the GMS as referred to in letter b number 1) of this paragraph must be submitted to OJK no later than 2 (two) working days after it is announced.
g. The provisions of paragraph (3) letter d and letter e as well as paragraph (4) letter b, letter e and letter f of this Article, mutatis mutandis apply to:
   1) submission to the OJK of the minutes of the GMS and the summary of the minutes of the GMS announced; and
   2) announcement of the summary of the minutes of the GMS;
   -from the holding of the GMS by the shareholders who have obtained a court order to hold the GMS as referred to in Article 20 paragraph (4) letter o of these Articles of Association.

QUORUM, VOTING RIGHTS AND RESOLUTION OF THE GENERAL MEETING OF SHAREHOLDERS
Article 25

1. As long as it is not regulated otherwise in these Articles of Association, the attendance quorum and resolutions of the GMS on matters that must be decided at the meeting shall be made by following the provisions:
   a. attended by shareholders who represent more than 1/2 (half) of the total shares with valid voting rights and the decision is valid if approved by more than 1/2 (half) of the total shares with valid voting rights present at the meeting unless the Law and/or Articles of Association stipulates a larger number of quorum;
   b. In the event that the quorum of attendance as referred to in letter a is not reached, the second GMS is valid and has the right to make binding decisions if attended by shareholders representing at least 1/3 (one thirds) of the total shares with valid voting rights, and the decision is valid if it is approved by more than 1/2 (half) of the total shares with voting rights present at the meeting unless the Law and/or Articles of Association stipulates a larger number of quorum;
   c. In the event that the quorum of attendance at the second GMS as referred to in letter b is not reached, the third GMS may be held provided that the third GMS is valid and has the right to make decisions if attended by shareholders of the shares with valid voting rights in the quorum of attendance and the requirements for decision-making determined by OJK at the request of the Company.
2. The GMS for the agenda of transferring the Company's assets or making collateral for the debts of the Company's assets which constitute more than 50% (fifty percent) of the total net assets of the Company in 1 (one) transaction or better related to each other or not carried out with the following provisions:
   a. attended by the Series A Dwiwarna shareholder and other shareholders and/or their legal representatives who together represent at least 3/4 (three-fourth) of the total number of shares with valid voting rights and the decision is valid if it is approved by the Series A Dwiwarna shareholder and other shareholders and/or their legal representatives who together represent more than 3/4 (three-quarters) of the total number of shares with voting rights present at the meeting;
   b. In the event that the quorum of attendance as referred to in letter a is not reached, the second GMS is valid and has the right to make binding decisions if it is attended by the Series A Dwiwarna shareholder and other shareholders and/or their legal representatives who together represent at least at least 2/3 (two thirds) of the total shares with valid voting rights and the decision must be approved by the Series A Dwiwarna shareholder and other shareholders and/or their legal representatives who together represent more than 3/4 (three-fourths) of the total number of shares with voting rights present at the meeting; and
   c. In the event that the quorum of attendance at the second GMS as referred to in letter b is not reached, the third GMS may be held provided that the third GMS is valid and entitled to make decisions if it is attended by the Series A Dwiwarna shareholders and other shareholders and/or their legal representatives together in attendance quorum and decision-making requirements set by OJK at the request of the Company.
3. The GMS to approve transactions that have a conflict of interest is carried out with the following conditions:
   a. attended by independent shareholders representing more than 1/2 (half) of the total shares with valid voting rights owned by independent shareholders and the decision is valid if approved by independent shareholders representing more than 1/2 (half) of the total shares with valid voting rights owned by independent shareholders;
   b. In the event that the quorum as referred to in letter b is not achieved, the second GMS is valid if attended by independent shareholders representing more than 1/2 (half) of the total shares with valid voting rights owned by independent shareholders and approved by more than 1/2 (half) of the total shares owned by independent shareholders who attend the meeting;

   c. In the event that the quorum of attendance at the second GMS as referred to in letter c is not reached, the third GMS may be held provided that the third GMS is valid and has the right to make decisions if attended by independent shareholders of shares with valid voting rights, in a quorum of attendance determined by OJK on Company's application;
   d. the decision of the third GMS is valid if it is approved by the independent shareholders representing more than 50% (fifty percent) of the shares owned by the independent shareholders present; and
   e. Shareholders who have a conflict of interest are considered to have made the same decision as the decision approved by an independent shareholder who does not have a conflict of interest.
4. GMS for appointment and dismissal of members of the Board of Directors and Board of Commissioners, issuance of Equity Securities and/or increase in subscribed and paid-up capital shall be carried out with the following provisions:
   a. attended by the Series A Dwiwarna shareholder and other shareholders and/or their legal representatives who together represent more than 1/2 (half) of the total number of shares with valid voting rights and the decision is approved by the shareholder of Series A Dwiwarna and other shareholders and/or their legal representatives who together represent more than 1/2 (half) of the total shares with voting rights present at the meeting;
   b. In the event that the quorum of attendance as referred to in letter a is not reached, then the second GMS is valid if attended by the holder of Series A Dwiwarna share and other shareholders and/or their legal representatives who together represent at least 1/3 (one thirds) portion of the total number of shares with valid voting rights and the decision must be approved by the Series A Dwiwarna shareholder and other shareholders and/or their legal representatives who together represent more than 1/2 (half) portion of the total number of shares with voting rights present at the meeting;
   c. In the event that the quorum of attendance at the second GMS as referred to in letter b is not reached, the third GMS may be held by meeting the third GMS valid and entitled to make decisions if attended by the Series A Dwiwarna shareholders and other shareholders and/or their legal representatives together in attendance quorum and decision-making requirements set by OJK at the request of the Company.
5. GMS to amend these Articles of Association shall be carried out under the following conditions:
   a. attended by Series A Dwiwarna shareholder and other shareholders and/or their legal representatives who together represent at least 2/3 (two thirds) portion of the total number of shares with valid voting rights and the decision must be approved by the shareholder of Series A Dwiwarna and other shareholders and/or their legal representatives who together represent more than 2/3 (two thirds) portion of the total number of shares with voting rights present at the meeting;
   b. In the event that the quorum of attendance as referred to in letter a is not achieved, the second GMS is valid if attended by the Series A Dwiwarna shareholder and other shareholders and/or their legal representatives who together represent at least 3/5 (three-fifths) portion of the total number of shares with valid voting rights and the decision must be approved by the Series A Dwiwarna shareholder and other shareholders and/or their legal representatives who together represent more than 1/2 (half) portion of the total number of shares with voting rights present at the meeting;
   c. In the event that the quorum of attendance at the second GMS as referred to in letter b is not reached, the third GMS may be held provided that the third GMS is valid and entitled to make decisions if attended by the Series A Dwiwarna shareholder and other shareholders and/or their legal representatives jointly in attendance quorum and decision-making requirements set by OJK at the request of the Company.
6. With due observance of the provisions of the laws and regulations, a Merger, Consolidation, Acquisition, Separation, submission of an application for the Company to be declared bankrupt and Dissolution can only be carried out based on the resolution of the GMS, with the following conditions:
   a. attended by Series A Dwiwarna shareholder and other shareholders and/or their legal representatives who together represent at least 3/4 (three-fourths) portion of the total number shares with valid voting rights and the decision must be approved by the shareholder of Series A Dwiwarna and other shareholders and/or their legal representatives who together represent at least 3/4 (three-fourths) portion of the total number shares with voting rights present at the GMS;
   b. In the event that the quorum of attendance as referred to in letter a is not reached, then the second GMS is valid if attended by the Series A Dwiwarna shareholder and other shareholders and/or their legal representatives who together represent at least 2/3 (two thirds) portion of the total number of shares with valid voting rights and the decision must be approved by the Series A Dwiwarna shareholder and other shareholders and/or their legal representatives who together represent more than 3/4 (three fourths) portion of the total number of shares with voting rights present at the GMS;
   c. In the event that the quorum of attendance at the second GMS as referred to in letter b is not reached, the third GMS may be held provided that the third GMS is valid and entitled to make decisions if attended by the Series A Dwiwarna shareholder and other shareholders and/or their legal representatives jointly in attendance quorum and decision-making requirements set by OJK on Company's application.

7. Those who are entitled to attend the GMS are shareholders whose names are recorded in the Company's Shareholders Register 1 (one) working day prior to the date of the GMS invitations with due observance of the laws and regulations and the Stock Exchange regulations where the Company's shares are listed.
8. In the event of an error in the invitations as referred to in Article 23 paragraph (11) letter a of these Articles of Association, the shareholders who are entitled to attend the GMS are the shareholders whose names are recorded in the Register of Shareholders of the Company 1 (one) working day prior to the correction of the invitation to the GMS.
9. Shareholders either alone or represented by proxy are entitled to attend the GMS, with due observance of the laws and regulations.
10. At the meeting, each share gives the owner the right to cast 1 (one) vote.
11. Shareholders with voting rights who attend the meeting but do not cast a vote (abstain) are deemed to have cast the same votes as the majority of the shareholders who cast votes.
12. In voting, the votes cast by the shareholders are valid for all the shares they own and the shareholders are not entitled to give power of attorney to more than one proxy for a portion of the number of shares owned by different votes. These provisions are excluded for:
    a. Custodian Bank or Securities Company as Custodian representing its customer, namely the owner of the Company's shares.
    b. Investment Manager who represents the Mutual Fund's interests being managed.
13. Members of the Board of Directors, members of the Board of Commissioners and employees of the Company may act as proxies at the meeting, however in voting for members of the Board of Directors, members of the Board of Commissioners and/or the employee concerned are prohibited from acting as proxies of the shareholders.
14. Voting is conducted orally, unless the Chairperson of the Meeting determines otherwise.
15. All decisions are made based on deliberation for consensus.
16. In the event that a decision based on deliberation for consensus is not reached, the decision is taken based on the affirmative vote as stipulated in these Articles of Association.
17. Decision-making through voting as referred to in paragraph (16) must be carried out by taking into account the provisions of the quorum of attendance and the quorum of decisions of the GMS.
18. During the GMS, the Company may invite other parties related to the GMS agenda.
19. The Company is required to provide an alternative electronic power of attorney for Shareholders to attend and vote at the GMS.
20. a. Parties who can become Authorized Persons electronically include:
        1) Participant who administers sub-accounts of securities/securities owned by Shareholders;
        2) Parties provided by the Company; or
        3) The party appointed by the Shareholders.
    b. The Company must provide the Proxy electronically as referred to in letter a number 2 of this paragraph.

UTILIZATION OF PROFIT
Article 26

1. The use of net profit including the amount of allowance for loss reserves is decided by the Annual GMS.
2. The Board of Directors must submit a proposal to the Annual GMS regarding the use of the net profit that has not been shared as listed in the balance sheet and the calculation of profit and loss submitted for approval at the Annual GMS, in which proposal it can be stated how much net profit that has not been shared can be set aside for reserve funds and proposals regarding the amount of dividends to shareholders, or other distributions such as bonuses for members of the Board of Directors and members of the Board of Commissioners, bonuses for employees, social fund reserves and others that may be distributed, one or another without prejudice to the right of the GMS to decide otherwise.
3. The entire net profit after deducting the allowance for reserves as referred to in paragraph (1) of this Article is distributed to shareholders as dividends unless otherwise determined by the GMS.
4. a. Dividends are only paid in accordance with the Company's financial capacity based on the decisions taken at the Annual GMS, in which decision must also determine the time, method of payment and form of dividends with due observance of the laws and regulations in the Capital Market sector, as well as the regulations of the Stock Exchange at the place of the Company's shares recorded.
    b. In the event that there is a GMS decision related to the distribution of cash dividends, the Company is obliged to make cash dividend payments to the entitled shareholders no later than 30 (thirty) days after the announcement of the summary of the minutes of the GMS which decides the cash dividend distribution.
    c. Dividends for shares are paid to the person on whose behalf the shares are registered in the Register of Shareholders, on the date determined by the Annual GMS which decides on the distribution of dividends.
    d. The payment day must be announced by the Board of Directors to the shareholders.

5. In addition to the use of net profit as referred to in paragraph (2) of this Article, the GMS may determine the use of net profit for other distributions such as *tantiem* for members of the Board of Directors, Board of Commissioners and bonuses for employees.
6. Dividends as referred to in paragraph (3) of this Article may only be distributed if the Company has positive retained earnings.
7. The use of net income for bonuses and bonuses is carried out as long as it is not budgeted and is not taken into account as expenses in the current year.
8. Dividends which are not taken within 5 (five) years from the date of stipulation for payment of past dividends, shall be included in the reserve fund specifically designated for that purpose.
9. Dividends in the special reserve fund can be taken by the entitled shareholders by submitting proof of their rights to the dividends which can be received by the Board of Directors of the Company on condition that the withdrawal is not all at once and by paying the administrative fee determined by the Board of Directors.
10. Dividends that have been included in the special reserves in paragraph (8) of this Article and are not taken within a period of 10 (ten) years will become the rights of the Company.
11. The Company may distribute interim dividends before the end of the Company's financial year if requested by the shareholders representing at least 1/10 (one tenth) of the total number of shares issued, taking into account the projected profit and financial capability of the Company.
12. The distribution of interim dividends is determined based on the decision of the Meeting of the Board of Directors after obtaining approval from the Board of Commissioners, taking into account paragraph (10) of this Article.
13. In the event that after the financial year ends it turns out that the Company suffers a loss, the interim dividend that has been distributed must be returned by the shareholders to the Company. The Board of Directors and the Board of Commissioners are jointly and severally responsible for the loss of the Company, in the event that the shareholders cannot return the interim dividend in paragraph (11) of this Article.

UTILIZATION OF RESERVE FUND
Article 27

1. The Company establishes mandatory reserves and other reserves.
2. The provision for net income for reserves in paragraph (1) applies if the Company has positive retained earnings.
3. The portion of the profit provided for the reserve fund is determined by the GMS with due observance of the laws and regulations. Provision of net profit for the mandatory reserve in paragraph (1) is made until the reserve reaches at least 20% (twenty percent) of the total issued and paid-up capital.
4. The mandatory reserve in paragraph (1) of this Article which has not reached the amount as referred to in paragraph (3) can only be used to cover losses to the Company which cannot be met by other reserves.
5. If the mandatory reserve fund in paragraph (1) of this Article has exceeded the amount of 20% (twenty percent), the GMS may decide that the excess of the reserve fund is used for the purposes of the Company.
6. The Board of Directors must manage the reserve fund so that the reserve fund earns profit, in a manner deemed good by the Board of Directors and with due observance of the laws and regulations.
7. The profit obtained from the reserve fund is included in the profit and loss calculation.

AMENDMENT TO THE ARTICLES OF ASSOCIATION
Article 28

1. This amendment to the Articles of Association must take into account UUPT and/or the laws and regulations in the Capital Market sector.
2. Amendment to these Articles of Association shall be determined by the GMS with the provisions as stated in Article 25 paragraph (5) of these Articles of Association.
3. The agenda regarding amendments to the Articles of Association must be clearly stated in the invitation to the GMS.
4. The provisions of these Articles of Association concerning the name, domicile of the Company, purposes and objectives, business activities, period of establishment of the Company, amount of authorized capital, reduction of issued and paid-up capital and status of a closed company becoming a public company or vice versa, must obtain approval from Minister for Legal Affairs as referred to in the UUPT.
5. Amendments to these Articles of Association other than those concerning the matters referred to in paragraph (4) are sufficient to notify the Minister of Law by taking into account the provisions in the Company Law.
6. The decision regarding the reduction of capital must be notified in writing to all creditors of the Company and announced by the Board of Directors in an Indonesian language daily newspaper published and or widely circulated in the domicile of the Company no later than 7 (seven) days from the date of the decision of the GMS regarding the reduction of the capital.

MERGER, CONSOLIDATION, ACQUISITION AND SPIN-OFF
Article 29

1. Merger, Consolidation and Acquisition and Spin-Off shall be determined by the GMS with the provisions as stated in Article 25 paragraph (6) of these Articles of Association.
2. Further provisions regarding Merger, Consolidation, Acquisition and Spin-off are as referred to in the laws and regulations, especially the laws and regulations in the Capital Market sector.

DISSOLUTION, LIQUIDATION AND TERMINATION OF LEGAL ENTITY STATUS
Article 30

1. The dissolution of the Company may be carried out based on the resolution of the GMS with the provisions as stated in Article 25 paragraph (6) of these Articles of Association.
2. If the Company is dissolved based on the decision of the GMS or declared dissolved based on a court decision, the liquidator must carry out liquidation.
3. The liquidator is responsible to the GMS or the Court that appointed him for the liquidation of the Company carried out.
4. The liquidator is obliged to notify the Minister of Law and announce the final results of the liquidation process in the newspaper after the GMS grants settlement and release to the liquidator or after the court appoints the liquidator or after the court that appointed the liquidator accepts accountability.
5. Provisions regarding the dissolution, liquidation and termination of the legal entity status of the Company are by taking into account the laws and regulations, in particular the laws and regulations in the Capital Market sector.

DOMICILE OF SHAREHOLDERS
Article 31

For matters concerning shareholders related to the Company, the shareholders are deemed to reside at the address as recorded in the Register of Shareholders as referred to in Article 9 of these Articles of Association.

CLOSING PROVISIONS
Article 32

Everything that is not regulated or is not sufficiently regulated in these Articles of Association shall comply with UUPT, the laws and regulations in the Capital Market sector and other laws and regulations and/or resolution adopted in the GMS, with due observance of the laws and regulations.

Exhibit 2.1

DESCRIPTION OF RIGHTS OF EACH CLASS OF SECURITIES REGISTERED UNDER SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

As of December 31, 2021, Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia Tbk ("Telkom," "we," "us," and "our") had the following series of securities registered pursuant to Sections 12(b) of the Exchange Act of 1934:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
American Depositary Shares, each representing 100 Series B Shares, par value 50 Rupiah per share	TLK	New York Stock Exchange
Series B Shares, par value 50 Rupiah per share*		

** Not for trading, but only in connection with the registration of the American Depositary Shares ("ADSs").*

Our ADSs, each representing 100 Series B Shares of Telkom, par value 50 Rupiah per share (the "Series B Shares"), have been made available in the United States though an American Depositary Share program established pursuant to a deposit agreement that we entered with BNY Mellon, as depositary. Our ADSs are listed and traded on the New York Stock Exchange with the trading symbol TLK and, in connection with this listing (but not for trading), the Series B Shares are registered under Section 12(b) of the Exchange Act. Shares underlying the ADSs are held by BNY Mellon, and holders of ADSs will not be treated as holders of the Series B Shares.

We have also issued one Dwiwarna share, par value 50 Rupiah, which is held by the Government of the Republic of Indonesia (the "Dwiwarna Share"). The Dwiwarna Share gives certain rights to its holder, such as special voting and veto rights with regards to the nomination, appointment and removal of our Directors and Commissioners, the issuance of new shares in our Company and any amendments to our Articles of Association. The Dwiwarna Share is not registered under Section 12(b) of the Exchange Act.

The following summary is subject to and qualified in its entirety by our Articles of Association and by applicable Indonesian laws and regulations. This is not a summary of all the significant provisions of the Articles of Association or of applicable Indonesian laws and regulations and does not purport to be complete.

SERIES B SHARES

Item 9. General

Item 9.A.3 Pre-emptive rights

Not applicable.

Item 9.A.5 Type and class of securities

Our Series B Shares, par value 50 Rupiah per share, are listed and traded on the IDX under the symbol "TLKM." The number of shares of common stock that have been issued as of the last day of the financial year ended December 31, 2021 was 99,062,216,599 Series B Shares.

Item 9.A. 6 Limitations or qualifications

Our Articles of Association do not contain any limitations on the right of any person, to own our Series B Shares or to exercise their right to vote. Indonesian capital market regulations do not contain any limitation on the right of any person, whether local or foreign, to own shares in a company listed on the IDX.

Item 9.A.7 Other rights

Not applicable.

Item 10.B Articles of Association

10.B.3 Rights of the Shares

The rights, preferences and restrictions attaching to each class of shares of our Company in respect of specified matters are set forth below:

Dividend rights

We pay dividends based upon our financial condition and in accordance with the resolution of the shareholders in a General Meeting of Shareholders which also determines the form and time of payment of such dividends.

Voting rights

Shareholders of our Series B Shares are entitled to one vote per Series B Share they hold at a General Meeting of Shareholders.

Appointment and removal of directors and commissioners

The appointment and replacement of directors and commissioners is governed by our Articles of Association, relevant Indonesian legislation, including legislation on corporate governance. Commissioners and Directors are elected and dismissed by shareholders' resolutions in a General Meeting of Shareholders. Under our Articles of Association, to be elected, candidates must be nominated and approved by the Government of the Republic of Indonesia, as holder of the Dwiwarna Share. The term of office for each Commissioner and Director commences at the closing of the General Meeting of Shareholders which appoints such Commissioner or Director or at such other time as specified by such General Meeting of Shareholders, and terminates at the closing of the fifth Annual General Meeting of Shareholders held after his/her appointment. Shareholders at a General Meeting of Shareholders, have the right to discharge a Commissioner or Director at any time before the expiration of his/her term of office.

Redemption provisions

There are no stock redemption provisions in our Articles of Association. However, based on Article 37 of the Indonesian Company Law, we may buy back up to 10% of our issued and outstanding shares.

Reserved fund provisions

We are required to set aside retained earnings in the amount of at least 20% of our issued capital to cover potential losses. If the amount so retained in the reserved fund exceeds 20% of our issued capital, a General Meeting of Shareholders may authorize us to utilize such excess funds for the purposes of our Company.

Liability for further capital calls

Shareholders of our Series B Shares may be asked to subscribe for new shares in our Company from time to time. Such rights are to be offered to shareholders prior to being offered to third parties and may be transferred at the option of the shareholder. Our Board of Directors is authorized to offer the new shares to third parties in the event that an existing shareholder is unable or unwilling to subscribe for the new shares.

Articles of Association

Our Articles of Association do not contain any provisions discriminating against any existing or prospective holder of Series B Shares because of such shareholder owning a substantial number of Series B Shares.

Rights in the event of liquidation

Shareholders of our Series B Shares are entitled to surplus in the event of liquidation in accordance with their proportion of shareholding, provided the nominal value of the common stock that they hold is fully paid-up.

Item 10.B.4 Changes to Shareholders' Rights

To change the rights of shareholders, an amendment to the relevant provisions of our Articles of Association is required. Any amendment to our Articles of Association requires the approval of the holder of the Dwiwarna Share and the other shareholders or their authorized proxies jointly representing at least two thirds of the total number of votes cast in the meeting.

Item 10.B. 6 Limitations on the Rights to Own Shares

Our Articles of Association do not contain any limitations on the right of any person, to own our shares or to exercise their right to vote. Indonesian capital market regulations do not contain any limitation on the right of any person, whether local or foreign, to own shares in a company listed on the IDX.

Item 10.B. 7 Provisions Affecting any Change of Control

Any takeover of our Company is required to be approved by the holder of the Dwiwarna Share and a majority constituting at least three-fourths of the total number of shares at a General Meeting of Shareholders that must be attended by the holder of the Dwiwarna Share. There are no other provisions in our Articles of Association that would have the effect of delaying, deferring or preventing a change in control of our Company.

Item 10.B.8 Disclosure of Shareholdings

Each Director and Commissioner has an obligation to report to the OJK with regard to their ownership and any changes in their ownership of our Company. This obligation also applies to shareholders whose direct and indirect equals or is in excess of 5% of our paid up capital. Those shareholders would also have to report to OJK changes in their ownership of, or in excess of 0.5% of our paid up capital.

Item 10.B.9 Differences Between Laws of Different Jurisdictions

The laws of Indonesia applicable to Indonesian limited liability companies differ from the laws applicable to U.S. corporations and their shareholders in certain respects. Set forth below is a summary of certain differences between the provisions of Indonesian laws applicable to us and the Delaware General Corporation Law relating to shareholders’ rights and protections.

This summary is not intended to be a complete discussion of the respective rights under either Delaware General Corporation law or Indonesian law.

Delaware Law	Indonesian Law
Mergers and similar arrangements	
Under the Delaware General Corporation Law, with certain exceptions, a merger, consolidation, sale, lease or transfer of all or substantially all of the assets of a corporation must be approved by the board of directors and a majority of the outstanding shares entitled to vote thereon. A shareholder of a Delaware corporation participating in certain major corporate transactions may, under certain circumstances, be entitled to appraisal rights pursuant to which such shareholder may receive cash in the amount of the fair value of the shares held by such shareholder (as determined by a court) in lieu of the consideration such shareholder would otherwise receive in the transaction. The Delaware General Corporation Law also provides that a parent corporation, by resolution of its board of directors, may merge with any subsidiary, of which it owns at least 90.0% of each class of capital stock without a vote by the shareholders of such subsidiary. Upon any such merger, dissenting shareholders of the subsidiary would have appraisal rights.	Under Law No. 40 of 2007 on Limited Liability Companies (as amended by the Job Creation Law, "Indonesian Company Law"), a merger or consolidation may only be completed if a merger/consolidation plan, containing the prescribed elements together with the draft deed of merger or draft deed of consolidation, is approved by a general meeting of shareholders of each of the companies involved. A three-quarters vote cast at the meeting is required at a general meeting of shareholders where a quorum of three-quarters of the shares with valid voting rights is present. Before the transaction is submitted for approval to the general meeting of shareholders, the directors must publish a summary of the merger/consolidation plan in one national newspaper and make an announcement in writing to the employees at least 30 days prior to "calling" the general meeting of shareholders. Shareholders who do not agree with the proposed merger or consolidation will have the right to require the company to purchase their shares at the fair market value (appraisal rights). Additional requirements are applicable for mergers or consolidations involving public companies.
Shareholder's suits	
Class actions and derivative actions generally are available to shareholders of a Delaware corporation for, among other things, breach of fiduciary duty, corporate waste and actions not taken in accordance with applicable law. In such actions, the court has discretion to permit the winning party to recover attorneys' fees incurred in connection with such action.	Under Indonesian Company Law, any shareholder has a right to file a lawsuit with the district court whose jurisdiction covers the domicile of the company if the company's actions have caused damage to the shareholder on the ground that such actions, undertaken by virtue of a GMS, board of directors or board of commissioners resolution, were unfair and with no reasonable ground. Such actions must have resulted from resolutions of a general meeting of shareholders, board of directors meetings or board of commissioners meetings. Additionally, one or more shareholders holding at least 10% of the total number of issued shares with lawful voting rights are entitled to file a lawsuit with the relevant district court on behalf of the company against the board of directors or members of the board of directors and the board of commissioners or members of the board of commissioners, whose fault or negligence caused losses to the company.
Shareholder vote on board and management compensation	
Under the Delaware General Corporation Law, the board of directors has the authority to fix the compensation of directors, unless otherwise restricted by the certificate of incorporation or bylaws.	Under Indonesian Company Law, the salaries and allowances of members of the board of directors are determined by the general meeting of shareholders. The general meeting of shareholders may delegate its authority to approve such salaries and allowances to the board of commissioners.

Delaware Law	Indonesian Law
	The salaries and allowances of members of the board of commissioners are determined by the general meeting of shareholders. For Indonesian public companies, a remuneration and nomination committee (in practice, a committee under the board of commissioners) can assist the general meeting of shareholders in determining the amount of the remuneration of the members of the board of directors and board of commissioners. If a committee has not been formed for this purpose, the board of commissioners shall determine the remuneration of the board of directors and board of commissioners in accordance with the prevailing capital market rules. Any such amount, however, must be approved by the general meeting of shareholders.
Annual vote on board renewal	
Unless directors are elected by written consent in lieu of an annual meeting, directors are elected in an annual meeting of stockholders on a date and at a time designated by or in the manner provided in the bylaws. Re-election is possible.	A member of the board of directors or board of commissioners is appointed by a general meeting of shareholders for a fixed duration. If the term of office has lapsed, the relevant director or commissioner can be re-appointed at a general meeting of shareholders
Classified boards are permitted.	Specifically for public companies, directors and commissioners may not be appointed for a term of more than five years. Re-election is possible except that for an independent commissioner who has served two consecutive terms, he/she can only be reappointed if he/she submits a statement of independency to the general meeting of shareholders.
Indemnification of directors and executive management and limitation on liability	
The Delaware General Corporation Law provides that a certificate of incorporation may contain a provision eliminating or limiting the personal liability of directors (but not other controlling persons) of the corporation for monetary damages for breach of a fiduciary duty as a director, except no provision in the certificate of incorporation may eliminate or limit the liability of a director for: ● any breach of a director's duty of loyalty to the corporation or its shareholders; ● acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; ● statutory liability for unlawful payment of dividends or unlawful stock purchase or redemption; or ● any transaction from which the director derived an improper personal benefit.	Under Indonesian Company Law, a member of the board of directors cannot be held liable for the company's losses if he/she can prove that: ● the losses were not caused by his/her own fault or negligence; ● he/she acted in good faith, prudently, and in furtherance of and in accordance with the purposes of the company; ● he/she does not have any direct or indirect conflict of interest in connection with the management action which caused the loss; and ● he/she has taken actions to prevent such losses or the continuation thereof. Under Indonesian Company Law, the term "*take actions to prevent such losses or the continuation thereof*" includes obtaining sufficient information with regard to the management action that may cause the losses, including through convening a meeting of the board of directors.

Delaware Law	Indonesian Law
A Delaware corporation may indemnify any person who was or is a party or is threatened to be made a party to any proceeding, other than an action by or on behalf of the corporation, because the person is or was a director or officer, against liability incurred in connection with the proceeding if the director or officer acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the corporation; and the director or officer, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. Unless ordered by a court, any foregoing indemnification is subject to a determination that the director or officer has met the applicable standard of conduct: ● by a majority vote of the directors who are not parties to the proceeding, even though less than a quorum; ● by a committee of directors designated by a majority vote of the eligible directors, even though less than a quorum; ● by independent legal counsel in a written opinion if there are no eligible directors, or if the eligible directors so direct; or ● by the shareholders. Moreover, a Delaware corporation may not indemnify a director or officer in connection with any proceeding in which the director or officer has been adjudged to be liable to the corporation unless and only to the extent that the court determines that, despite the adjudication of liability but in view of all the circumstances of the case, the director or officer is fairly and reasonably entitled to indemnity for those expenses which the court deems proper.	
Directors' fiduciary duties	
A director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: ● the duty of care; and ● the duty of loyalty.	Under Indonesian Company Law, the board of directors is responsible for the management of the company and must act in good faith. The board of directors must act in the best interest of the company and in accordance with the company's purposes and objectives.

Delaware Law	Indonesian Law
The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director act in a manner he reasonably believes to be in the best interests of the corporation. He must not use his corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, a director must prove the procedural fairness of the transaction, and that the transaction was of fair value to the corporation.	
Shareholder action by written consent	
A Delaware corporation may, in its certificate of incorporation, eliminate the right of shareholders to act by written consent.	Shareholders of an Indonesian limited liability company may only exercise their voting rights in a general meeting of shareholders and may not act by written consent.
Shareholder proposals	
A shareholder of a Delaware corporation has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings.	Under Indonesian Company Law, one or more shareholders holding at least 10% of the total number of issued voting shares, unless the company's articles of association call for a smaller number of voting shares, are entitled to request that a general meeting of shareholders be convened by the board of directors. If the board of directors fails to convene the general meeting of shareholders, shareholders are entitled to request the board of commissioners to convene a general meeting of shareholders. If the board of directors or the board of commissioners (as the case may be) fails to convene a general meeting of shareholders as explained above, the shareholders may file an application with the district court having jurisdiction over the domicile of the company to allow them to call and convene a general meeting of shareholders.
Cumulative voting	
Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation provides for it.	Under Indonesian Company Law, cumulative voting is not permitted for the election of directors.

Delaware Law	Indonesian Law
Removal of directors	
A Delaware corporation with a classified board may be removed only for cause with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise.	Under Indonesian Company Law, any dismissal (with or without cause) of a member of the board of directors must be approved by a general meeting of shareholders. Such a general meeting of shareholders must be attended by the holders of more than one-half of the total number of the company's issued voting shares, and the decision must be approved by the holders of more than one-half of the total votes validly cast at the meeting.
Transactions with interested shareholders	
The Delaware General Corporation Law generally prohibits a Delaware corporation from engaging in certain business combinations with an "interested shareholder" for three years following the date that such person becomes an interested shareholder. An interested shareholder generally is a person or group who or which owns or owned 15.0% or more of the corporation's outstanding voting stock or who or which is an affiliate or associate of the corporation and owned 15.0% or more of the corporation's outstanding voting stock within the past three years.	For Indonesian public companies, affiliated party transaction and conflict of interest transaction rules may apply to transactions between public companies and any of their principal shareholders (where a "principal shareholder" is defined as the owner, directly or indirectly, of at least 20% of the outstanding shares in a public company) or "controlling persons" (*pengendali*) (defined as persons who (i) own more than 50% of the issued and paid-up shares in a company or (ii) have the ability to determine, directly or indirectly, in whatsoever manner, the management and/or policies of a company). <u>Affiliated Party Transaction</u> An affiliated party transaction is defined as any activity or transaction conducted by a public company or a controlled company (i) with an affiliate (a category defined under Indonesian capital market rules which includes principal shareholders) of the public company or an affiliate of a member of the board of directors, the board of commissioners, a principal shareholder or a controlling persons (*pengendali*) of such public company, or (ii) in the interest of an affiliate of a member of the board of directors, the board of commissioners, a principal shareholder or a controlling person (*pengendali*) of such public company. Affiliated party transactions must be, among other things, in compliance with the public company's internal policy governing related party transactions, disclosed to the public, reported to the relevant authority, and supported by a fairness opinion issued by a registered independent appraiser, unless it is an exempt transaction. <u>Conflict of Interest Transaction</u> A conflict of interest is defined as the difference between the economic interests of a public company and the personal economic interests of its directors, commissioners, principal shareholders or controlling persons (*pengendali*), which may cause losses to such company. In practice, fairness opinions by a registered independent appraiser are used to assess whether a transaction may be affected by a conflict of interest. By law, OJK has discretion to determine if certain affiliated party transactions involve any conflict of interest, and would therefore require the approval of independent shareholders.

Delaware Law	Indonesian Law
	If the transaction between the public company and a principal shareholder is deemed a conflict of interest transaction, the public company needs to, among other things, obtain the approval of its independent shareholders in a general meeting of shareholders, unless exempted. Independent shareholders are defined as shareholders having no conflict of interest in respect of the transaction, and the independent shareholders must make a declaration to that effect, and is not a member of the board of directors, a member of the board of commissioners, a principal shareholder or a controlling person (*pengendali*) (or an affiliate of the foregoing persons or entities) of such public company.
Dissolution; Winding up	
Unless the board of directors of a Delaware corporation approves the proposal to dissolve, dissolution must be approved by shareholders holding 100.0% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board.	Dissolution of a company must be approved by a general meeting of shareholders; such meeting has to be attended by shareholders holding at least three-quarters of the total number of outstanding shares in the company carrying valid voting rights. The approval must be obtained by a majority of at least three-quarters of the total votes validly cast at the meeting.
Variation of rights of shares	
A Delaware corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise	Indonesian Company Law allows companies to issue different classes of shares. Varying rights of existing shares or issuing new classes of shares with different rights requires amending the company's articles of association. Such amendment must be approved by a general meeting of shareholders.
Amendment of governing documents	
A Delaware corporation's governing documents may be amended with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise	To amend the articles of association of an Indonesian limited liability company, a general meeting of shareholders is required. Unless the existing articles of association stipulate a higher quorum, a general meeting of shareholders can be held if attended by shareholders representing at least two-thirds of the total issued voting shares. The general meeting of shareholders may adopt valid resolutions with affirmative votes of at least two-thirds of the total votes validly cast at the meeting. For public companies, affirmative votes representing more than two-thirds of the total votes validly cast in the meeting are required.
Inspection of books and records	
Shareholders of a Delaware corporation, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose, and to obtain copies of list(s) of shareholders and other books and records of the corporation and its subsidiaries, if any, to the extent the	Examination of documents and information pertaining to the company may be requested for the purpose of obtaining data or information if a director's or a commissioner's unlawful act is suspected to have caused losses to the company, its shareholders or third parties. An application must be made to the district court having jurisdiction over the domicile of the company. The application requesting the right to

Delaware Law	Indonesian Law
books and records of such subsidiaries are available to the corporation.	examine the company must be made in good faith and based on fair reasoning. Such application can be made by: ● one or more shareholders holding at least 10% of the total number of issued voting shares; ● any other party that, pursuant to prevailing regulations, the company's articles of association or an agreement with the company, is granted such authority to submit the request for examination; or ● the State Attorney, for public order purposes.
Payment of dividends	
The board of directors may approve a dividend without shareholder approval. Subject to any restrictions contained in its certificate of incorporation, the board may declare and pay dividends upon the shares of its capital stock either: ● out of its surplus; or ● in case there is no such surplus, out of its net profits for the fiscal year in which the dividend is declared or the preceding fiscal year. Stockholder approval is required to authorize capital stock in excess of that provided in the charter. Directors may issue authorized shares without stockholder approval.	Indonesian Company Law provides that dividends can be paid to shareholders from the company's cumulative net profits (after deductions for allocation to the reserve fund). If a loss is booked by the company in a preceding financial year and cannot be covered by the reserve fund, such loss should be carried forward and in the current financial year, the company will still be deemed to be making a loss if this carried over loss cannot be covered by the current financial year's profit. Under such circumstances, the company is not be able to distribute dividends from profits it earned in the current financial year. Before the company pays dividends, the company must reserve its profits until it reaches an amount equal to at least 20% of the company's subscribed and paid-up capital. This means that if the company already has a compulsory reserve, the rest of the accumulated net profit can be distributed as dividends. Interim dividends may also be distributed, provided that: ● the company's articles of association allow it; ● the amount of the company's net profit exceeds the amount of the issued and paid-up capital plus the reserve fund; and ● the distribution of the interim dividends will neither cause the company to be unable to pay its obligations to its creditors, nor disrupt the company's operations.
Creation and issuance of new shares	
All creation of shares requires the board of directors to adopt a resolution or resolutions, pursuant to authority expressly vested in the board of directors by the provisions of the company's certificate of incorporation.	Issuance of new shares must be approved by a general meeting of shareholders (with different quorum and voting requirements applicable depending on whether the company seeks to increase its authorized capital or not). ● Issuance of new shares in an amount that is still within the company's authorized capital must be approved by a general meeting of shareholders attended by shareholders representing more than one-half of the total number of issued voting shares in the company, and the decision must be approved

Delaware Law	Indonesian Law
	by shareholders representing more than one-half of the total votes validly cast at the meeting. ● Issuance of new shares in an amount that exceeds the company's authorized capital must be approved by a general meeting of shareholders attended by shareholders representing at least two-thirds of the total number of issued voting shares. The general meeting of shareholders may adopt valid resolutions with affirmative votes representing at least two-thirds of the total votes validly cast at the meeting (or more than two-thirds for public companies).

Item 10.B.10 Changes in Capital

We believe that the provisions in our Articles of Association relating to changes in our capital are not more stringent than that required by Indonesian law.

AMERICAN DEPOSITORY SHARES

Item 12. Other securities Disclosures under Items 12.A, 12.B, and 12.C are not applicable

Item 12.D.

The BNY Mellon Corporation serves as the depositary (the "Depositary") for our ADSs pursuant to the deposit agreement dated November 21, 1995 (the "Deposit Agreement"), as amended and supplemented from time to time.

One ADS represents 100 Series B Shares with a par value of 50 Rupiah per share. ADSs may be represented by certificates that are commonly known as American Depositary Receipts, or ADRs. The Deposit Agreement and the ADRs are governed by New York law.

Deposit, Withdrawal and Cancellation

Shares or evidence of the right to receive shares may be deposited by delivery to the custodian, accompanied by the required documentation and certification and, if the Depositary requires, together with a written order directing the Depositary to execute and deliver to, or upon the written order of, the person or persons stated in such order, an ADR or ADRs for the number of ADS representing such deposit. The deposited securities, which shall consist of the deposited shares and any and all other securities, property and cash deposited with the Depositary or the custodian (the "Deposited Securities") shall be held by the Depositary or by a custodian for the account and to the order of the Depositary or at such other place or places as the Depositary shall determine.

Upon receipt by the custodian of any deposit, together with the other documents required, the custodian shall notify the Depositary and the person or persons to whom or upon whose written order an ADR or ADRs are deliverable. Upon receiving such notice from the custodian, or upon the receipt of shares by the Depositary, and upon the receipt of the payment of applicable fees, taxes and charges, the Depositary will execute and deliver to or upon the order of the person or persons entitled to the ADRs the appropriate number of ADRs registered in the name or names and evidencing any authorized number of ADS requested by such person.

Holders of ADRs may surrender their ADRs at the depositary's corporate trust office. Upon such surrender and the payment of applicable fees, taxes and charges, the Depositary shall deliver to such holders or upon their order the amount of Deposited Securities at the time represented by the ADS evidenced by the ADR. Delivery of such Deposited Securities may be made by the delivery of (a) certificates in the name of such person in whose name an ADR is registered (an "ADR Holder") or as ordered by him or certificates properly endorsed or accompanied by proper instruments of transfer to such owner or as ordered by him and (b) any other securities, property and cash to which such owner is then entitled in respect of such ADRs. The Deposited Securities are to be delivered at the corporate trust office of the Depositary, if feasible.

Rights of the ADR Holders to Inspect the Books of the Depositary and the List of ADR Holders

The Depositary will make available for inspection by ADR Holders the books for the registration and transfers of ADRs at its corporate trust office, provided that such inspection shall not be for the purpose of communicating with the ADR Holders in the interest of a business or object other than our business or a matter related to the Deposit Agreement or the ADRs.

Voting Rights

Upon receipt of notice of any meeting of shareholders or other Deposited Securities, the Depositary shall provide ADR Holders with a notice of such meeting. Such notice shall contain the same information as is contained in such notice of meeting and a statement that the ADR Holders as of the close of business on a specified record date will be entitled to instruct the Depositary as to the exercise of the voting rights, if any, pertaining to the amount of shares represented by their respective ADS and a statement as to the manner in which such instructions may be given. Upon the ADR Holder's request on such record date, received on or before the date specified by the Depositary, the Depositary shall endeavor, in so far as practicable, to vote or cause to be voted the amount of shares or other Deposited Securities represented by the ADS evidenced by such ADR in accordance with the ADR Holder's instructions.

If no such instructions are received by the Depositary on or before the date specified by the Depositary, the Depositary shall deem that such holder of ADRs to have instructed the Depositary to give a discretionary proxy to a person designated by us with respect to such Deposited Securities and, if and to the extent permitted under Indonesian laws and our Articles of Association, the Depositary shall give a direction proxy to a person designated by us to vote such Deposited Securities, except where we have informed the Depositary that we do not wish such proxy to be given or that such matter materially and adversely affects the rights of the holders of the shares.

Dividends and Other Distributions

An ADR Holder generally has the right to receive the distributions we make on the Deposited Securities. Such ADR Holder's receipt of these distributions may be limited, however, by practical considerations and legal limitations. ADR Holders will receive such distributions under the terms of the Deposit Agreement in proportion to the number of ADSs held as of a specified record date, after deduction the applicable fees, taxes and expenses.

Cash Distributions

Whenever the Depositary receives any cash dividend or other cash distribution on any Deposited Securities, the Depositary shall convert such dividend or distribution into U.S. dollars and distribute the amount so receive to the entitled ADR Holders in proportion to the number of ADS representing such Deposited Securities held by them. Where we are or the Depositary is required to withhold from such cash dividend or such other cash distribution an amount on account of taxes or other governmental charges, and such amount is so withheld, the amount distributed to the relevant ADR Holders shall be reduced accordingly.

Distributions of Shares

When a distribution upon any Deposited Securities consists of a dividend in, or free distribution of, shares, the Depositary may distribute to the entitled ADR Holders, in proportion to the number of ADS representing such Deposited Securities held by them respectively, additional ADRs evidencing an aggregate number of ADS representing the amount of shares received as dividend or free distribution, subject to the terms and conditions of the Deposit Agreement and the withholding or any tax or other governmental charge. If we have not provided satisfactory assurances that such distribution would not require registration under the United States Securities Act of 1933, as amended (the "Securities Act") or is exempt from registration under the Securities Act, the Depositary may withhold the distribution of ADRs.

In lieu of delivering receipts for fractional ADS, the Depositary shall sell the amount of share represented by the aggregate of such fractions and distribute the net proceeds as in the case of a cash distribution.

Distributions of Rights

In the event that we offer or cause to be offered to the holders of any Deposited Securities, any rights to subscribe for additional shares or any rights of any other nature, the Depositary, after having consulted with us, shall have discretion as to the procedure to be followed in making such rights available to any ADR Holders or in disposing of such rights on behalf of any ADR Holders. If, by the terms of such rights offering or for any other reason, the Depositary may not either make such rights available to any ADR Holders, or dispose of such rights and make the net proceeds available to such ADR Holders in U.S. dollars, the Depositary shall allow the rights to lapse.

If at the time of the offering of any rights the Depositary determines in its discretion that it is lawful and feasible to make such rights available to all or certain ADR Holders but not to other ADR Holders, the Depositary may, after consultation with us, distribute to any ADR Holder to whom it determines the distribution to be lawful and feasible, in proportion to the number of ADS held by such ADR Holder, warrants or other instruments in such form as it deems appropriate.

In circumstances in which rights would otherwise not be distributed, if an ADR Holder requests the distribution of warrants or other instruments in order to exercise the rights allocable to the ADS of such ADR Holder, the Depositary will make such rights available to such ADR Holder upon written notice from us to the Depositary. ADRs so distributed shall be legended in accordance with applicable U.S. laws and all be subject to the appropriate restrictions on sale, deposit, cancellation, and transfer under such laws.

If the Depositary has distributed warrants or other instruments for rights to all or certain ADR Holders, upon instruction from such ADR Holder pursuant to such warrants or other instruments to the Depositary to exercise such rights, upon payment by such ADR Holder to the Depositary for the account of such ADR Holder of an amount equal to the purchase price of the shares to be received upon the exercise of the rights, and upon payment of the fees of the Depositary and any other applicable charges, the Depositary shall, on behalf of such ADR Holder, exercise such rights and purchase the shares. The shares will then be deposited and the Depositary shall execute and deliver the ADRs to the ADR Holder.

If the Depositary determines that it is not lawful and feasible to make such right available to all or certain ADR Holders, it may sell the rights, warrants or other instruments in proportion to the number of ADS held by the ADR Holders to whom it has determined may not lawfully or feasibly make such rights available, and allocate the net proceeds of such sales (net of the fees of the Depositary and all taxes and governmental charges), upon averaged or other practical basis without regard to any distinctions among such ADR Holders because of exchange restrictions or the date of deliver of any ADR or otherwise and distribute the net proceeds to the extent possible as in the case of a cash distribution.

The Depositary will not offer rights to ADR Holders having an address in the United States unless both the rights and the securities to which such rights relate are either exempt from registration under the Securities Act with respect to a distribution to all ADR Holders or are registered under the Securities Act.

Distributions Other than Cash, Shares or Rights

When the Depositary receives distributions other than cash, shares or rights, the Depositary shall cause the securities or property received by it to be distributed to the ADR Holders entitled thereto, after reduction or upon payment of any applicable fees, expense, taxes or other charges, in proportion to the number of ADS representing such Deposited Securities held by them respectively; provided, however, that if in the opinion of the Depositary such distribution cannot be made proportionately among the entitled ADR Holders, or if for any other reason, the Depositary deems such distribution not to be feasible, the Depositary may adopt such method as it may deem equitable and practicable for the purpose of effecting such distribution, including, but not limited to the public or private sale of the securities or property thus received, or any part thereof, and the net proceeds of such sales (net of the fees) shall be distributed by the Depositary to the entitled ADR Holders as in the case of a cash distribution.

Procedures for transmitting notices, reports and proxy soliciting material

We shall provide to the Depositary and the custodian, on or before the first date on which we give notice of any meeting of shareholders or other Deposited Securities, or of any adjourned meeting of such holders, or of the taking of any action in respect of any cash of other distributions or the offering of any rights, a copy of such notice and a translation of such notice and any other reports and communications which are generally made available by us to the holders of our shares. The Depositary will arrange for the mailing of copies of such notices, reports and communications to all ADR Holders at our request.

Reclassification, Recapitalization and Mergers

In circumstances not considered to be distribution of shares, upon any change in nominal value, change in par value, split-up, consolidation, or any other reclassification of the Deposited Securities, or upon any recapitalization, reorganization, merger or consolidation, or sale of assets affecting us or to which we are a party, any securities which shall be received by the Depositary or a custodian in exchange for or in conversion of or in respect of the Deposited Securities shall be treated as new Deposited Securities under the Deposit Agreement, and the ADS shall represent, in addition to the existing Deposited Securities, the right to receive the new Deposited Securities received in exchange or conversion. The Depositary may also or, if requested by us, shall execute and deliver additional receipts as in the case of a dividend in shares, or call for the surrender of outstanding ADRs to be exchanged for new ADRs specifically describing such new Deposited Securities.

If the Depositary determines that any such adjustment, delivery or exchange is not lawful or practicable, the Depositary may sell such securities or property at a public or private sale and distribute the net proceeds to the entitled ADR Holders as in the case of a cash distribution.

Depository Payments

We entered into a new agreement with the Depositary in 2016 pursuant to which the Depositary agreed to reimburse us up to US$1.0 million in 2016 and up to US$850,000 in each of the subsequent six years for certain expenses we incur in relation to the administration and maintenance of the ADS facility, including, but not limited to, investor relations expenses, legal fees and disbursements and other ADS program-related expenses. The reimbursement will be adjusted if the Depositary's collection of dividend fees and the number of ADSs outstanding falls below a stipulated minimum.

The Depositary did not waive, or pay directly to third parties on our behalf, any expenses relating to the year ended December 31, 2021.

Payment of Taxes

ADR Holders are responsible for any taxes or other governmental charges payable on their ADSs or on the deposited securities represented by any of their ADSs. The Depositary may refuse to register any transfer of the ADR Holders' ADRs or allow such ADR Holders to withdraw the Deposited Securities represented by their respective ADRs until such taxes or other charges are paid and may withhold any dividends or other distributions. It may apply payments owed to the ADR Holders or sell Deposited Securities represented by such ADR Holders' ADRs to pay any taxes owed and such ADR Holders will remain liable for any deficiency.

Fees and Expenses

Shareholders depositing or withdrawing ordinary shares or ADS must pay:	For:
US$5 (or less) per 100 ADS (or part of 100 ADS).	Issuance of ADSs, including issuance resulting from a distribution of shares or rights or other property. Cancellation of ADSs for the purpose of withdrawal, including in case of termination of the deposit agreement.
US$0.02 (or less) per ADS.	Any cash payment to registered ADS shareholders.
Up to US$0.05 per ADS.	Receiving or distributing dividends.
A fee equivalent to the fee payable if the securities distributed to shareholders had been shares and those shares had been deposited for the issuance of ADS.	Delivery of securities by the Depositary to registered ADS shareholders.
US$0.02 (or less) per ADS per calendar year.	Depositary services.

Shareholders depositing or withdrawing ordinary shares or ADS must pay:	For:
Registration or transfer fees.	Transfer or registration of shares on the share register to or from the name of the Depositary or its agent when shareholders deposit or withdraw ordinary shares.
Depositary fees.	Telegram, telex and fax transmissions (if provided for in the deposit agreement). Converting foreign currency to U.S. Dollars.
Taxes and other duties levied by the government, the Depositary or the custodian upon payment of the ADSs or other shares underlying the ADSs, such as share transfer tax, stamp duty or income tax.	As necessary.
Any costs incurred by the Depositary or its agent for servicing the securities deposited.	As necessary.

Amendment

We may agree with the Depositary to amend the Deposit Agreement and the ADRs without the consent of ADR Holders. Any amendment which shall add or increase fees or charges (except for taxes and other governmental charges or registration fees, cable, telex or facsimile transmission costs, delivery charges or similar items), or which shall prejudice a substantial existing right of ADR Holders, shall, however, not become effective as to outstanding ADRs until thirty (30) days after the Depositary notifies ADR Holders of such amendment. Every ADR Holder at the time any amendment so becomes effective shall be deemed, by continuing to hold such ADRs, to consent and agree to such amendment and to be bound by the ADRs and the Deposit Agreement as amended thereby.

Restrictions on the Right to Transfer or Withdraw the Underlying Securities/Limitations on Execution and Delivery, Transfer and Surrender of ADRs

As a condition precedent to any execution and delivery, registration of transfer, split-up, combination or surrender of any ADR or withdrawal of any Deposited Securities, the Depositary, custodian, registrar or we may require payment by the presentor of the ADRs of a sum sufficient to reimburse any of them for any applicable taxes or governmental charges, fees and expenses and the production of proof satisfactory to it as to the identity and genuineness of any signature and may also require compliance with such regulations, if any, as we or the Depositary may establish consistent with the provisions of the Deposit Agreement.

During the period when the transfer books of the Depositary are closed or when we or the Depositary deem necessary and advisable or to comply with a requirement of law or any government or governmental body or commission, or for any other reason, the delivery of ADRs may be suspended, the transfer of ADRs in certain instance may be refused, or the registration of transfer of outstanding ADRs generally may be suspended, subject to certain exceptions.

Without limitation of the foregoing, the Depositary will not knowingly accept for deposit under the Deposit Agreement any shares required to be registered under the provisions of the Securities Act, unless a registration statement is in effect as to such shares.

Prior to delivery, transfer or surrender of ADRs or withdrawal of shares or other Deposited Securities, an indemnity bond may be required if the Depositary deems that fees, taxes or other charges will be payable following such transactions.

Limitations on Obligations and Liability

The Deposit Agreement expressly limits our obligations and liability and the obligations and liability of the Depositary. We and the Depositary are only obligated to take the actions in good faith and without being negligent as specifically set forth in the Deposit Agreement.

Neither we nor the Depositary have any obligation to become involved in a lawsuit or other proceeding related to the ADRs or the Deposit Agreement on behalf of ADR Holders or on behalf of any other person unless we or the Depositary, as applicable, have been provided with satisfactory indemnity against all expense and liabilities.

Neither we nor the Depositary shall be liable for any of our or the Depositary's action or absence of action in reliance on the advice or information from legal counsel, accountants, any person presenting shares for deposit, any ADR Holder or any other person we or the Depositary believed in good faith to be competent to give such advice or information.

The Depositary shall not be liable for any acts or omissions made by a successor depositary arising after the removal or resignation of the Depositary, provided that the Depositary performed its obligations without negligence or bad faith with respect to the same matter during the period in which it previously acted as Depositary. The Depositary shall not be responsible for any failure to carry out instructions to vote any of the Deposited Securities, or for the manner such vote is cast or the effect of any such vote, so long as it acted or abstain from acting in good faith. No disclaimer of liability under the Securities Act is intended by any provision of the Deposit Agreement.

Termination

At our direction, the Depositary will terminate the Deposit Agreement by mailing notice of termination to the ADR Holders at least ninety (90) days prior to the date fixed in such notice for such termination. The Depositary may likewise terminate the Deposit Agreement if at any time ninety (90) days have passed since the Depositary informed us of its election to resign and a successor depositary shall not have been appointed and accepted its appointment as provided in the Deposit Agreement. After termination of the Deposit Agreement, ADR Holders will, upon the surrender of their respective ADRs, payment of the fee of the Depositary for the surrender of such ADRs, and payment of any applicable taxes or governmental charges, be entitled to delivery, to him or upon his order, of the amount of Deposited Securities represented by the ADS evidenced by the ADR.

If any ADRs shall remain outstanding after the date of termination, the Depositary thereafter shall discontinue the registration of transfers of ADRs, shall suspend the distribution of dividends to the ADR Holders, and shall not give any further notices or perform any further acts under the Deposit Agreement, except that it shall continue to collect dividends and other distributions pertaining to the Deposited Securities, shall sell rights and other property as provided in the Deposit Agreement, and shall continue to deliver Deposited Securities, together with any dividends or other distributions received and the net proceeds of the sale of any rights or other property, in exchange for ADRs surrendered to the Depositary (after deducting fees and expenses and applicable taxes and governmental charges).

At any time after the expiration of one year from the date of termination of the Deposit Agreement, the Depositary may sell any remaining ADS and may hold uninvested the net proceeds of such sale, together with any other cash then held by it, unsegregated and without liability for interest, for the pro rata benefit of the ADR Holders that have not surrendered their ADRs. Such ADR Holders will become general creditors of the Depositary with respect to the net proceeds. After such sale, the Depositary shall be discharged from all obligations under the Deposit Agreement vis-à-vis the ADR Holders, except to account for such net proceeds and other cash (after deducting fees and expenses and applicable taxes and governmental charges). Upon termination of the Deposit Agreement, we will be discharged from all our obligations under the Deposit Agreement, except for our obligations to the Depositary with respect to indemnification, charges, and expenses.

Exhibit 12.1

CERTIFICATION PURSUANT TO
15 U.S.C. SECTION 7241,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Ririek Adriansyah, certify that:

1. I have reviewed this annual report on Form 20-F of Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia Tbk (the “Company”);

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present, in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this annual report;

4. The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this annual report based on such evaluation; and
   (d) Disclosed in this annual report any change in the Company’s internal control over financial reporting that occurred during the period covered by this annual report that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting; and

5. The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.

Jakarta, April 21, 2022

By: /s/ Ririek Adriansyah
Ririek Adriansyah
President Director / Chief Executive Officer

Exhibit 12.2

**CERTIFICATION PURSUANT TO
15 U.S.C. SECTION 7241,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Heri Supriadi, certify that:

1. I have reviewed this annual report on Form 20-F of Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia Tbk. (the "Company");

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this annual report;

4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this annual report based on such evaluation; and
   (d) Disclosed in this annual report any change in the Company's internal control over financial reporting that occurred during the period covered by this annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Jakarta, April 21, 2022

By: /s/ Heri Supriadi
Heri Supriadi
Director of Finance and Risk Management / Chief Financial Officer

Exhibit 13.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia Tbk. (the "Company") on Form 20-F for the year ending December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ririek Adriansyah, President Director, (Chief Executive Officer) of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Jakarta, April 21, 2022

By: /s/ Ririek Adriansyah
Ririek Adriansyah
President Director / Chief Executive Officer

A signed original of this written statement required by section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934.

Exhibit 13.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia Tbk (the “Company”) on Form 20-F for the year ending December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Heri Supriadi, Director of Finance and Risk Management (Chief Financial Officer) of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Jakarta, April 21, 2022

By: /s/ Heri Supriadi
Heri Supriadi
Director of Finance and Risk Management / Chief Financial Officer

A signed original of this written statement required by section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934.