

Submission Header Summary

Element	Value
Submission Type	20-F
Filer Information	
CIK	0001001807
CCC	*****
Emerging Growth Company	false
Issuer Stock Exchanges	
Stock Exchange	NYSE
Period Date	12-31-2023
Shell Company	false
Voluntary Filer	false
Well-Known Seasoned Issuer	true
Accelerated Filer Status	Large Accelerated Filer
Notifications	
Email Address	bridgesupport@toppanmerrill.com

Document Sequence

Count	Output File Name	Source File Name	Document Type	Description	PDF Action
1	tmb-20231231x20f.htm	tlk_Current_Folio_20F	20-F	20-F	
2	tmb-20231231xex1d1.htm	tlk_Ex1_1	EX-1.1	EX-1.1	
3	tmb-20231231xex2d1.htm	tlk_Ex2_1	EX-2.1	EX-2.1	
4	tmb-20231231xex4d1.htm	tlk_Ex4_1	EX-4.1	EX-4.1	
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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, 2023
 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 Dwiwama 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 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.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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 than 3.5G.

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.

5G Fixed Wireless Access Technology Roadmap

The strategic plan that outlines the deployment of 5G networks to provide high-speed, reliable wireless internet connectivity directly to homes and businesses.

ADRs

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

ADSs

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

ADSL

Asymmetric digital subscriber line, a type of digital subscriber line (DSL) technology, a data communications technology that enables faster data transmission over copper telephone lines than a conventional voiceband modem can provide.

AI

Artificial intelligence, intelligence demonstrated by machines, as opposed to intelligence of humans and other animals.

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 users on average during the relevant measurement period. It is defined as the total revenue from specified services divided by the number of users of such services.

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ASKALSI

Asosiasi Sistem Komunikasi Kabel Laut Seluruh Indonesia or Indonesian Association of Submarine Cable Communication Systems.

ATM

Automated Teller Machine.

A2P SMS messaging

Application-to-Person SMS messaging, a process by 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, and/or delivering time-sensitive alerts. Typical examples of A2P SMS messaging include marketing and promotional messages (e.g., loyalty programs and marketing notifications) and confirmations and alerts (e.g., banking notifications, critical alerts, SMS-based two factor authentication, automatic booking confirmations and reminders).

B2B

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

B2C

Business-to-consumers, arrangements and transactions between businesses and consumers.

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 microwaves, submarine cables, satellites, 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.

BHP

Biaya Hak Penggunaan or right of use fee, a fee that mobile operators pay to the Government in connection with their use of radio frequencies for their network.

BI

Bank Indonesia, the central bank of the Republic of Indonesia.

Bitstream

A continuous sequence of binary digits, consisting of 1s and 0s, that represents a flow of data being transmitted or stored.

BNG

Broadband Network Gateway, a pivotal device in broadband networks that authenticates users, assigns IP addresses, and manages traffic, ensuring reliable and consistent service delivery by ISPs.

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Broadband

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

BRTI

The *Badan Regulasi Telekomunikasi Indonesia*, or Indonesian Telecommunications Regulatory Authority, a Government body in charge of regulating Indonesia's telecommunications sector.

BTS

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

Business Competition Law

Law No. 5 of 1999 on Prohibition of Monopolistic Practice and Unfair Business Competition, as amended by the Job Creation Law 2022 of the Republic of Indonesia.

BWA

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

CDN

Content Delivery Network, a geographically distributed network of proxy servers and their data centers, which provides high availability and performance by distributing the service spatially relative to end-users.

CFU

Customer Facing Unit, an organizational unit similar to a strategic business unit that interacts with specific customer segments, has responsibility for their respective profit and loss, and which regroups subsidiaries and business portfolios relevant to the specific customer segments it is in charge of interacting with.

Common stock

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

COVID-19

The global 2019 novel coronavirus and its variants.

CPaaS

Communications Platform-as-a-Service, 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.

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DCS

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

DBPP

Defined Benefit Pension Plan, 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.

DCPP

Defined Contribution Pension Plan, 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, and not future benefits, are guaranteed. 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 Depository 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.

Depository

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

DevSecOps

Development-Security-Operations, an approach where developers, security experts, and IT operations teams work closely together from the start of a project to build security into the software at every step of its development and deployment.

DGPIO

The Director General of Post and Informatics Operations of the Republic of Indonesia, an official in MoCI who is responsible for overseeing and certifying the operations of postal services and information technology within Indonesia.

DGT

Directorate General of Taxes, a Government body under the Ministry of Finance of Indonesia that is responsible for developing taxation-related policies.

Digital life

The integration of digital technologies into daily routines and the consequent influence these technologies have on work patterns, communication, and overall lifestyle, facilitating a constant connection with the digital world.

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.

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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, which 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.

E-KYC

Electronic Know your Client, a process by which a customer's identity and address are verified electronically.

Earth Station

The antennae 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.

Edge cloud

Cloud computing infrastructure and services that are located closer to the "edge" of the network, *i.e.*, nearer to the devices and end-users who are utilizing them.

Eduvice program

Our Company's Electronic Device Donation for Education program, as part of its ESG initiatives.

ERM Online

Enterprise Risk Management Online, our Company's application for risk management.

ESG

Environmental, Social and Governance.

EU

The European Union.

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FANS

Fixed Access Network Sharing, a framework where multiple service providers share the same fixed network infrastructure to provide telecommunications services to end-users.

Fiber Optic

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

Fintech

Products, services, and companies that employ or relate to digital and online technologies in the banking and financial services industries.

Fixed Line

Fixed wireline and fixed wireless.

Fixed Wireless

A 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.

FLOU Cloud

Our cloud service, which is designed to support the digitalization of Indonesian startups, SMEs, enterprises, and government agencies.

FMC

Fixed-Mobile Convergence, a move in the telecommunications industry towards providing seamless connectivity by integrating fixed and wireless networks to deliver unified services to users.

FRAMES

Our Company's Fraud Management System.

FTTH

Fiber To The Home, the implementation of a fiber optic network that reaches up to the customer point (known as customer premises).

Future State Architecture

A conceptual blueprint that represents an organization's direction for technological development and transformation, planning the evolution of its systems to achieve strategic goals.

Gateway

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

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Gb

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

Gbps

Gigabits per second, a measure of speed for digital signal transmission expressed in billions of bits per second passing between equipment in a data transmission system.

GHG

Greenhouse gases.

GHz

Gigahertz, a unit of measure of frequency equal to one billion cycles per second. 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").

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.

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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 Telecommunications, a European standard for digital cellular telephone.

HAP

High Altitude Platform, a system comprising various aerial vehicles, such as balloons or drones, situated in the stratosphere and used for communication and observation purposes.

HDSPA

High-Speed Downlink Packet Access, a mobile telecommunications protocol that enhances 3G networks by enabling faster data transfer rates and improved network capacity.

ICT

Information and communications technology, an area concerned with information technology, telecommunications networking and services and other aspects of managing and processing information.

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.

IGG

Indonesia Global Gateway, a submarine fiber optic cable system covering several cities in Indonesia.

IICD

Indonesian Institute for Corporate Directorship, a non-profit organization founded by 10 highly reputable Indonesian Business Schools and preeminent individuals.

IMS

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

Indonesia Broadband Plan

A strategic initiative aimed at expanding and enhancing internet connectivity across Indonesia to foster economic growth and improve access to information.

Indonesia Cyber Core

The strategic framework and capabilities developed by the Government to safeguard Indonesia's cyber space, aligning with national interests and political strategies.

Industry 4.0

The transformative phase in manufacturing that emphasizes automation, real-time data, interconnectivity, machine learning, and cyber-physical systems to create smart, interconnected production facilities.

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Information Call Center

A specialized hub staffed by customer service specialists who manage inbound and outbound phone inquiries, providing callers with information and assistance.

Infrastructure virtualization

The process of using software to simulate the functionality of physical hardware systems, thereby creating a flexible, scalable, and efficient IT environment that can be managed and deployed virtually.

Interconnection

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

Internet Access Provider

A 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.

IODN

Intelligent Optical Distribution Network, a pioneering technology that augments FTTH networks' efficiency by integrating smart components such as eIDs and tools for the advanced management and operation of fiber optics, streamlining service provisioning and reducing manual errors.

IoT

The Internet of Things, infrastructure which interconnects physical and virtual things using interoperable information and communication technologies.

IP

The Internet Protocol, a set of communications protocols for exchanging data over the internet.

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.

Ipv6

Next-generation internet protocol designed to replace Ipv4, offering a significantly larger address space to accommodate the expanding number of devices connected to the internet.

ISO

International Organization for Standardization, an independent, non-governmental international organization with a membership of 168 national standards bodies.

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ISP

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

IT

Information Technology.

JATS

Jakarta Automated Trading System, an electronic system used by the Jakarta Stock Exchange to facilitate automated order matching for securities trading.

JIBOR

Jakarta Interbank Offered Rate, a money market benchmark rate.

Job Creation Law 2023

Government Regulation in Lieu of Law of the Republic of Indonesia No. 2 of 2022 on Job Creation which (i) has been enacted into law on March 31, 2023 under Law of the Republic of Indonesia No. 6 of 2023, and (ii) revokes and replaces Law of the Republic of Indonesia No.11 of 2020 on Job Creation (the "Job Creation Law 2020").

KPPU

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

KSO

Kerja Sama Operasi or Joint Operations.

KSU

Koperasi Serba Usaha or Multi-Purpose Cooperative.

LAN

Local Area Network, a computer network that interconnects computers within a limited area such as a home, school, computer laboratory, office building, or closely positioned group of buildings.

Leased

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

LoRa

From "long range," a physical proprietary radio communication technique that is based on spread spectrum modulation techniques derived from chirp spread spectrum (CSS) technology.

LPWAN

Low-Power Wide-Area Network, a wireless telecommunications network technology designed for long-range communications at a low bit rate, optimally powering large-scale IoT deployments.

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Mbps

Megabits per second, a measure of speed for digital signal transmission expressed in millions of bits per second passing between equipment in a data transmission system.

MEC

Multi-access Edge Computing, a network architecture that enhances cloud computing by bringing computational power, data storage, and services closer to the user right at the edge of the network.

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

ML

Machine Learning, the technology that enables computers to learn and improve from data and experiences without being directly programmed to do so.

MMS

Multimedia Messaging Service, a standard way to send messages that include multimedia content, such as images, audio, video, and rich text, to and from mobile phones over a cellular network.

MNO

Mobile network operator, sometimes also known as a carrier service provider, mobile phone operator or mobile network carrier, which provides telecommunications services such as wireless voice and data communication to subscribed mobile users.

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.

MOLHR

The Ministry of Law and Human Rights of the Republic of Indonesia.

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MOU

Memorandum of Understanding.

MSME

Micro, Small and Medium Enterprise.

MSOE

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

MVA

Megavolt-amperes, the unit used to measure the apparent power in an electrical circuit.

MVNO

Mobile virtual network operator, a provider of telecommunications services such as voice and data communication to subscribed mobile users that does not own the wireless network infrastructure over which it provides its services.

NAP

Network Access Point, a key interchange for ISPs to connect and exchange traffic in a high-connectivity facility, which may also serve as a juncture for multiple carriers and content providers.

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.

NFV

Network Function Virtualization, a technology that decouples network functions, such as routing, load balancing, and firewalls, from proprietary hardware appliances, instead running these functions as software on standardized computing hardware.

NGSO satellite

Non-Geostationary Orbit satellite, satellite orbits where satellites are not stationary relative to the Earth's surface but move across the sky, such as Low Earth Orbit (LEO), Medium Earth Orbit (MEO), and Highly Elliptical Orbit (HEO) satellites.

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NIB

Nomor Induk Berusaha or Business Identification Number, a unique identifier issued by the government to all businesses operating in Indonesia through the Online Single Submission (OSS) system. It is a substitute for various other licenses and permits, including customs duties access rights. The NIB is obligatory for businesses seeking to (i) apply for new business licenses and/or commercial or operational licenses, or (ii) extend or modify existing business licenses and/or commercial or operational licenses.

Open Cable Technology

Submarine cable systems that provide the purchaser or Internet Content Provider (ICP) with the flexibility to select their own Submarine Line Terminating Equipment (SLTE), instead of being limited to pre-installed hardware, which allows for greater freedom in network design and operation.

Optical Access Network

The physical and logical framework consisting of fiber optic cables and associated equipment that facilitate high-speed internet and data services from a central office to end-users, typically in residential and enterprise settings.

OHS

Occupational Health and Safety.

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.

OSS

The Online Single Submission system, an integrated Government service platform designed to streamline business licensing and improve efficiency in regulatory compliance for companies in Indonesia.

OTN

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

OTT

Over The Top, 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.

Pajak Bumi dan Bangunan

Land tax in Indonesia, also known as *Pajak Bumi dan Bangunan* (PBB), which is levied on land ownership and is a key component of Indonesia's taxation system.

Payment switching service

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.

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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.

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.

PKLN Team

Tim Pinjaman Komersial Luar Negeri or Foreign Commercial Loan Coordination Team, a Government body that reviewed lending from offshore lenders, which was dissolved in 2020.

PSTN

Public Switched Telephone Network, a telephone network operated and maintained by us that provides infrastructure and services for public telecommunications. 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 millimeter).

Regional Business Unit

Our Company's organizational units in the form of divisions that are formed on a geographical basis, and each of them is differentiated based on the regional scope of its operations.

Rich Communication Services

A communication protocol designed to enhance messaging with features like high-resolution media sharing, read receipts, and typing indicators, seeking to supersede traditional SMS and MMS standards.

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.

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.

Satellite Transponder

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

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signal back to the Earth.

SBC

Session Border Controller, a specialized device that secures and regulates SIP-based VoIP communications at network borders, ensuring call quality, integrity, interoperability, and efficient traffic management.

SBUJK

Sertifikat Badan Usaha Jasa Konstruksi, the construction services business entity certificate issued by the Indonesian Construction Services Development Institute (*Lembaga Pengembangan Jasa Konstruksi*), which is legally required for construction service companies that wish to participate in construction projects within Indonesia.

SCCS

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

SDAN

Software Defined Access Network, the application of SDN principles to the access network, which connects end users' premises to the central network infrastructure of a service provider.

SDG

Sustainable Development Goals, a set of 17 interconnected global objectives adopted by the United Nations to promote sustainable development.

SDN

Software-Defined Networking, an architecture that dynamically manages networks programmatically, enabling centralized, flexible, and efficient control through abstraction of lower-level functionality.

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.

Service node technologies

Essential components within a communications network infrastructure designed to manage data delivery, integrating various functionalities, and ensuring optimal service quality and efficiency.

SIM Card

Subscriber Identity Module card, 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.

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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.

TDM

Time Division Multiplexing, a method of transmitting and receiving independent signals over a common signal path by means of synchronized switches that allow multiple data streams to share a single communication channel sequentially.

TIMES

Telecommunication, Information, Media, Edutainment and Service.

TJSL Committee

Environmental and Social Responsibility Committee (*Komite Tanggung Jawab Sosial dan Lingkungan*) of our Company.

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).

TRIR

Total recordable incident rate.

UI/UX

User experience design, the process of defining the experience a user would go through when interacting with a company, its services, and its products.

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.

Voice-hubbing

A service provided by telecommunications operators that allows for the centralization and management of international voice traffic, offering access to mobile destinations worldwide.

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VoIP

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

vCDN

Virtualized Content Delivery Network, an evolution of traditional CDN technology, leveraging virtualization to make CDN platforms more scalable, flexible, and easier to deploy and manage.

vSTB

Virtual Set-Top Box, a software-based solution that emulates the functionality of a physical set-top box, allowing users to access and manage video content and services over the internet without the need for dedicated hardware.

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.

XBRL

eXtensible Business Reporting Language, a freely available and global framework for exchanging business information.

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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.

Our audited consolidated financial statements as of and for the years ended December 31, 2022 and 2023 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 the rate of Rp15,398.50 to US\$1.00 for December 31, 2023 and Rp15,569.00 to US\$1.00 for December 31, 2022 based on the middle exchange rate which is calculated based on the Reuters Refinitiv buying and selling rates. 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.

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 (the "**Securities Act**") and Section 21E of the U.S. Securities Exchange Act of 1934, as amended (the "**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 implementation of our strategy;
- our expectations regarding demand for our products and services;
- growth in the telecommunications sector in Indonesia and of the Indonesian economy in general;
- our prospects, projects, results of operations and financial condition;
- trends and competition in the telecommunications industry in Indonesia;

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- 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;
- general macroeconomic conditions, including impacts of political tensions; 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 that address activities, events, or developments which we expect or anticipate will or may occur in the future are hereby identified as forward-looking statements for the purpose of the safe harbor provided by Section 27A of the Securities Act and Section 21E of the Exchange Act. Although we believe that the expectations reflected in the forward-looking statements herein are reasonable, such expectations may prove to be incorrect. 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.

ITEM 3. KEY INFORMATION

A. [RESERVED]

B. CAPITALIZATION AND INDEBTEDNESS

Not applicable.

C. REASON FOR THE OFFER AND USE OF PROCEEDS

Not applicable.

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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 and 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. 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.

Summary of Risk Factors:

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 materially and adversely affect our business, financial condition, results of operations and prospects.
- The rapid pace of technological change in the telecommunications industry may adversely affect our ability to remain competitive if we cannot successfully integrate new innovations.
- Indonesian regulations require telecommunications service providers such as ourselves to share our network infrastructure and capacity with our competitors, and the enforcement of these regulations remain uncertain.
- Revenue leakage might occur due to internal weaknesses or external factors and if this risk were to materialize, it could have a material adverse effect on our operating results.
- Expected benefits from partnerships with global technology companies may not be achieved.
- Our networks and equipment face potential physical and cybersecurity threats, such as theft, vandalism and acts intended to disrupt our operations, which could materially and adversely affect our operating results.
- Damage to our reputation could negatively impact our business, financial condition and results of operations.
- We face a number of risks relating to our internet-related services.
- Expected benefits from investment in new networks and technologies may not be realized.
- We rely on third parties to supply and maintain our network infrastructure, and they may be difficult to replace.
- Our satellites have limited operational lives 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.
- Actual or perceived health risks or other problems relating to radio emissions could lead to litigation or decreased mobile communications usage.
- Health epidemics or pandemics 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.

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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.
- 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 and its interests may not necessarily align with the interest of our other shareholders or our own interests.

Financial Risks

- We are exposed to interest rate risk in relation to our bank borrowings.
- We may be unable to fund the capital expenditures needed for us to remain competitive in the telecommunications industry in Indonesia.
- Deterioration of the financial condition of our customers could adversely affect our operating results.

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

- Changes to our legal and regulatory environment may result in increased competition, reduced margins and operating revenue, asymmetric reduction in costs incurred by our competitors and increased regulatory and enforcement uncertainty.
- Applicable regulations on tariffs and their implementation as supervised by 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 USO Contribution and any disagreement with the relevant authorities relating to such payments and/or failure to make such payments could subject us to the revocations of certain of our licenses, with limited recourse.

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- Our electronic money business is highly regulated.

Risks Related to the Development of New Businesses and Acquisitions

- We may not succeed in our efforts to develop new businesses.
- Due to intense competition for highly skilled personnel, we may fail to attract, recruit, retain and develop qualified employees, which could materially and adversely impact our business, prospects, financial condition and results of operations.
- If we are unable to manage our growth effectively, our business and financial results may be adversely affected.
- Our acquisition activities expose us to various risks.

Risks Related to our Corporate Structure

- We are dependent on our subsidiary, PT Telekomunikasi Selular ("**Telkomsel**"), a cellular telecommunications services and cellular telecommunications networks company.
- Our effort to streamline our corporate structure may not create expected synergies and efficiency in a timely fashion or at all.
- Our controlling shareholder's interests 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.
- 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.

Macroeconomic Risks

- Negative changes in global, regional or Indonesian economic activity could materially and adversely affect our business.
- Fluctuations in the value of the Indonesian Rupiah may materially and adversely affect us.
- Rapid and excessive increases in levels of inflation and interest rates in Indonesia could materially and adversely affect our financial condition and results of operations.
- Downgrades of credit ratings of the Government or Indonesian companies could materially and adversely affect our business.
- Employment legislation in Indonesia could materially and adversely affect our business.

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Risks relating to Natural Disasters and Climate Change

- Indonesia is vulnerable to natural disasters and events beyond our control, which could materially and adversely affect our business and operating results.
- We are exposed to the potential for financial loss and further non-financial detriments arising from climate change and society's response to it.

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 on 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 the holders.
- 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.

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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 materially and adversely affect our business, financial condition, results of operations and prospects.

We depend to a significant degree on the uninterrupted operation of our network infrastructure, systems, and connections to other networks 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, as 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, as our integrated network infrastructure 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 infrastructure and connected systems, 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 due to a variety of causes such as earthquake, fire, flood, power loss, equipment failure, network software flaws, transmission cable disruption or similar events. Past incidents have demonstrated our susceptibility to such damage or interruptions in operation. In 2021, a flood in the Kalimantan Selatan area and Seroja and a cyclone in Nusa Tenggara Timor area damaged certain of our network infrastructure and some submarine cables were cut, including the Sorong-Jayapura, IGG and Batam-Pontianak cables. In 2022, we faced interruptions to some submarine cable communication systems as a result of damage from flood, earthquakes, a ship's anchor and fishing equipment, among other things. 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.

More extensive infrastructure damage could severely hamper service provision across our operations, and our business continuity plan and disaster recovery plan may not fully protect us from damage or interruptions to our operations. 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 and materially affect our business, financial condition, results of operations and prospects.

The rapid pace of technological change in the telecommunications industry may adversely affect our ability to remain competitive if we cannot successfully integrate new innovations.

Emerging technologies such as 5G and future development or application of new or alternative technologies, services or standards could require substantial investments and significant changes to our business model in order for us to remain competitive, as 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 may not succeed in effectively integrating new technologies into our existing business model. For instance, if our rollout of 5G may not meet expectations for customer adoption or return on investment in terms of magnitude and/or timeline, it may negatively impact our financial condition and results of operations.

One of the main challenges faced by the telecommunications industry in Indonesia is the increasing use of OTT services that have become substitutes for voice and SMS services, in line with the growing number of smartphone users. This has affected the contribution from cellular phone services to our consolidated revenues, which has continued to decline from 10.3% in 2021 to 8.2% in 2022 and 5.5% in 2023, computed as a percentage of our consolidated revenues for the fiscal years ended December 31, 2021, 2022, and 2023, respectively

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In addition, we face a continuing risk of losing market share to new market entrants such as operators and service providers (including non-telecommunications players and OTT players) who use newer or lower cost technologies. In particular, the rapid development of new technologies, services, products, and business models has reduced the distinctions between local, long distance, wireless, cable and internet communication services entry barriers 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. A loss of market share could have a material and adverse effect on our business, prospects, financial condition, and results of operations.

We may also be unable to sufficiently utilize big data and integrate this into our operations. Digital businesses especially benefit from significant data analysis, and we may not be able to innovate as fast as other competitors in this and other areas. As a result, we may fail to successfully transition our existing business models to take advantage of new technologies such as big data analytics and to develop new technologies and services that customers demand.

Our technologies could become obsolete, or be subjected to competition from new technologies in the future, and we may not be able to acquire new technologies necessary to maintain or increase our competitiveness on commercially acceptable terms, or in a timely fashion. Our failure to react to rapid technological changes could materially and adversely affect our business, financial condition, results of operations and prospects.

Indonesian regulations require telecommunications service providers such as ourselves to share our network infrastructure and capacity with our competitors, and the enforcement of these regulations remain uncertain.

Government regulations require telecommunications service providers with passive telecommunications infrastructure (e.g., ducts, towers, poles, or communication manholes, among other things) to give access to such passive telecommunications infrastructure to other telecommunications providers. These regulations require that use of passive telecommunications infrastructure must be based on cooperation and mutual agreements between telecommunications service providers in a fair, reasonable and non-discriminative manner. Further, a telecommunications service provider with active telecommunications and/or broadcasting infrastructure may be mandated to give access to such active infrastructure to other telecommunications providers as mutually agreed and in furtherance of fair business competition. This may involve the leasing of network capacity to other telecommunications providers.

It remains to be seen how these provisions will affect our business and our relations with other telecommunications players in Indonesia. It is possible for the Government to adopt more implementing terms in the future that we may not consider to be commercially reasonable. For example, subsequent or implementing regulations may not allow us to charge competitors who lease our network capacity fees at rates that we will consider to be commercially acceptable. If such regulations were to be implemented, being mandated to share infrastructure and lease capacity at such rates could have a material adverse effect on our revenue, financial condition, results of operations and prospects.

Revenue leakage might occur due to internal weaknesses or external factors and if this risk were to materialize, it could have a material 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. For example, in recent years we have lost revenue as a result of fraudsters' 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 routed to local numbers, enabling fraudsters to bypass interconnection rates in the destination country. Such revenue leakages constitute a loss of potential revenue that is difficult to quantify and may lead to a loss of revenue for our Group, which may affect our financial conditions and results of operations.

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Expected benefits from partnerships with global technology companies may not be achieved.

We partner and collaborate with global technology companies such as Microsoft and Amazon Web Services as part of our strategy of providing digital IT services to businesses. Global technology companies have capabilities and scale that we may not be able to create and develop organically, whether in the near-term or at all, and such partnerships are necessary to achieve some of our strategic goals. Our reliance on global technology companies is especially critical for major projects, such as developing a vertical digital ecosystem in Indonesia, fostering digitalization by providing wider access to digital tools for businesses and government agencies, and generally supporting Indonesia's digital development through our contribution to the One Data Indonesia initiative, the Government's plan for digitizing Government data and facilitating transfers of such data, and the Government's implementation of the National Digital Platform.

However, we may be unable to identify suitable partners for achieving such strategic goals or we may not benefit as expected from our partnerships with selected global technology companies. For example, there may be differences between our interests and our partners' interests as a result of pursuing different strategies, developing competing services, competing for the same customers, or other reasons outside of our control.

As we strategically focus on the development of digital products, services and the development of a digital ecosystem, we may also become increasingly reliant on technology owners with whom we partner, in particular if we are not able to develop certain digital capabilities organically or if we do not develop or attract digital talents.

Delays and failures in the implementation of national strategic plans such as the National Digital Platform, the development of an E-government architectural framework for the central Government, local governments, agencies and state-owned companies, and the successful implementation of the Government's inclusive digital transformation strategy for Indonesia could also negatively impact our own strategic initiatives and partnerships to the extent they rely on the success of such national initiatives.

Ultimately, if we are unable to realize gains from our partnerships with global technology companies, our ability to achieve strategic growth initiatives, provide digital products, and attract and retain customers could be materially and adversely affected.

Our networks and equipment face potential physical and cybersecurity threats such as theft, vandalism and acts intended to disrupt our operations, which could materially and adversely affect our operating results.

Our networks and equipment, particularly our wireline access network, face both potential physical and cybersecurity threats. Physical incidents or threats include facility access issues, energy blackouts, fire, power loss, telecommunications failure, catastrophic events such as landslides and earthquakes, theft and vandalism of our equipment and organized attacks against key infrastructure intended to disrupt operations. For example, our fiber optic cables were cut several times in 2023 because of vandalism, which caused temporary interruptions to our traffic.

In addition, telecommunications companies worldwide face increasing cybersecurity threats as businesses have become more dependent on telecommunications and computer networks, and have adopted or will adopt cloud technologies. Cybersecurity threats include gaining unauthorized access to our systems or inserting computer viruses, malicious and destructive codes, worms, malware, ransomware, or other malicious software in our systems, phishing, or spoofing 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.

We protect confidential information and personal data on our systems by entering into confidentiality agreements with employees, consultants, customers, suppliers, and service providers, and we design our networks and implement various procedures to restrict unauthorized access and dissemination of such information and data. Nonetheless, we, our service providers and others who may have access to our systems and confidential information are still subject to internal and external cybersecurity threats. For instance, current, departing, or former employees, business partners, consultants, and other individuals with whom we do business could attempt to improperly use or access our computer systems and

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networks, or those of third-party service providers, to copy, obtain and misappropriate our confidential information, including personal data.

A lack of awareness among our employees and service providers of the cybersecurity risks that we face, as well as a lack of cybersecurity skills and capabilities, could contribute to our vulnerability if not adequately addressed in our training and awareness programs. Cyber-attacks may be conducted by sophisticated and organized groups and individuals with a wide range of motives and expertise, including organized criminal groups, "hacktivists", terrorists, nation-states, nation state-supported actors, and others. Our network and website are frequently targeted by cyber-attacks. For example, in August 2022, a hacker leaked what they claimed was personal data from millions of IndiHome users. While our subsequent internal investigation determined that this data was fabricated, we may face reputational damage even from false leaks. Further, the COVID-19 pandemic has increased cybersecurity risk due to increased online and remote activity, including from our employees and service providers. In 2022, as our employees began to return to work in the office due to relaxations in restrictions relating to the COVID-19 pandemic, we detected 40.6 million cyber threats to our servers, down from an unprecedented 53.9 million cyber threats to our servers in 2021. In 2023, we detected 65.9 million cyber-attack threats on our servers, showing an increase from the previous year.

Although almost all of the cybersecurity threats were non-disruptive and none of them rose to the level of requiring us to specifically address them, techniques that computer hackers and others use to access or sabotage networks and computer systems constantly evolve and generally are not recognized until launched against a target. As a result, we and our service providers may be unable to anticipate, detect in a timely manner or at all, react to, counter or ameliorate all of these techniques or remediate any incident as a result thereof, and our safety procedures and intrusion detection systems may not be fully effective in preventing unauthorized access to our internal data and databases, as well as data of customers, suppliers and other parties that we host on our systems. Therefore, such data could be misappropriated and illegally used, monitored, modified, or disseminated.

Cybersecurity breaches could expose us to significant legal, financial and reputational consequences. Due to applicable laws, regulations and contractual obligations, we may be held responsible for cybersecurity breaches, attacks or other similar incidents, and we may be subject to additional regulatory scrutiny and exposed to civil litigation, fines, damages and injunctions.

A successful cyber-attack may lead us to incur substantial costs and devote increasing resources to repair damage or restore data, implement substantial organizational changes, new safeguards, system improvements, new cybersecurity due diligence procedures and training to prevent future similar attacks and lost revenues and litigation costs due to misused sensitive information, liabilities for information loss, breaches of confidentiality of private information, and cause substantial reputational damage, loss of customer confidence in the adequacy of our threat mitigation and detection processes and procedures, and impact our competitive position. Cyber-attacks 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, or our failure to make adequate or timely disclosures to the public, regulators, shareholders or law enforcement agencies following any such event, as well as disruption to our operations or our customers' operations. Even a false claim that we were the victim of a cyber-attack may be detrimental to our reputation, and we may face attempts to blackmail us over allegedly or actually stolen data and through ransomware attacks.

Furthermore, it might be difficult to calculate the economic costs caused by potential cybersecurity 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 cybersecurity threats, the scope and impact of any future incident cannot be precisely predicted and the physical and cybersecurity measures that we take to protect our network may not be successful.

Damage to our network, equipment or data and the need to repair such damage resulting from a physical or cyber-attack may divert our management attention and resources, expose us to liability and damages, negatively impact our operations, reputation and competitive position, and materially and adversely affect our business, prospects, financial condition and operating results.

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Damage to our reputation could negatively impact our business, financial condition and results of operations.

Our reputation is a critical factor in our relationships with customers, employees, the Government, other SOEs, suppliers and other stakeholders. Incidents involving the quality of our products and services, security, or safety issues, allegations of unethical behavior or misconduct or legal noncompliance, internal control failures, data or privacy breaches, workplace safety incidents, environmental incidents, the use of our communications systems for illegal or objectionable applications, negative media reports, the conduct of our partners or representatives, and other issues or incidents that, whether actual or perceived, may result in adverse publicity and be detrimental to our reputation.

In addition, if we fail to respond quickly and effectively to address such incidents, the ensuing negative public reaction could harm our reputation and lead to litigation or subject us to regulatory actions or restrictions. Damage to our reputation could harm customer relations, reduce demand for our services and products, reduce investor confidence in us, and may also damage our ability to compete for customers and highly skilled employees.

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

In addition to cybersecurity 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 IP blacklists which blocked all email generated from Telkom addresses for almost a week until remedial measures could be put into place. Measures we have in place, such as administrative and technical preventative measures to identify and combat spam, may not always be effective and we could also be placed on certain IP 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.

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 network technologies, virtualization, software-defined networking, cloud-based technologies, new video and content delivery platforms, digital marketing, home fiber, fixed-mobile convergence, Wi-Fi 6. The implementation of these new technologies depends on a number of factors, including the development of our network and the launch of new and commercially viable products and services involving these technologies. We may have to incur substantial expenditures to develop our network, services and products and to gain access to related or enabling technologies in order to successfully implement these new technologies.

These 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. We may not be successful in modifying our network infrastructure in a timely and cost-effective manner to facilitate such implementation, which could materially and 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 develop the new technology to effectively and economically deliver services based on such technology. For example, the deployment of our 5G network requires significant initial capital expenditures for network infrastructure.

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Furthermore, we are also reliant on the Government for allocation of relevant spectrum through auctions. Deployment of new technology may also adversely affect the performance of the network for existing services. If we cannot acquire the required spectrum for network technologies or deploy the technologies and services that 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 and adversely affected.

We rely on third parties to supply and maintain our network infrastructure, and they may be difficult to replace.

We rely on a limited number of leading international telecommunications equipment manufacturers, including Huawei, ZTE Corporation and Ericsson, for equipment and services required to maintain and expand the infrastructure required for our mobile network and 5G deployment. The successful build-out and operation of our networks depends heavily on obtaining adequate supplies of core and transmission telecommunications equipment, fiber, switching equipment, radio access network solutions, base stations and other services and products on a timely basis. Most of this equipment cannot be sourced locally. Our business could be materially impacted by disruptions to our key suppliers' businesses or supply chains due to factors such as significant geopolitical events, changes in law or regulation, the introduction of restrictions to curb epidemics or pandemics, as seen during the COVID-19 pandemic, trade tensions and direct or indirect export and re-export restrictions. We may experience difficulty in replacing a number of our suppliers in the event that they fail to supply us with the components and/or equipment we require. Failure to obtain adequate supplies or services in a timely manner or on commercially acceptable terms or at all may result in significant increases to the cost of our supplies or services or in our inability to maintain and to expand our mobile network, any of which may have a material and adverse effect on our business, prospects, financial condition and results of operations.

Further, the ability of certain suppliers such as Huawei to ensure the supply of equipment or services provided to us or any entity in our supply chain may be impaired as a result of sanctions imposed on such manufacturers. For instance, the United States Department of Commerce added Huawei and certain of its affiliates to its "Entity List," which prohibits companies globally from directly or indirectly exporting, re-exporting or transferring items subject to U.S. export control jurisdiction to Huawei without authorization and procuring items from Huawei when the companies know or have reason to know that the items were originally procured by Huawei in violation of U.S. export control regulations. If the supply of items we source from Huawei were disrupted by such restrictions, and if we were unable to source similar equipment from other suppliers in a timely fashion and at commercially acceptable conditions, it could negatively impact our operations and prospects. New sanctions, the concerns of customers and business partners, reputational and other reasons could require us to reevaluate our existing supply chains. Difficulty in receiving equipment or services from existing suppliers could require us to find alternative suppliers, which may lead to an increase in our costs or otherwise affect or delay the development and maintenance of our increasingly advanced network infrastructure and negatively affect our operations and financial position.

Our satellites have limited operational lives 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: Telkom-3S and Telkom-4 (*Merah Putih*). These satellites have limited operational lives, and their design lives are expected to end in approximately 2032 and 2033, respectively. 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, and 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 Telecommunications 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

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withdrawing our license. In the future, we may not be able to maintain use of the designated satellite orbital slot in a manner deemed satisfactory by the Government, which could significantly impact our business operations.

Actual or perceived health risks or other problems relating to radio emissions could lead to litigation or decreased mobile communications usage.

The effects of, and any damage caused by, exposure to an electromagnetic field were and are the subject of careful evaluations by the international scientific community. While as of the date hereof we are not aware of any substantiated link between exposure to electromagnetic signals at the levels transmitted by our BTS and mobile handsets and long-term damage to health, we cannot rule out that exposure to electromagnetic fields or other emissions originating from BTS or wireless handsets will not be identified as a health risk in the future.

The actual or perceived health risks of mobile communications devices and generally negative public perception could adversely affect us through a reduction in subscribers, reduced usage per subscriber, increased difficulty in the leasing and acquisition of site locations for BTS and base stations, and exposure to potential liability and associated legal proceedings and costs. For instance, there have been health-related lawsuits filed worldwide against wireless carriers and manufacturers of wireless devices. Furthermore, we may not be able to obtain insurance with respect to such liability on commercially reasonable terms or at all.

These factors could have a material adverse effect on our business, prospects, and financial condition.

Health epidemics or pandemics 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.

Health epidemics or pandemics, such as the global outbreak of COVID-19 in early 2020, have in the past and may in the future affect macroeconomic conditions, consumer behavior, labor availability and supply chain management, all of which can adversely affect our business, operations, prospects, and results of operations. For example, COVID-19 caused a decline in purchasing power, which contributed to us having to bolster our allowance for doubtful accounts as some of our customers became unable to pay invoiced amounts that they owe us. Further, our distribution network and retail outlets also experienced significant disruption as physical distancing measures and other containment measures were required.

Governmental responses to health epidemics or pandemics, including operational restrictions, can also affect the foregoing and adversely affect our business, operations, prospects, and results of operations. Further, the duration and scope of a health epidemic or pandemic can be difficult to predict and depends on many factors, including the emergence of new variants and the availability, acceptance, and effectiveness of preventative measures. Finally, the negative impact of health epidemics or pandemics 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.

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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. Competitors are increasingly making long-term investments to improve network quality and coverage, expand services and enhance customer experience. In recent years, competitors have offered promotions such as bonus data packages, which has generally made the pricing environment in Indonesia less profitable. However, in 2023, the cellular industry saw a trend of gradually raising prices after a period of declines during the COVID-19 pandemic. It is uncertain whether this trend of increasing prices will continue, however, as companies balance long-term profitability with competitive pricing pressures. Further, our ability to compete on price may be limited for certain services. The Job Creation Law 2023 allows the Government to determine upper and lower price limits based on public interest and fair business competition principles, and MoCI Regulation No. 5 of 2021 on Telecommunications Operation ("**MoCI Regulation No. 5/2021**") also stipulates that implementation of the upper and/or lower limit tariff must be preceded by evaluation by MoCI of factors such as market conditions, cost analysis, public interest, financial performance of The Company, and the continuity of such services. Upper limits may be determined in areas where only one telecommunications operator operates, and lower limits may be determined based on the Government's assessment of prevailing market conditions.

Competition is particularly increasing from OTT providers, as customers accelerate their adoption of data services over legacy communications. Many markets in major cities are saturated, leading cellular companies to expand network coverage and product offerings outside Java in 2022, requiring Telkomsel to defend its market share in such areas. We are also facing increased competition by non-market leader competitors who are targeting specific customer segments. In addition, Starlink, a satellite-based broadband service from SpaceX ("**Starlink**"), is expected to offer access to broadband internet from satellite constellations to customers in Indonesia through a B2C model upon or anytime after the conclusion of its partnership with Telkomsat in October 2027. Based on media reports and MoCI announcements, Starlink may also provide its services directly to the Indonesian public as any other Indonesian internet operator, subject to adherence with applicable regulations and any requirements the relevant regulators may have. Assuming this is the case and Starlink decides to offer its services independently, the potential coverage of Starlink's services could be extensive and competition in the Indonesian internet market may increase.

As Indonesia's first 5G operator, Telkomsel expects 5G competition to increase, including bidding for spectrum allocation and funding 5G infrastructure deployment. Our 5G strategy increasingly involves IoT (which is mostly enabled by 5G technologies), but customer adoption may not match expectations. Further, insufficient or unavailable spectrum at suitable prices would negatively impact our 5G deployment strategy and prospects, which could have a material and adverse effect on our business, results of operations and financial condition.

Consolidation in our industry could negatively impact our competitive position and business. Competitors with wider spectrum access and integrated networks may expand coverage. For instance, in January 2022, CK Hutchison and Qatar's Ooredoo merged their respective telecommunications businesses in Indonesia, PT Hutchison 3 Indonesia and PT Indosat Tbk. ("**Indosat**"), forming Indosat Ooredoo Hutchison ("**IOH**"). In addition, the Government has tended to encourage consolidation, including through the enactment of the Job Creation Law 2023, which regulates telecommunications clusters, among other matters, in an effort to promote healthier competition among fewer industry players with a better cost-efficiency profile and wider spectrum allocations. Further consolidation among cellular providers may occur, driven by competitive factors as well as efforts to reduce operating costs and obtain wider spectrum allocation to expand their integrated network coverage. Spectrum refarming has provided wider allocations, enabling competitors such as Indosat to improve service quality and network capacity. Additional competitor consolidation may adversely affect our competitive position in the market and our business, results of operations, financial condition, and prospects.

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Furthermore, Government regulations have required cellular providers to share infrastructure and capacity with competitors. According to the Job Creation Law 2020, as fully retained in the Job Creation Law 2023 and implemented by MoCI Regulation No. 5/2021, telecommunications operators are required to grant access for the utilization of passive infrastructure for telecommunications purposes to other telecommunications providers on a B2B basis. MoCI Regulation No. 5/2021 prohibits owners of passive infrastructure from restricting access to its utilization (for example, by reserving the passive infrastructure for services of greater public interest). Additionally, MoCI Regulation No. 5/2021 establishes conditions for the imposition of tariffs for the utilization of passive infrastructure by owners of such infrastructure, and grants MoCI the authority to determine such tariffs if owners of passive infrastructure fail to meet the conditions for tariff imposition. See "— Risk Factors — Risks Related to Our Business — Operational Risks — Indonesian regulations require telecommunications service providers such as ourselves to share our network infrastructure and capacity with our competitors, and the enforcement of these regulations remain uncertain." As the operator with the most extensive infrastructure in Indonesia, mandated sharing not on commercial terms could allow competitors to take advantage of our existing infrastructure without significant capital expenditure, which would have a significant impact on our competitive position.

Any of these developments may present challenges for Telkomsel in maintaining its market position and could materially and 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.

Our data and internet services are facing increasing competition from other data and internet operators, including mobile operators. The number of mobile broadband subscribers has increased with the increasing number of smartphones in Indonesia, which adversely affects our market share and revenues from our fixed wireline data and internet services. Certain geographical markets have become increasingly saturated, such as in major cities in Indonesia.

In addition, with the increasing number of smartphones in Indonesia, data and internet services have become an intense area of competition in our industry. Certain of our smaller competitors increasingly focus on specific market segments, such as the gamer segment or entertainment segment, and develop flanking marketing strategies that may erode our market share in specific market segments. Competition may further intensify in the future, which may affect our market share as well as 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 our spectrum needs to continue to increase in the future in line with increased usage of our network, in particular with the increased use of data services as the internet becomes increasingly necessary for achieving productivity gains. As a result, we will need to acquire additional spectrum allocations through Government auctions to accommodate future traffic growth and support our business. The Government occasionally conducts auctions for unused spectrum allocation, such as the auction we won for 5 MHz spectrum in the 2.1 GHz frequency band in November 2022 seek to secure as much of the available spectrum as we expect to need for our operations. However, this is a scarce resource and allocations are subject to regulatory factors which may change over time (such as auction rules) and other considerations. As a result, we may not always be in a position to secure spectrum allocations that are consistent with our expectations or strategic objectives. If we are not able to obtain sufficient spectrum, we may be unable to maintain our ideal utilization level, may face network congestion, and may be unable to support the deployment of new technologies, all of which could affect our network performance and damage our reputation with our subscribers.

Moreover, the increase in the number and use of 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 have been and may in the future be required to make significant capital expenditures to improve our network coverage, such as by investing in our BTS and securing additional spectrum. Such additional capital expenditures, together with the possible degradation of our cellular services due to potential network congestion and limited spectrum availability, could materially and adversely affect our competitive position, results of operations, financial condition and prospects.

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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 our ability to offer 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 when we win additional spectrum, such as the additional 20 MHz spectrum in the 2.3 GHz frequency band that we won in May 2021 and the additional 5 MHz spectrum in the 2.1 GHz frequency band that we won in November 2022.

If we are unable to win new spectrum allocations or if no such allocations are made available in a timely fashion, our growth strategy will be negatively impacted, which could have a material adverse impact on our competitive position, the quality of our services, results of operations, financial condition and prospects.

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 infrastructure network's capabilities, advantages, and available capacity, and continue to make substantial investments in the development of our infrastructure network, including our 4G/LTE and 5G infrastructure, to carry increasing volumes of data traffic.

The COVID-19 pandemic had an impact on consumption habits with more people working and studying 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. Since we launched our 4G/LTE services in 2014, 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 growth in data traffic, we have made and will continue to make substantial investments in the construction of our infrastructure network, including our 4G/LTE infrastructure as well as 5G 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 materially and adversely affect our ability to improve or expand our infrastructure network as expected or desired and achieve anticipated returns on our investments.

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We are subject to the control of the Government and its interests may not necessarily align with the interest of our other shareholders or our own interests.

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 "Item 7. Major Shareholders and Related Party Transactions — Relationship with the Government and Government Agencies — The Government as Shareholder."

The Government may not always exercise its control and influence to our benefit and its interests may not necessarily be aligned with those of our other shareholders. For example, the Government may request us to enter into transactions which are not in our best interests. In addition, we may never become independent of our Government shareholder or even if we do become independent, we may not be able to exercise 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 results of operations may be materially and adversely affected, which would limit our ability to compete effectively and expand our business.

Financial Risks

We are exposed to interest rate risk in relation to our bank borrowings.

Our debt includes bank borrowings used to finance our operations, and we have a mix of our fixed-rate loans and floating-rate loans in our bank borrowings. As of December 31, 2023, approximately 43.7% (based on the aggregate then outstanding principal) of our total bank borrowings were floating-rate loans. Any future increases in interest rates would likely cause our financial expenses to increase as we enter into new loan agreements, including fixed-rate loans and credit facilities.

Worldwide macroeconomic changes driven by military conflicts in Gaza and Ukraine, coupled with a global economic slowdown, have led to rising energy and food prices, resulting in sustained global inflation and supply chain disruptions impacting Southeast Asia, including Indonesia. To support the Indonesian Rupiah and economy, Bank Indonesia ("BI") has adjusted interest rates several times in recent years. In February 2021, the BI benchmark seven-day (reverse) repo rate hit a historic low of 3.50% annually. As of March 6, 2024, this rate stood at 3.75%. Continued interest rate hikes may escalate financial expenses linked to floating rate loans, potentially adversely affecting our financial performance.

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, 2021, 2022 and 2023, our consolidated capital expenditures totaled Rp30,329 billion, Rp34,146 billion and Rp32,858 billion (US\$2,134 million), respectively. Our capital expenditure in 2023 was driven by the expansion of our subsidiaries. Key initiatives undertaken in 2023 included the construction of BTS by Telkomsel, the launch of a high-throughput satellite at the 113 East orbital point by Telkomsat to enhance terrestrial network infrastructure, the development of an international submarine cable system by Telin, and the establishment of HyperScale data centers in Batam and Cikarang by PT Telkom Data Ekosistem ("TDE").

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Our ability to fund capital expenditures in the future may depend on our future operating performance and our ability to select projects that result in the optimal allocation of such capital expenditures, all of 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. Securing new loan facilities and additional financing may prove more difficult than in the past, and new debt funding may not be available to us in the future on commercially acceptable terms, or at all, particularly if interest rates keep rising in the near future or market sentiment is negative due to challenging macroeconomic conditions. In addition, we can only incur additional financing in compliance with the terms of our debt agreements.

Accordingly, in the future we may not 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.

Deterioration of the financial condition of our customers could adversely affect our operating results.

Deterioration of the financial condition of our enterprise customers and/or of our subscribers could adversely impact our collection of accounts receivable and may also result in fewer purchases or delays in purchases of our products and services. Challenging macroeconomic conditions and financial market volatility due to several factors such as increased interest rates, global inflationary trends, geopolitical tensions, the military conflicts in Gaza and Ukraine, and ongoing trade disputes between China and the United States, could negatively impact the Indonesian economy and our customers, including reducing the purchasing power of our subscribers.

For the years ended December 31, 2022 and 2023, our receivables were approximately Rp8,895 billion and Rp10,948 billion, respectively. We regularly review the collectability and creditworthiness of our customers to determine an appropriate allowance for estimated credit losses. Based on our review of our customers, we currently have only immaterial reserves for uncollectible accounts. If our uncollectible accounts, however, were to exceed our current or future allowance for credit losses, our operating results would be negatively impacted.

Further, recent global inflationary trends and financial market volatility have resulted in funding constraints that may affect the timing and scale of new purchases of our products and services by some of our existing or prospective enterprise customers. The effects of recent macroeconomic uncertainties on our customers have also resulted in delays to contract negotiations or customer orders and may result in further delays. These factors could materially adversely affect our financial condition and operating results.

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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, as amended by the Job Creation Law 2022 of the Republic of Indonesia (the "**Business Competition Law**") prohibits agreements and activities that 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 paid penalties to the treasury fund in the amount of Rp18 billion and Rp25 billion, respectively.

In 2017, allegations surfaced asserting that we had breached the Business Competition Law by offering bundled services of broadband internet, fixed wireline, and IPTV services through our "IndiHome" retail brand. Although the KPPU held that we did not violate the Business Competition Law, this incident underscored potential challenges from customers or regulators to our business strategy.

We have experienced occasional KPPU inquiries into alleged infringements of the Business Competition Law. While none of these inquiries have resulted in rulings adverse to our interests to date, they may divert our management's attention away from our business operations. In the future, if we are found to have violated the Business Competition Law, we may be subject to substantial liability in the form of payments of fines, the amount of which will be subject to the discretion of the courts, and which in turn could have a material adverse effect on our reputation, business, financial condition, results of operations, and prospects.

Regulatory Risks

Changes to our legal and regulatory environment may result in increased competition, reduced margins and operating revenue, asymmetric reduction in costs incurred by our competitors and increased regulatory and enforcement uncertainty.

Since the enactment of Law No. 36 of 1999 on Telecommunications, as later amended by the Job Creation Law 2023 (the "**Telecommunications Law**") Indonesia's telecommunications industry has seen significant liberalization, further amplified by Presidential Regulation No. 49 of 2021, which eliminated foreign ownership limitations on various telecommunications business activities, such as fixed and mobile telecommunications networks. Given such changes, foreign investors may increase their ownership of telecommunications companies in excess of 67% or engage in various telecommunications activities independently, without having to establish joint ventures with local partners. This may attract new foreign investors or lead to increased foreign ownership of competitors in Indonesia or new market entrants with potentially larger resources competing for market share. As foreign investors explore opportunities in the Indonesian telecommunications sector, the industry may experience increased competition, placing pressure on profit margins and operating revenues for existing players. The asymmetric reduction in costs incurred by our competitors, coupled with the potential influx of new, well-resourced entrants, may require us to further enhance our operational efficiency, differentiate our service offering, and explore collaborative ventures, which may lead to additional costs and necessitate the implementation of new strategies in response to increased competition.

The introduction of new or modified regulations to keep pace with technological advancements adds a layer of regulatory complexity and uncertainty, which may impact our financial and operational performance. Notable regulatory changes include the MoCI Regulation No. 5/2021 mandating that all interconnection services must be migrated from TDM-based to IP-based platforms by December 31, 2024, posing challenges and potential revenue impacts for incumbents like us. For example, in order to comply with MoCI Regulation No. 5/2021, we had to significantly change our existing infrastructure (which our competitors rely on in providing conventional interconnection services and for which they pay

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tariffs to us) to adopt the new technologies. Consequently, our revenue from interconnection services has increased, but we will need to expend further capital resources to change our infrastructure. MoCI regulation No. 5/2021 also provides that during the transition period, the interconnection costs charged by us must remain the same as those agreed in the existing Interconnection Offering Document (*Dokumen Penawaran Interkoneksi*) and Interconnection Agreement limiting our ability to pass on the additional costs to those to whom we provide interconnection services.

Additionally, the enactment of the General Data Protection Regulation ("GDPR") in the EU and Indonesia's own Law No. 27 of 2022 on Personal Data Protection (the "PDP Law"), as well as recent amendments to Law No. 11 of 2008 on Electronic Information and Transactions Law as last amended by Law No. 1 of 2024 (the "EIT Law") and the recent MoCI Circular Letter No. 9 of 2023 on AI Ethical Guidelines ("MoCI AI Circular Letter"), underscores the increasing regulatory scrutiny around data protection and ethical AI use, necessitating significant compliance efforts.

Alongside Indonesian regulations, our business operations and services are subject to international laws where we operate or serve customers. Notably, global jurisdictions are intensifying their examination of how businesses handle personal data. This rigorous oversight could lead to new legal obligations, impacting our operations. One prominent example is the EU's GDPR, effective May 25, 2018, which governs the handling of personal data within EU member states, introducing strict compliance requirements and significant penalties for non-compliance. In Indonesia, the primary regulatory framework for personal data protection is the PDP Law addressing both digital and physical personal data management, with detailed implementing regulations yet to be issued. The PDP Law envisages the establishment of a Personal Data Protection Agency and introduces penalties for data protection breaches, including fines up to Rp60,000,000,000, and administrative sanctions for non-compliance, including fines up to 2% of annual revenue or an amount determined by violation variables. Additionally, the law stipulates various criminal offenses punishable by fines, with a maximum amount of Rp6,000,000,000, and/or additional sentences (e.g., confiscation of profits and/or assets obtained or proceeds from crimes).

As of the date hereof, the MoCI is in the process of drafting detailed implementing regulations, which are expected to clarify the PDP Law's prescriptions regarding data processing and to become effective in the third quarter of 2024. These implementing regulations are expected to outline obligations for data controllers and processors, including mandatory record-keeping of data processing activities, such as recording the sources, purposes, data types, security protocols, data transfers, and security measures. We have been implementing measures to adapt to the expected new requirements, but full compliance with new requirements and standards may necessitate further investments or delays of specific projects, which could impact our results of operations.

Furthermore, the MoCI AI Circular Letter and the amendments to the EIT Law intend to promote ethical AI utilization and child protection in digital platforms. These regulations require electronic system operators ("ESOs") such as ourselves to incorporate preventive measures against risks to children posed by electronic systems and grant the Government substantial oversight capabilities over electronic systems in Indonesia. For instance, the MoCI AI Circular Letter outlines key responsibilities for businesses involved in AI-based programming and all ESO using AI in both the public and private sectors, such as ensuring that any decisions that may impact human beings will not be left to AI alone and be subject to human oversight and validation.

The recent amendments to the EIT Law significantly increase the responsibilities of ESOs, with a particular focus on child protection online. The amendments address the digital landscape's changing dynamics and aim to protect children from potential harm. To be fully implemented, these amendments will be supported by forthcoming Government, presidential, and ministerial decrees. A critical amendment to the EIT Law, Article 16A, directly targets the safety of children in the digital sphere by mandating ESOs to implement robust child protection mechanisms from the development to the operational stages of their systems. This includes setting age restrictions, verifying user identities, and establishing reporting channels to defend children's rights online. Instances of non-compliance with these requirements could lead to severe administrative penalties, including the possibility of system suspension or shutdown. Furthermore, the amendments emphasize the Government's broader regulatory authority within Indonesia's digital environment and grants the Government the power to compel ESOs to modify their operations, with penalties for non-compliance. While intended to promote a safe, fair, and innovative digital space, the broad scope of these powers has generated concerns over potential Government overreach and its implications for innovation and business growth within the sector.

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The degree of Governmental oversight and the details of the Government's new requirements and standards are uncertain, presenting obstacles to our strategic and financial planning efforts. This evolving regulatory landscape may result in an increase in operational costs and the need for strategic adjustments to comply with stricter legal and regulatory standards, which may in turn have a material adverse effect on our financial condition, results of operations and growth prospects.

Moreover, licenses obtained by us under applicable Indonesian laws and regulations may be subject to conditions, compliance with which may be expensive, difficult or, depending on future regulatory, practically 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 materially and adversely affect our business, prospects, financial condition, and results of operations.

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

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

Under MoCI Regulation No. 5/2021, the Director General of Post and Informatics Operations ("DGPIO") of MoCI supervises the implementation of tariffs. In its supervisory role, MoCI may take further action as it sees fit if it deems any of our actions to be 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.

Changes in regulated tariffs also directly impact our revenue. For instance, we derive substantial revenue from interconnection services, as we have the largest telecommunications network in Indonesia and our competitors must pay tariffs to connect to our network. Regulated SMS interconnection rates have been decreasing in recent years and may decrease further in the future. Such decrease has had and will have, if continued, a negative impact on our revenue.

MoCI Regulation No. 5/2021 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 telecommunications industry and protecting public interest may effectively be able to set ceilings and floors on tariffs that we charge.

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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 accordance with Government regulations, the construction of BTS towers requires permits from local governments. Obtaining these permits 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 areas, thereby restricting our expansion. Our existing BTS towers may also be adversely affected if local governments require any changes to their placement.

In addition, Government regulations require us to allow other telecommunications operators to lease space on our telecommunications towers in a manner that provides equal opportunity to and without any discrimination among such other telecommunications operators. These regulations enable our competitors to broaden their networks by using our infrastructure, thus avoiding the cost of constructing their own towers. This advantage is particularly significant in urban areas, where securing new tower locations is challenging, allowing competitors to swiftly expand and grow their operations. Moreover, our subsidiary PT Dayamitra Telekomunikasi Tbk. ("Mitratel") faces network sharing obligations for its passive infrastructure including towers and fiber optics. The implementation of these requirements, coupled with the potential issuance of multiple 5G licenses, could limit the availability of new sites for BTS towers certain regions. Additionally, any mandates for the retrofitting of existing towers to accommodate multiple operators could lead to our incurrence of additional expenses.

In order to operate our telecommunications towers, Indonesian regulations allow local governments to impose three types of fees: property tax (*Pajak Bumi dan Bangunan*), fees charged in connection with the grant of building approvals (*Persetujuan Mendirikan Bangunan Gedung*) and telecommunications tower control fees. These fees 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 imposed such fees have not charged material amounts as at the date hereof such fees could become material in the future. In addition, there could be material differences 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 a material 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 towers on new 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. In the year ended December 31, 2023, we were involved in 14 community disputes.

Opposition has also materialized regarding the site locations of some of Mitratel's towers and the acquisition by Mitratel of other existing towers, mainly due to insufficient engagement with nearby residents concerning construction-related issues and the transfer of ownership rights from previous owners to Mitratel. If we are required to relocate a material number of our towers and cannot locate replacement sites that are acceptable to our customers, and/or local communities, or litigation proceedings, 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 USO Contribution and any disagreement with the relevant authorities relating to such payments and/or failure to make such payments could subject us to the revocations of certain of our licenses, with limited recourse.

We are subject to multiple rules and regulations authorizing the Government to collect non-tax state revenue from us. The Government collects non-tax revenue from, among other things, tests for telecommunications devices, telecommunications operations and use of radio frequency spectrum. As a result, every licensed telecommunications

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operator must pay the Telecommunications BHP and USO Contribution. Telecommunications operators that use a communications satellite must also pay a satellite orbit fee.

According to the Telecommunications Law, a telecommunications operator that fails to make the non-tax state revenue payment and participate in USO Contribution may be subject to administrative sanctions; the most adverse sanction is revocation of an operator's telecommunications-related licenses issued by MoCI (though this should be preceded by written warnings). While we have not previously failed to make the requisite payments or disagreed with the computation of such payments, any failure by us to comply with these obligations may cause our licenses to be revoked. In addition, to our knowledge, procedures for challenging the assessment of any such obligations or for challenging sanctions that are assessed against operators with the relevant authorities have not been tested. Any revocation of such licenses could have a material adverse effect on our financial condition, results of operations and liquidity.

Our electronic money business is highly regulated.

We are subject to multiple rules and regulations in respect of our electronic money ("E-Money") business. The specific regulation of E-Money is mainly governed by BI. In 2021, BI introduced new rules allowing parties with payment system business activities to obtain one license for multiple types of payment services, compared to the previous rules requiring parties to obtain one license for each type of payment service they provided (e.g., separate licenses for each E-Money, payment gateway, and e-wallet business).

Any party that wishes to conduct E-Money business activities in Indonesia must first obtain a payment service provider (*Penyedia Jasa Pembayaran* or "**PJP**") license granted by BI which may, depending on its category, cover specific payment system business activities such as E-Money. Our subsidiary Telkomsel has obtained an E-Money license from BI which also covers remittance services held by Finarya, an associate of Telkomsel. However, BI has the authority to take further actions as it sees fit, such as revoking a license, shortening the license period, or limiting the license holder's activity. If BI imposes any such actions on Telkomsel, our ability to conduct our ordinary course E-Money business would be limited, which may adversely affect our business, financial condition, and results of operations. See "Item 4. Information on the Company — Licensing — Payment Method Using E-Money " for more details on BI's requirements for licensing.

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BI regulations governing payment system providers in Indonesia impose multiple requirements on BI license holders, including certain restrictions on shareholding and corporate governance as well as risk management and information system capability requirements. 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 the 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 in the telecommunications sector, such as in the areas of digital life, smart platforms, and enterprise ICT, as well as efforts to pursue international expansion, are necessary to ensure continuing business growth. Risks related to new business development include competition from established players, suitability of our business model, competition from disruptive new technologies or business models, the need to acquire new expertise in new areas of operation, the inability to successfully organize and streamline our subsidiaries to create value from our multiple businesses, 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.

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.

Due to intense competition for highly skilled personnel, we may fail to attract, recruit, retain and develop qualified employees, which could materially and adversely impact our business, prospects, financial condition and results of operations.

With our strategic focus on expanding our digital platform and services, achieving better FMC, accompanying and fostering the digitalization of Indonesian businesses and Governmental agencies, developing our offering of B2B services (such as for cybersecurity and cloud and data center services), and big data and IoT services and products, we face significant competition for suitably skilled personnel, such as software engineers, electrical engineers working in digital signal processing, developers and digital talents in general. The Indonesian high-tech and digital industry has experienced significant economic growth, including through the initial public offerings of regional technology companies. This accelerated economic growth of Indonesian and regional technology companies has led to a surplus of job opportunities and intense competition between Indonesia-based employers to attract locally qualified employees. As a result, we may not succeed in recruiting additional experienced or professional personnel, retaining current personnel, or effectively replacing current personnel who may depart with qualified or effective successors. Our effort to retain and develop personnel may also result in significant additional expenses, which could adversely affect our profitability. There can be no assurance that qualified employees will continue to be employed or that we will be able to attract and retain qualified personnel in the future. Failure to retain or attract qualified personnel could have a material adverse effect on the implementation of our business strategies, our business, prospects, financial condition, and results of operations.

If we are unable to manage our growth effectively, our business and financial results may be adversely affected.

To continue to grow sustainably, we must continue to expand our operational, research, sales and marketing efforts, accounting and financial systems, procedures, controls and other internal management systems. This may require substantial managerial and financial resources, and our efforts in this regard may not be successful. Our current systems,

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procedures and controls may not be adequate to support our future operations. Unless our growth results in an increase in our revenues that is proportionate to the increase in our costs associated with this growth, our operating margins and profitability will be adversely affected. If we fail to adequately manage our growth effectively, improve our operational, financial and management information systems, or effectively train, motivate and manage our new and future employees, it could adversely affect our business, financial condition and results of operations.

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. In 2021, our subsidiary Mitratel acquired 4,000 telecommunications towers from Telkomsel, and in 2022, Mitratel acquired an additional 6,000 telecommunications towers from Telkomsel. In February 2023, Mitratel acquired 997 telecommunications towers from Indosat, and in November 2023, Mitratel further acquired 803 telecommunications towers from PT Gametraco Tunggal.

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.

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Risks Related to our Corporate Structure

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

We derived 61.0%, 58.0% and 76.0% of our revenue in 2021, 2022 and 2023, respectively, from our mobile business through our 69.9% majority-owned subsidiary, Telkomsel. The remaining 30.1% interest in Telkomsel is held by Singapore Telecom Mobile Pte. Ltd. ("**Singtel**"). In addition, in line with our FMC initiative, we entered into an agreement with Telkomsel to combine our fixed broadband and mobile broadband services into a single business entity, by transferring a portion of our assets and liabilities allocated to the IndiHome business segment to Telkomsel (the "**IndiHome Integration**"). After the IndiHome Integration, we expect an increase in the contribution from Telkomsel to our consolidated revenue.

Singtel, a telecommunications company based in Singapore, 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 materially and adversely affect our business, financial condition, revenue and operating results.

Our effort to streamline our corporate structure may not create expected synergies and efficiency in a timely fashion or at all.

To foster efficiency and increase synergies, we constantly assess opportunities to streamline our corporate structure, for instance by eliminating duplication of business management processes and internal administrative processes, and also by simplifying our corporate ownership structure. This exercise allows us to rationalize administrative costs and consolidate assets and activities used in the same businesses to use our resources and unlock their value more efficiently. In April 2023, in line with our FMC initiative, we entered into an agreement with Telkomsel to combine our fixed broadband and mobile broadband services into a single business entity, by transferring a portion of our assets and liabilities allocated to the IndiHome business segment to Telkomsel.

As we focus on the development of our digital service offerings, including smart platforms and digital services, we have started regrouping our teams, resources, and assets under one corporate entity. For instance, we are consolidating our data center assets under our subsidiary TDE, and our infrastructure assets under a proposed InfraCo. We also aim to enhance our regional entities to better tailor our service offerings to local market dynamics and respond more effectively to competitive changes in such markets, such as challenges from local competitors or the expansion of the service offerings or networks of national or regional competitors in such markets.

These streamlining efforts, however, have been delayed, and we may experience further delays. In addition, during transition periods, we may incur costs inherent to the implementation of such streamlining efforts without realizing the anticipated benefits to our businesses, competitiveness, costs, and synergies, which could have a negative effect on our financial condition and results of operations.

Our controlling shareholder's interests 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 MoCI.

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As of December 31, 2023, the Government through PT Perusahaan Pengelola Aset (Persero), held a 9.63% equity interest in IOH, 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 IOH also includes a Dwiwarna Share which has special voting rights and veto rights over certain strategic matters under IOH'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. The Government may direct opportunities to IOH or favor IOH 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 IOH or any other telecommunications operator over ours, or to expand its equity interest in IOH 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.

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

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

Indonesia has, from time to time, experienced political instability. Indonesia also has many political parties, and securing a clear electoral majority has been proven challenging for any political party to date. These events have heightened political dynamics, contributing to general social and civil unrest on certain occasions in recent years. For example, since 2000, thousands of Indonesians have participated in demonstrations in Jakarta and other cities, expressing both support and opposition to former presidents Abdurrahman Wahid, Megawati Soekarnoputri, Susilo Bambang Yudhoyono, and the current President Joko Widodo, who is currently serving his last term as president.

The demonstrations focused on social and civil responses to specific issues, such as fuel subsidy reductions, privatization of state assets, anti-corruption measures, decentralization and provincial autonomy, and the New Criminal Code. Although these demonstrations have generally been peaceful, some have escalated into violence. After President Joko Widodo won the presidential election in 2019, allegations of electoral fraud prompted a rally against President Joko Widodo in Central Jakarta that resulted in a riot on May 22, 2019. The opposing party also filed a lawsuit alleging fraud to the Constitutional Court of Indonesia to challenge the election result, though the Constitutional Court rejected the lawsuit on July 27, 2019.

The most recent demonstration related to Indonesia's current political environment occurred on February 7, 2024, with activists calling for the impeachment of President Joko Widodo due to concerns about perceived misuse of President Joko Widodo's power to influence the presidential election held on February 14, 2024 in favor of Prabowo Subianto, and President Joko Widodo's son, Gibran Rakabuming Raka, as presidential and vice-presidential candidates. Following the presidential election in February 2024, Prabowo Subianto emerged victorious with approximately 58% of the vote in the first round, as officially confirmed by the Indonesian Electoral Commission.

This situation, along with potential future sources of discontent, such as the national and regional elections in 2024, may 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 some parts of Indonesia, such as Aceh in the past and Papua more recently. There have been clashes between supporters of those separatist movements and the Indonesian military, including continued activity in West Papua by separatist rebels

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that has led to violent incidents in January 2023. 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. Should similar unrest occur in the vicinity of our operations in the future, our business and operations may be adversely affected.

Occasional attempts to reduce labor protections have incited public protests. Passage of the Job Creation Law 2020 led to numerous protests across Indonesia into 2021. This law amended more than 70 existing laws with the stated purposes of easing administrative requirements and increasing investments for creating new jobs. However, critics argued that the Job Creation Law 2020 would generally undermine existing labor laws and weaken environmental protections, leading to various controversies among the public. This led to organized demonstrations in major cities, including Jakarta, the central government, as well as other prominent cities such as Yogyakarta, Surabaya, and Malang. Some of these protests escalated into riots.

In response to legal challenges, the Constitutional Court of Indonesia declared the law to be "conditionally unconstitutional" in 2021. This ruling allowed the law to remain valid but required the Government and the House of Representatives to redraft the law within two years. There has been contention (and to a certain extent, political instability) in interpreting this verdict, and labor unrest may continue as subsequent regulations are issued. On December 30, 2022, the Government enacted the Job Creation Law 2022 to revoke and replace the Job Creation Law 2020, though all implementing regulations of the Job Creation Law 2020 will remain enforceable unless directly replaced by the Job Creation Law 2022. With the enactment of this regulation, the regulatory body has fulfilled the requirements to repeal the unconstitutional determination and effectively implemented Job Creation Law 2022.

The Indonesian parliament passed a new criminal code ("**New Criminal Code**") on December 6, 2022, that replaces the century-old criminal code introduced by the Dutch during the colonial era. The New Criminal Code will come into force after a three-year transition period. The New Criminal Code also requires the Government to promulgate a number of implementing regulations no later than two years after its enactment. One of the significant features of the New Criminal Code is that all criminal offences stipulated under the New Criminal Code can now be attributed to a corporation, unless provided otherwise. In addition, similar to the Job Creation Law 2022, the New Criminal Code takes precedence over and amends sanctions provided under various laws, including anti-money laundering and anti-corruption laws. On December 8, 2022, the United Nations ("UN") issued a statement on the New Criminal Code, expressing its concern that certain provisions appear to be incompatible with fundamental freedoms and human rights, including equal protection of the law without discrimination and the right to equality before the law, privacy, freedom of religion, belief, freedom of opinion and expression. The UN and other organizations, including Amnesty International, have stated their concerns that several articles in the New Criminal Code contravene Indonesia's international legal obligations. It is unclear whether the New Criminal Code may result in political, social and civil disturbances, in particular during the transition period and any such disturbances may, directly or indirectly, materially and adversely affect our business, financial condition, results of operations and prospects.

Labor unrest and activism in Indonesia could disrupt our operations or those of our customers and could affect the financial condition of Indonesian companies in general, depressing the prices of Indonesian securities on the IDX and the value of the Rupiah relative to other currencies. Such events could materially and adversely affect our business, prospects, financial condition and results of operations. Social and civil disturbances may occur in the future and on a wider scale, and any such disturbances may, directly or indirectly, materially and adversely affect our business, financial condition, results of operations and prospects.

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, which resulted in deaths and injuries, including a bombing at a Catholic church in Makassar on March 28, 2021 that injured more than 20 people and a bombing in Bandung, West Java on December 7, 2022, that killed one person and injured seven people.

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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.

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, Indonesia has undergone significant reforms in fiscal decentralization, devolution of power to local governments, and regional autonomy. As at the date hereof, there is uncertainty in respect of the responsibilities and the balance of power between the local and central governments regarding several subject matters. Those include procedures for renewing licenses, approvals, and levies imposed by local governments on our telecommunications towers.

For example, in 2023, local governments, including the government of Surabaya City, introduced regulations for calculating lease fees for land used for telecommunications infrastructure, whether on state-owned or public land. This model has been adopted by 59 other regencies/cities, such as Sidoarjo Regency, leading to increased levies on our digital infrastructure. The potential for more local governments to enact similar regulations raises concerns about regulatory inconsistencies and compliance difficulties.

In addition, local governments have from time to time sought to levy additional taxes or obtain new contributions, including for the utilization of certain parcels of land they owned and that are needed for to construct certain of our towers. This ongoing uncertainty could complicate our compliance efforts and raise questions about the legality of new taxes or the authority of local governments to enact further regulations impacting our business. These factors may adversely affect our business operations, financial health, and future growth prospects.

Macroeconomic Risks

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

Our business performance is susceptible to downturns in the Indonesian, regional and global macroeconomic environment. In the past, Indonesia's economy has faced major external shocks, such as the Asian economic crisis of 1997 and the global economic crisis in 2008, leading to recession, currency depreciation, high interest rates, and social unrest. More recently, although the Indonesian economy has recovered modestly from COVID-19, the economic situation in Indonesia may nonetheless deteriorate, which could have an adverse effect on our business, financial condition, results of operations and prospects.

Downside risks persist in 2023 that could deteriorate the economic situation in Indonesia, Asia and globally. Key concerns include global trade disputes that disrupt global financial markets, expectations relating to the monetary and interest rate policies of the United States, concerns over China's economic health, economic protectionism, and the military conflicts in Gaza and Ukraine and related geopolitical tensions.

For instance, ongoing trade tensions between major economies such as the United States and China create uncertainty and volatility in the global financial markets, reducing capital inflows and investment in emerging markets such as Indonesia, exert downward pressure on currencies, and raise external financing costs for businesses. As such, we may face higher costs or difficulty accessing foreign capital.

Further, the U.S. Federal Reserve's raising of interest rates has prompted capital outflows and currency depreciation in emerging markets as investors move towards U.S. dollar-denominated assets and has also resulted in higher inflation rates in Indonesia. Higher inflation rates make borrowing more costly for us, and we may experience lower profitability if we are unable to pass on higher financing expenses.

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Further, in 2023, China has also experienced an economic slowdown as a result of downturns in its property sector and rising defaults in the corporate and shadow banking sector, which has led to the Chinese government reducing interest rates to support economic growth. An acceleration of China's economic downturn may have an adverse impact on the global sector, including supply chain disruptions, and financial linkages that could spread risk. Slower economic growth in China also dampens business sentiment and the appetite for investment across the region, and we may experience weaker revenue growth as a result.

Since late 2021, tensions between the U.S. and Russia have escalated as Russia amassed large numbers of military forces around Ukraine and, in February 2022, Russia invaded Ukraine. In response, NATO has deployed additional military forces to Eastern Europe, including to Lithuania, and the Biden administration has announced certain sanctions against Russia. Further, the escalating conflict between Israel and militant groups in Gaza beginning on October 7, 2023, brings geopolitical uncertainty that could negatively impact the global economy. Prolonged fighting disrupts economic activity and raises supply chain risks in the Middle East region, which is a critical energy and trade hub. Escalation leading to higher oil prices would put upward pressure on already high inflation worldwide. The conflict also dampens business and consumer confidence globally, especially if unrest spreads across the Middle East. While the macroeconomic impacts may be limited if the conflicts in Gaza and Ukraine are contained, serious regional escalations would pose a significant downside risk to global growth and stability. In particular, the invasion of Ukraine and retaliatory measures that have been taken, or may be taken in the future, by the U.S., NATO, and other countries have created global security concerns that could result in regional conflict and otherwise have a lasting impact on regional and global economies. These negative economic developments have adversely affected and will adversely affect both developed economies and developing markets, including Indonesia and other economies in Southeast Asia.

In 2023, the financial conditions of banking institutions have come under severe pressure and deterioration, as exemplified by the proposed restructuring of Credit Suisse Group AG and the failures of Silicon Valley Bank and Signature Bank in the first quarter of 2023, which caused increased volatility in capital markets.

Adverse economic conditions and protracted global uncertainties 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 a material adverse effect on our business, financial condition, results of operations and prospects. Future economic instability in future could have a material and adverse 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. Historically, the Indonesian Rupiah has been subject to significant depreciation and volatility against the U.S. Dollar and other foreign currencies. From a 2021 high of Rp14,219 to US\$1.00 on December 24, 2021, the Rupiah depreciated in 2022 to a low of Rp15,893 to US\$1.00 on October 31, 2023, (based on the middle exchange rate published by Reuters Refinitiv), due to, among other factors, the slowing global economy and strong U.S. Dollar. The Indonesian Rupiah may continue to soften in the future.

In addition, while the Indonesian Rupiah has generally been freely convertible and transferable, from time to time, BI 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. The current floating exchange rate policy of BI may be modified, and the Government may take additional action to stabilize, maintain or increase the Indonesian Rupiah's value, and any of these actions, if taken, may not 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.

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Rapid and excessive increases in levels of inflation and interest rates in Indonesia could materially and adversely affect our financial condition and results of operations.

Interest rates are affected by the inflation rate. Historically, Indonesia has experienced periods of high inflation. The inflation rate (measured by the year-on-year change in the consumer price index) remains volatile with an annual inflation rate of 5.51% and 2.61% in the years ended December 31, 2022 and 2023, respectively. Based on ongoing economic pressures in the wake of the military conflict in Ukraine, it is anticipated that inflation may continue to rise in the near future. Interest rates have increased rapidly and substantially as central banks in several countries and regional blocks raised interest rates in an effort to subdue inflation. If inflation causes interest rates to further increase significantly and results in a rapid increase in benchmark rates, it could have a material adverse effect on Indonesia's economy, business climate and consumer confidence.

Even if we have not yet experienced any such impact on our revenues in 2023, higher inflation rates generally lead to a reduction in purchasing power, thus increasing the likelihood of a lower level of demand for our products and services in Indonesia, which would have a negative impact on our revenues. Further, any increase in our costs and expenses due to inflationary pressures that we would not be able to match (partially or fully) by increasing our prices would decrease our profit margin. Eventually, tighter monetary policy and potentially higher long-term interest rates may drive a higher cost of capital for our business. 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 materially and 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 stable outlook by Moody's, "BBB" with stable outlook by Standard & Poor's and "BBB" with stable outlook by Fitch.

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. Moody's, Standard & Poor's, Fitch and other statistical rating organizations may 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 downgraded in the future. Any 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.

Employment legislation in Indonesia could materially and adversely affect our business.

Over the past 10 years, the minimum wage in Indonesia has increased significantly. As national labor laws do not have any specific provisions to determine the amount of minimum wage increases, minimum wage increases can be unpredictable. In addition to directly increasing wages for lower-level employees, these minimum wage increases indirectly apply upward pressure on the wages of higher-level employees over time. As a result, any significant increase in the minimum wage in Indonesia may increase our manpower costs and have a material adverse effect on our cash flows, business, financial condition, results of operations and prospects.

Risks relating to Natural Disasters and Climate Change

Indonesia is vulnerable to natural disasters and events beyond our control, which could materially and 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

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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, there were 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, requiring Telkom to reroute traffic to maintain telecommunications services in the area. Further, the island of Java has been impacted by strong earthquakes in November and December 2022, and the region remains prone to heavy rains, flooding, and volcanic eruptions. 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.

To prepare for natural disasters, 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. However, our business continuity and disaster recovery plans may not allow us to immediately recover from resulting damages and disruptions, our insurance coverage may be insufficient to cover potential losses, the premium payable for these insurance policies upon renewal may increase substantially in the future, and natural disasters may significantly disrupt our operations.

Future natural disasters may have a significant impact on us, Indonesia or the Indonesian 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 are exposed to the potential for financial loss and further non-financial detriments arising from climate change and society's response to it.

This risk consists principally of (i) physical risks, being the risks arising from increasing frequency and severity of acute weather-related events and longer-term chronic shifts in climate patterns, and (ii) transition risks, being the risks arising from the process of adjustment to a low-carbon economy. Together, these are referred to as "**Climate Risk.**"

Climate Risk continues to be a core focus of regulatory policymaking across all jurisdictions in which we operate, including as a result of recent COP26-related initiatives. For example, many countries are incorporating environmental targets into their domestic policies, with increased pressure to set ambitious sustainability goals. We anticipate that the climate-related regulatory environment in which we operate will be subject to further regulatory developments. Such regulatory developments, together with existing guidance and expectations, may increase the potential transition risks for us, by mandating investments of resources for regulatory compliance, potential GHG emission taxes, and additional environmental monitoring and reporting obligations. These developments may raise the costs associated with energy consumption, notably as expenses on electricity represent a substantial portion of our operational costs. In addition, customer and public perceptions of our efforts to mitigate climate change may limit demand for our products and services, particularly if people perceive our efforts to be less effective than those of our competitors.

If governments fail to enact policies that limit the impact of global warming, our operations may be particularly susceptible to the physical risks of climate change such as droughts, floods, sea level change and average temperature change. For example, severe weather events have caused increased volatility in commodity prices, exacerbated disruptions in global supply chains, and impacted regions in which we operate, and may damage our infrastructure by causing failures of our fixed wireline and wireless networks. Should severe natural disasters occur in quick succession, we may not have sufficient resources to repair and restore our infrastructure in a timely and cost-effective manner.

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In addition, rising temperatures could increase our operating costs by intensifying the cooling requirements of our network equipment and heightening the incidence of equipment failures, leading to write-offs and premature replacements. This upsurge in equipment failures could increase the risk of service disruption. The occurrence or continuance of any of the abovementioned risks could have a material adverse effect on our financial condition, results of operations and, if severe or prolonged, our prospects.

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;
- 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;
- 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.

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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 IDX 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, 2023, on March 22, 2024. We furnished such financial results to the SEC on Form 6-K dated March 25, 2024, which contains our Consolidated Financial Statements as of and for the year ended December 31, 2023, which were 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 were Rp24,760 billion in 2021, Rp20,753 billion in 2022 and Rp24,560 billion in 2023, and our net income per share were Rp249.94 in 2021, Rp209.49 billion in 2022 and Rp247.92 billion in 2023. For the fiscal year ended December 31, 2021, dividends declared per share were Rp149.97 and dividends declared per ADS were Rp14,997. For the fiscal year ended December 31, 2022, dividends declared per share were Rp167.59 and dividends declared per ADS were Rp16,759. The dividends for the fiscal year ended December 31, 2023 will be decided at the 2024 AGMS, scheduled for May 3, 2024.

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

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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 a 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 the holders.

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.

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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, any exchange of shares into ADSs (and *vice versa*) may not 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 our Indonesian legal advisor, that Indonesia is not a party to any bilateral or multilateral treaties for the reciprocal recognition and enforcement of foreign court judgment. Therefore, judgments of courts outside Indonesia are not recognized nor are they enforceable in Indonesia, although such judgments could be admissible as evidence in a proceeding on the underlying claim in an Indonesian court if the Indonesian court, in its sole discretion, deems it appropriate under the circumstances.

Furthermore, there is uncertainty regarding whether Indonesian courts will render judgments in original actions brought in Indonesian courts based solely upon civil liability provisions within the United States or similar claims in other jurisdictions. In the absence of a direct enforcement mechanism for foreign judgments, parties seeking enforcement in Indonesia would need to retry the case on its merits in Indonesia. The prior foreign judgement would be considered admissible as evidence during the subsequent enforcement proceedings in Indonesia. However, it is important to note that the Indonesian courts retain the discretion to assess the appropriateness of a foreign judgment under the given circumstances.

This process essentially requires the successful party in the foreign jurisdiction to initiate a new legal action in Indonesia, presenting their case anew, and relying on the foreign judgment as supporting evidence during the proceedings. There can be no assurance that the claims or remedies available under Indonesian Law will be the same, or as extensive, as those available in other jurisdictions.

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

Telkom is the largest telecommunications company in Indonesia, in terms of revenue and number of subscribers, as of December 31, 2023. We provide 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 existential purpose is to build Indonesia into a more prosperous and competitive nation while delivering the best value to our stakeholders. Our long-term vision is to be the most preferred digital telecommunications company and empower Indonesian society. To achieve this vision, we focus on three missions that cover many aspects of empowering society, including rapidly building sustainable digital infrastructure and smart platforms that are affordable and accessible to a wide range of customers, nurturing best-in-class digital talents to help develop Indonesia's digital capabilities and increase the adoption of digital technologies and services, and orchestrating a comprehensive digital ecosystem to deliver a superior customer experience.

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

Company Name	: Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia Tbk.
Abbreviated Name	: PT Telkom Indonesia (Persero) Tbk.
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	: 9120304490415
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	: <i>International Ratings</i> : "Baa1 (Stable)" by Moody's, "BBB (Stable)" by Fitch, and "A" by MSCI ESG Ratings for 2023 <i>Domestic Rating</i> : "idAAA" by Pefindo for 2023
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 (the "NYSE") on November 14, 1995
Stock Codes	: – "TLKM" on the IDX – "TLK" on the NYSE
Authorized Capital	: 1 Dwiwarna Share and 389,999,999,999 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

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- Service Centers** : – 387 Plasa Telkom outlets
- 9 Global Offices in Australia, Hong Kong, Malaysia, Myanmar, Singapore, Taiwan, Timor-Leste, Dubai, the United States, and a total of 5 Sales Representatives in the United Kingdom, the Philippines, Canada, Vietnam, and India
 - 309 GraPARI centers in Indonesia
 - 571 IndiHome sales car units
- Other Information** : – **Public Accountant**
Public Accounting Firm ("KAP") Purwantono, Sungkoro & Surja (a member firm of Ernst & Young Global Limited) (PCAOB ID 1381) ("KAP Purwantono, Sungkoro & Surja")
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, 2nd 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 Depository**
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**")

We are subject to the periodic reporting and other informational requirements of the Exchange Act as applicable to foreign private issuers. Under the Exchange Act, we are required to file reports and other information with the Securities and Exchange Commission ("**SEC**"). Specifically, we are required to annually file a Form 20-F within four months after the end of each fiscal year. Copies of reports and other information, when so filed with the SEC, can be inspected and

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copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You can request copies of these documents, upon payment of a duplicating fee, by writing to the SEC. The public may obtain information regarding the Washington, D.C. Public Reference Room by calling the Commission at 1-800-SEC-0330. SEC maintains a website (<http://www.sec.gov>), which contains reports, proxy and information statements, and other information regarding us that are filed electronically with the SEC.

Telkom's Milestones

In 1965, the Government created the first state-owned company specifically focused on telecommunications services as part of a restructuring of the state-owned telecommunications industry in Indonesia.

In 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.

In 1991, as a result of a transformation into a state-owned limited liability company and rebranding, we became Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia Tbk.

In 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.

In 1999, we launched the Telkom-1 satellite. We lost contact with this satellite in 2017, one year ahead of its planned decommissioning and replacement by the Telkom-4 (*Merah Putih*) satellite which launched in 2018.

In 2001, we and Indosat eliminated joint ownership and cross-ownership in certain companies as part of the restructuring of the telecommunications industry in Indonesia and as a result, we also lost our exclusive rights as the sole operator of fixed line services in Indonesia.

In 2004, we launched an international direct dialing service for fixed lines with the access code of 007.

In 2005, we launched the Telkom-2 satellite. This satellite was retired in 2021 when it reached the end of its operational life.

In 2009, we transformed from an information telecommunications company to a Telecommunications, Information, Media and Edutainment ("**TIME**") company. We also rebranded, introducing a new corporate logo and the slogan "the world in your hand."

In 2011, we launched the Telkom Nusantara Super Highway project to unite the Indonesian archipelago through the deployment of multiple submarine cables. We also launched the True Broadband Access project to provide internet access with a capacity of between 20 Mbps and 100 Mbps to customers throughout Indonesia.

In 2012, we began installing Wi-Fi access points around Indonesia to create a public wireless network called Indonesia Wi-Fi as part of our "Indonesia Digital Network" program. We also expanded our business portfolio from TIME to TIMES.

In 2014, we became the first cellular operator in Indonesia to commercially launch 4G/LTE service.

In 2015, we launched the retail brand "IndiHome," under which we market fixed voice, fixed broadband, IPTV, and consumer digital services in a bundled package.

In 2017, we launched the Telkom-3S satellite and commenced operations on schedule.

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In 2018, we launched the Telkom-4 (Merah Putih) satellite, which began providing coverage for all of Indonesia, Southeast Asia and South Asia. We also inaugurated The Telkom Hub, a smart office complex for developing digital entrepreneurs and fostering a digital culture in line with digital Government initiatives such as "Making Indonesia 4.0," "2020 Go Digital Vision," and "One Data Indonesia."

In 2019, we reconfigured our business portfolio from TIMES to a five-segment portfolio of mobile, consumer, enterprise, wholesale, international business, and other.

In 2021, Telkomsel became the first cellular operator to commercially launch 5G service in Indonesia. Telkomsel also refreshed its brand and conducted a product simplification. Mitratel, our subsidiary, conducted an initial public offering in November 2021 which provided Rp18,463 billion in proceeds to be used for organic and inorganic business expansion.

In 2022, Telkom launched a cable gateway in Manado, the second international communication gateway that we own. We completed the first stage of our HyperScale data center, in Jakarta, and our subsidiary, PT Telkom Data Ekosistem ("TDE"), began construction of our second HyperScale data center, in Batam. We also established strategic partnerships with several global technology companies such as Microsoft.

In April 2023, in line with our FMC initiative, we entered into an agreement with Telkomsel to combine our fixed broadband and mobile broadband services into a single business entity, by transferring a portion of our assets and liabilities allocated to the IndiHome business segment to Telkomsel. See "Item 10. Additional Information — Material Contracts."

In August 2023, our subsidiary Metranet collaborated with edtech startup PT Cerdas Digital Nusantara ("Cakap") to provide digital educational content, and in October 2023, we completed the construction of our PATARA-2 submarine cable system connecting multiple islands across eastern Indonesia. In November 2023, we collaborated with KT Corp, a South Korean telecommunications company, to form a joint task force team to generate a business model for the data centers in Nusantara, Indonesia's new capital.

For the years ended December 31, 2021, 2022, and 2023, our consolidated capital expenditures totaled Rp30,329 billion, Rp34,146 billion and Rp32,858 billion (US\$2,134 million), respectively. The capital expenditures were primarily used for purchases of property under construction, cable network and equipment. See also "Item 5. Operating and Financial Review and Prospects — Liquidity and Capital Resources — Capital Expenditures" for more information on our capital expenditures for the year ended December 31, 2023.

Information about the legislation under which we operate and a description, to the extent applicable, of our 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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B. BUSINESS OVERVIEW

Strategy

As the largest telecommunications company in Indonesia in terms of revenue and number of subscribers, we intend to become the preferred digital telecommunications company in Indonesia while also contribute to the prosperity and competitiveness of Indonesia and deliver value to our stakeholders. We intend to rapidly build sustainable digital infrastructure and smart platforms that are affordable and accessible to a wide range of customers. We seek to nurture digital talents to help develop Indonesia's digital capabilities and increase the adoption of digital technologies and services in Indonesia. We also seek to improve our customer experience through the development of a comprehensive digital ecosystem.

Strategic Focus 2023

Our long-term strategy focuses on achieving excellence in the future direction of our three digital business domains (digital connectivity, digital platform, and digital services) and the optimization of our current operations and services to maintain our market position, creating sustainable growth, unlocking value for our stakeholders, and fostering inclusive digitalization in Indonesia. Our corporate theme in 2023 was "**Drive transformation agenda to ensure strong business fundamentals and healthy sustainable growth,**" which we sought to implement through the following three main programs:

- **Deliver best customer experience by strengthening data-analytics capability and digitization process.** We are committed to comprehensively understanding customers' needs and behaviors in order to anticipate them, by using data analytics across all touchpoints in the customer journey. We seek to increase the use of digital interfaces to improve the customer experience and the efficiency of our internal processes, and to refine our customer segmentation. We also aim to maximize customer engagement through customer relationship management units called CFUs, which focus on each of our five customer segments.
- **Execute timely business transformation to enhance portfolio performances in B2C-B2B and digital platform-infrastructure.** We are continuing our business transformation such as B2C businesses consolidation and our B2B capabilities readiness enhancement as well as strengthening our digital platform infrastructure portfolio (e.g., data centers and B2B IT services) in parallel. For instance, in July 2023, we successfully consolidated our B2C businesses through FMC. Our FMC initiative aims to create a sustainable impact on the community for a more widespread, equitable and reliable broadband services, support the acceleration of digital inclusion and digital economy, increase the level playing field of the Indonesia telecommunication industry, and strengthen the company's business in the future. Furthermore, by having FMC, we expect to increase revenue from potential commercial synergies and will also help TelkomGroup to be more efficient in operational expenses and capital expenditures.
- **Ensure key assets and business capabilities readiness by smart investment in talent and technology.** We seek to build up key operational capabilities through the identification of, and targeted investments in, key talents and technologies. In addition, we seek to foster a digital culture, including by allocating internal resources more efficiently and encouraging and supporting digital talents that we cultivate organically and attract from external sources. We believe such investments and culture will help us to remain competitive and attain higher business performance.

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The Five Bold Moves

Towards achieving our Strategic Objectives, we articulate our overall corporate intention into key initiatives called the 'Five Bold Moves'. The goal of these moves is to consolidate and build competitive advantages in our three digital business domains (digital connectivity, digital platforms, and digital services) and to support our long-term goal of becoming a world-class digital telecommunications company. Therefore, we expect to have a leaner organization, and to be more focused on our key businesses, more specialized in our capabilities, more efficient in our operations, and be engaged with the right customers, investors, and partners. The Five Bold Moves consist of the following:

- **Fixed-Mobile Convergence:** we seek to develop our technology and services to optimize interoperability between our fixed and mobile networks to enable customers to switch seamlessly, regardless of location or device. We believe this will improve cost and operational efficiency and customer experience, which will ultimately enhance our market presence and strengthen our company's business in the future.
- **InfraCo:** we seek to unlock potential through the consolidation of our infrastructure assets, including our Optical Access Network infrastructure and portfolio of telecommunications towers. One way in which we do so is by consolidating our telecommunications tower assets under our subsidiary Mitratel. We believe the consolidation of our infrastructure assets will help us optimize asset utility, manage connectivity costs, and accelerate our market penetration, with the ultimate goal of increasing the value of our infrastructure assets and appeal to potential investors.
- **DC Co:** we seek to enhance the capacity and capabilities of our data center business by consolidating our data center assets under our subsidiary, TDE and collaborating with other technology companies to accelerate the growth of our data center business and its presence in the region.
- **B2B Digital IT Services Co:** we seek to transform PT Sigma Cipta Caraka ("**TelkomSigma**") to provide industry leading B2B digital IT services through partnerships and collaborations with global technology companies such as Microsoft and Amazon Web Services.
- **DigiCo:** we seek to build, scale, and monetize digital services for businesses and consumers in health-tech, edu-tech, and mobile gaming through the consolidation of our digital assets, businesses, and talents under Telkomsel's holding company, PT Telkomsel Ekosistem Digital ("**TED**"). We will pursue a structured approach for the development of our digital business under TED.

Further development of 5G services

In 2021, our majority-owned subsidiary, Telkomsel, became the first cellular operator to offer 5G services in Indonesia. Since then, our strategy has been to progressively deploy our 5G network. We determine the pace of such deployment based on multiple factors, including the maturity of the Indonesian 5G ecosystem, our assessment of current and future demand for 5G B2B and B2C services (especially in the manufacturing, infrastructure, and education sectors), and the availability of additional 5G spectrum through future Government auctions. We are developing our 5G services in line with our aim to foster the development of the Indonesian digital ecosystem. To achieve this ambition, we collaborate with several technology companies to expand the development of the 5G Fixed Wireless Access Technology Roadmap in Indonesia. For example, Telkomsel and Huawei plan to collaborate and conduct the Superior City Project to deliver individual and enterprise customers with optimized connectivity experiences and digital services through the adoption of 5G applications, new technologies and the deployment of high-quality 5G networks along with the ecosystem in "smart cities."

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Strategic partnerships

In 2023, we expanded our digital service offerings through partnerships and collaborations. For example, we formed alliances with global technology companies in cloud computing to support our data center business. We also continued to strengthen our digital services ecosystem through strategic partnerships, such as with Telkomsel's US\$450 million (Rp 6.4 trillion) investment in PT GoTo Gojek Tokopedia ("GoTo") from 2020 to 2022, with the goal of creating synergistic value from the inception of our investment. This synergy value has consistently increased year over year, and we continue to hold ownership stakes in GoTo up to the the date hereof. We intend to further collaborate with GoTo on initiatives relating to connectivity, digital platforms, and digital services. Telkomsat and Starlink have also been collaborating since 2022, such that Starlink has been providing backhaul services for Telkomsat in remote regions of Indonesia. Since November 2023, we have also been working with KT Corp, a South Korean telecommunications company, on a joint task force focused on developing a sustainable smart city model for Nusantara, Indonesia's future capital city.

Enhancing our assets through acquisitions and spin-offs

We seek to enhance our assets and digital capabilities through acquisitions and spin-offs. For instance, between 2019 and 2021, our subsidiary Mitratel acquired equity interests in PT Persada Sokka Tama ("PST") and purchased 2,100 telecommunications towers from Indosat in Indonesia. As part of our efforts to increase the value of our infrastructure assets through consolidation, Mitratel also acquired 16,050 telecommunications towers from Telkomsel between 2019 and 2022 and conducted an initial public offering and listing of its shares on the IDX in November 2021. In 2022 and 2023, Mitratel acquired 6,012 km of Fiber Optic from PT Sumber Cemerlang Kencana Permai & PT Trans Indonesia Superkoridor, and 967 km of Fiber Optic from PT Power Telecom. Furthermore in 2023, Mitratel purchased 54 towers from PT XL Axiata Tbk ("XL Axiata") and 803 towers from PT Gametraco Tunggal.

In April 2023, in line with our FMC initiative, we signed an agreement with Telkomsel to combine our fixed broadband and mobile broadband services into a single business entity, by transferring a portion of our assets and liabilities allocated to the IndiHome business segment to Telkomsel, in order to create new synergies and improve our product and service offerings, customer experience, cost efficiency and revenue.

Environmental, Social and Governance ("ESG") matters

In facing challenges related to ESG aspects, we implement sustainability policies and strategies guided by the pillars of sustainability: the Right Environmental Approach, the Right People, and the Right Governance.

- The Right Environmental Approach pillar embodies our commitment to conducting our business in an environmentally responsible manner. By focusing on reducing the negative impact of the business chain, we strive to continue improving electronic waste management, working with vendors in managing waste, implementing energy efficiency and innovating to reduce emissions in Data Centers, building green BTS that use new and renewable energy sources (EBT). Implementation of this pillar is also our effort to mitigate climate challenges and risks.
- The Right People pillar signifies our dedication to positively impacting all stakeholders, including employees, customers, and society. The main challenge in the social aspect is related to talent management, including digital talent readiness. Our responses to these challenges are strengthening human resource management, adapting policies supporting diversity, prosperity, and equality, and increasing HR competency to face digital acceleration and our Company's transformation.
- The Right Governance pillar includes our commitment to implementing strong sustainability governance, including legal compliance, business ethics, customer privacy, and human rights. The biggest challenges in the telecommunications business are data security and cyber security. Our response in facing these main challenges is to carry out data security governance optimally so that we can protect customer privacy and data.

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By implementing these three pillars, we aim to achieve balanced and sustainable ESG performance, ensuring that our digital transformation provides sustainable positive benefits for all stakeholders.

SUSTAINABILITY PERFORMANCE ACHIEVEMENTS

We believe that by integrating ESG into all aspects of our business, we can achieve sustainability performance targets and create a positive impact for a better future. Sustainability is a social responsibility and an integral element in our business strategy, creating a positive impact on the environment and society and contributing to sustainable business growth. Our sustainability performance achievements are outlined in each of the following three sustainability pillars:

Right Environmental Approach

In 2023, we implemented various initiatives to support sustainability practices and overcome challenges we face as a digital telecommunications company. Focusing on environmental aspects, we have proactively taken concrete actions, such as reducing carbon emissions through waste management activities, especially by managing our electronic waste, mangrove planting, conducting land revegetation in West Java, and coral reef rehabilitation. We have also used environmentally friendly energy sources such as solar cells, biodiesel, and micro-hydro power. We also seek to promote environmentally friendly transportation by encouraging its employees to use electric vehicles.

Within our offices, we aim to cultivate an environmentally friendly culture by managing resources effectively and efficiently, including by reducing the use of paper, water, and electricity. These efforts also include encouraging employees to reduce their personal waste. We actively involve our employees in electronic waste management by providing electronic boxes at every work location. By collaborating with our partners, we ensure that electronic waste is recycled into value-added goods that can be utilized and distributed to the community. These efforts reflect our commitment to sustainability and ongoing environmental responsibility.

Energy management is also being carried out to reduce energy use every year. One of the initiatives is to reduce electricity usage. We implement programs to reduce electricity usage in our offices and by our equipment. Our program is called "GePEE", which stands for *Gerakan Peduli Efisiensi Energi* (Energy Efficient Care Movement). Below are Telkom's initiatives under this program:

1. Room dividing and equipment repositioning;
2. Regrouping of equipment;
3. Temperature adjustment;
4. Replacement of inefficient equipment;
5. Use of energy saving lamps;
6. Reducing over capacity and discontinuing air conditioners; and
7. Dismantling or powering off equipment that is no longer in use.

In addition, in synergy with the Government's renewable energy objectives, we are currently evaluating the integration of solar cell technology within our operations and initiated a pilot project in 2023. As of the date hereof, the outcome and potential network-wide rolling out of this project are currently under review.

Right Governance

We aim to consistently implement sustainability governance and business ethics, comply with applicable regulations, and carry out supervision to ensure alignment with relevant norms and business ethics. In 2023, we made structural improvements in the Data Protection Officer (DPO) supervised by the Operational Vice President of Cybersecurity, with clearer assignments and functions. We also implemented changes to the Privacy Policy and Company Regulations to align with the provisions imposed by the PDP Law.

We also refer to international standards such as ISO 27001, for which we hold the corresponding certification, to intensify data protection and security. This step was taken to ensure that we met global data management and protection standards. Throughout 2023, there were no data leak incidents. All these efforts are directed at ensuring that we comply

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with applicable regulations and also provide an optimal level of protection and security for the data we manage, while adhering to the principles of business ethics.

Right People

In 2023, we continued to strengthen our efforts to develop the competencies of our employees through increasing training and education programs. Concrete steps have been taken to manage the Digital Talent Readiness Program an initiative aimed at developing employees' digital capabilities to adapt to digital technology changes. Our focus also involves fair and ethical labor management by prioritizing the values of human rights, gender equality, diversity, and inclusiveness in the company environment. Currently, 36.95% of our employees are women, including 29.96% at the managerial level, and we actively empower individuals with disabilities.

We are not only internally oriented but also committed to providing the best experience to consumers. MyTelkomsel's transformation is evidence of our efforts to maintain and increase customer loyalty. Integration of end-to-end product services as one more efficient solution. Through these various steps, our net promoter score used to (a commonly used market research metric used to rate the likelihood that customers would recommend a company or its products and services) reached 56.

To contribute to the community, we actively manage capacity building for MSMEs. This effort aims to produce more advanced MSMEs while continuing to empower them through digitalization. The Digital Empowerment for the Nation initiative is our foundation in carrying out a positive role in encouraging economic progress through empowering micro and small enterprises (MSEs).

Business Portfolios

Our business portfolios are organized by business lines that are categorized into Legacy, Digital Connectivity, Digital Platform, and Digital Services. Those businesses lines are operated under five customer base segments (*i.e.*, CFUs):

- Mobile segment comprises mobile broadband services; mobile digital services that include e-Health, e-Education, financial services, video on demand, music, gaming, IoT solutions, big data analytics, value-added service, digital ads, and mobile legacy services that include mobile voice and mobile SMS;
- Consumer segment comprises fixed voice services, fixed broadband services, IPTV, and related consumer digital services;
- Enterprise segment mainly comprises ICT and digital platforms, which cover enterprise-grade connectivity services (*e.g.*, satellite), IT services, cloud, business process outsourcing, and other adjacent services;
- Wholesale and international business segment comprises wholesale telecommunications network and traffic, international business, wholesale platform and services, telecommunications tower business, data centers, and infrastructure and network management services; and
- Other segment comprises digital services offerings such as digital smart platform, digital content, and e-commerce for B2B to support other segments, and property management to leverage our property assets across Indonesia.

Historically, digital connectivity has generated the largest share of our total revenue. Thus far, our business has not experienced significant seasonality.

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The following is a brief overview of our product portfolios:

1. Mobile Segment

Our mobile segment portfolio comprises legacy services such as voice and SMS, alongside digital products such as data and value-added services, executed through Telkomsel, our majority-owned subsidiary. In 2023, mobile services, especially data, remained the principal driver of our revenue.

Telkomsel's prepaid mobile services, branded as "Telkomsel Prabayar" (introduced in 2021) and "by.U" (introduced in 2019), accounted for 95.3% of the total number of cellular subscribers as of December 31, 2023. Meanwhile, Telkomsel's postpaid mobile services, branded as "Telkomsel Halo," were accounted for 4.7% of the total number of cellular subscribers as of December 31, 2023. The total number of cellular subscribers increased by 1.6% or 2.5 million subscribers, from 156.8 million subscribers (comprising 149.7 million prepaid cellular subscribers and 7.1 million postpaid cellular subscribers), as of December 31, 2022, to 159.3 million subscribers (comprising 151.8 million prepaid cellular subscribers and 7.5 million postpaid cellular subscribers) as of December 31, 2023. The increase in the total number of cellular subscribers was primarily a result of the company's cross-selling and up-selling strategy, which focused on offering better-value packages to capture and retain quality customers, thereby elevating customer experiences. Telkomsel's renewal strategies, which incorporated customer value maximization analysis, resulted in an increase in annual ARPU by 7.5% from 2022 to 2023. Nonetheless, we remain subject to intense competition in this segment.

Our mobile broadband services are supported by 5G/4G/LTE/HSDPA/3G/EDGE/GPRS technology. As of December 31, 2023, we had 127.1 million data users, compared to 120.9 million data users as of December 31, 2022, an increase of 5.1%, or 6.2 million additional data users. We believe this increase in data users primarily resulted from our initiatives to strengthen our digital business portfolio. In 2023, Telkomsel continued to support and incentivize healthier market behavior for strengthening business profitability and industry rationalization through several price adjustments. Major competitors also implemented price rationalization initiatives in 2023.

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, which pioneered digital payments when it was introduced in 2007 by Telkomsel. In 2019, T-Cash became LinkAja under PT Fintek Karya Nusantara ("**Finarya**"). As at the date hereof, Telkomsel owns a 24.83% equity interest in Finarya.

We also offer video content on demand under MAXstream, a one-stop video portal that aggregates OTT 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 billing system. We have applications for music (*e.g.*, *Langit Musik*) and Telkomsel Dunia Games, which provides a comprehensive gaming ecosystem combining media content, distribution, payment facilities, e-sports, and game publishing. We have launched online games and started developing gaming communities to enhance customer experience. With rapidly evolving customer needs and the transformation taking place in the society, we aim to enhance 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 services related to video and games content, augmenting the functionalities of by.U, developing Telkomsel Orbit, and improving the functionality of the MyTelkomsel app and Telkomsel.com.

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 MSMEs.

GoTo has already developed a comprehensive and well-recognized digital ecosystem for users, drivers, and merchants. Our partnership with GoTo is multi-faceted. We have jointly promoted products and services such as SIM card promotions and advertising packages and conducted 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 are also collaborating with GoTo to better understand the consumption habits and behaviors of users and customers in

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order to improve our products and solutions offerings. Following this investment, the two companies have strengthened strategic partnership initiatives to provide users with new benefits and also helped to accelerate the digitalization of MSMEs. These initiatives to increase the number of Telkomsel users within the GoTo ecosystem include creating easy onboarding capabilities for GoTo's MSME partners to become Telkomsel reseller partners, integrating MyTelkomsel and GoPay, collaborating on loyalty programs, and providing GoTo with a number masking service. We expect additional digital initiatives in collaboration with GoTo in the future.

The Job Creation Law 2023 aims, among other things, to support the acceleration of digitalization and accessibility of broadband services in Indonesia through various means. These include optimizing use of frequency spectrum, limiting passive infrastructure by imposing certain network sharing obligations on non-telecommunications companies and ensuring a sustainable competitive environment through price regulation. To optimize spectrum use, the Government ordered a switch from analog to digital television broadcasting in 2022 (known as the analog switch-off) in the 700 MHz frequency band.

Telkomsel officially launched 5G services in May 2021, becoming the first cellular operator to offer 5G in Indonesia. As of 2023, Telkomsel has made 5G available by deploying 654 BTS towers at selected points in more than 40 cities in Indonesia as part of its strategy to roll out 5G through a demand-based approach for B2C and B2B segments, including in the manufacturing, infrastructure, and education sectors. We intend to maximize the use of 5G 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 AI, cloud computing and IoT. The deployment of 5G services will be gradual, based on assessable demand, and will be conducted with our partners.

2. Consumer Segment

Our consumer segment portfolio comprises fixed voice, fixed broadband, IPTV, and consumer digital services. We market these service offerings under the retail brand "IndiHome," a product that allows customers to choose one or more of such services in a bundled package.

In April 2023, in line with our FMC initiative, we entered into an agreement with Telkomsel to combine our fixed broadband and mobile broadband services into a single business entity, by transferring a portion of our assets and liabilities allocated to the IndiHome business segment to Telkomsel (the "**IndiHome Integration**"), in order to create new synergies and improve our product and service offerings, customer experience, cost efficiency and revenue. As part of the implementation of our FMC initiative, Telkomsel also launched "Telkomsel One" in July 2023. This new product aims to encourage equitable distribution of digital connectivity throughout the community through a wide selection of customer-centric packages and a multi-screen approach for content optimization.

Telkomsel is focused on maintaining the business continuity of IndiHome by maximizing synergies between fixed broadband and mobile broadband services, while pursuing revenue growth. This is to be achieved through cross-selling activities, service integration, optimizing platform cost and contents, avoiding investment duplication, and integrating customer touchpoints by closing down more than 290 overlapping stores.

Telkomsel aims to accelerate fixed broadband penetration and meet the demand for reliable high-speed broadband by improving its service offerings and maintaining high quality service standards. Moreover, Telkomsel has accelerated the acquisition of new IndiHome B2C customers by approximately 425 thousands in the first six months following the IndiHome Integration, maintaining a stable ARPU at Rp252.7 thousand.

Telkomsel also offers the wifi.id service to IndiHome customers, which is an add-on service that allows IndiHome 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 public access to high-speed internet services and various other multimedia services.

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3. Enterprise Segment

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

For enterprise connectivity, we offer fixed broadband, Wi-Fi, ethernet, and data communication services, including a SD-WAN ecosystem that enables higher performance of WANs, leased channels such as Metro Ethernet, VPN-IP, high-capacity data network solutions providing point-to-point connection with high-capacity bandwidth, and fixed voice services, among others. We also provide satellite services as part of our enterprise connectivity product offering in some segments, such as aviation, maritime, mining, and plantation, as well as other satellite-based services for domestic and international users while continuing our presence and support in cellular backhaul and government services.

In 2020, we launched FLOU Cloud to foster digital growth for Indonesian startups, SMEs, large corporations, and Government entities by offering services such as cloud computing, data storage, networking, and data security. In 2022, Telkom Sigma upgraded FLOU Cloud's capabilities and performance to increase our market presence and strengthen data safety. We have also obtained the ISO 27000 certification in recognition of our commitment to data safety. In addition, we have implemented Cloud Security Alliance Security, Trust, and Assurance Registry (STAR) measures. In partnership with leading cloud service providers, we primarily target Indonesian customers in sectors we expect to grow, such as customers in the finance, manufacturing, Government, and communications sectors, to whom we offer professional cloud management and consultancy services.

Our connectivity services support critical functions across various industries. Our ICT and industry solutions function as horizontal platforms encompassing IoT, data centers, cloud services, big data, cybersecurity, and payment systems. Our platforms facilitate innovation by providing state-of-the-art solutions for our customers' applications, digital marketing, finance, e-health, and entertainment, among others. For instance, we offer payment services and big data analytics that provide information used by our customers to design more effective marketing initiatives. We assist our customers with customer relationship management and IoT deployments, including to set up smart building, for purposes of energy management and fleet management, backed by consolidated communication systems and enhanced IT security. Our digital and IT services capabilities enhance our e-health offerings, for instance by simplifying healthcare claims processing. In 2023, we focused on our ICT business, delivering specialized solutions for the Government and the logistics, healthcare, education, financial, insurance, agriculture, and mining industries.

4. Wholesale and International Segment

Our wholesale and international business segment includes domestic and international wholesale traffic, wholesale network, wholesale digital platform and services, data centers, telecommunications tower business, and infrastructure services business.

The domestic and international wholesale traffic, wholesale network and wholesale digital platform and services that we offer comprise network services, data, and internet, as well as interconnection services, value-added services, voice-hubbing, A2P SMS, platforms, and solutions.

We earn revenue principally from interconnection services that we provide other telecommunications operators that utilize our network and infrastructure in Indonesia, both for calls that terminate at and calls that 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 telecommunications 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, 2023, we had approximately 43,047 towers, comprising approximately 38,014 towers owned by Mitratel, approximately 477 towers owned by Telkom, and approximately 4,556 towers owned by Telkomsel. We aim to consistently expand our telecommunications 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 digitalizing our internal business processes. Our subsidiary Mitratel has been purchasing towers in the past few years and

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as of December 31, 2023, Mitratel owned 38,014 towers, having purchased 997 telecommunications towers from Indosat in February 2023 and 803 telecommunications towers from PT Gametraco Tunggal in November 2023.

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 by leveraging existing businesses 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 an SOE into 2023 to manage the maintenance of some of the diesel engines we had delivered and installed. In 2017, construction was completed for the SEA-US submarine cable which connects California to Manado, Indonesia, and by extension to the IGG submarine cable, which connects major cities in Indonesia as well as the SEA-ME-WE 5 and SEA-US cable systems. In 2023, we completed construction of our PATARA-2 submarine cable system connecting multiple islands across Indonesia, which enhances connectivity among the cities of Waisai, Manokwari and Supiori. We plan to add additional landing points for redundancy and further deploy submarine cables in the future.

Globally, telecommunications tower providers are optimizing value creation by embracing new growth opportunities. They are shifting from providing basic interconnection services to also providing a broad range of support including fiber optic services and mini data centers to customers. Increases in data usage and high bandwidth applications are making it necessary to compute and store data closer to customer premises, which tower providers are taking advantage of by setting up edge computing on tower sites. Further, by deploying micro data centers close to the network edge, telecommunications tower providers may be able to enable ultra-reliable low latency communication in 5G services that could unlock new business opportunities. 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 become leaders in the industry for carrying out such deployment in a cost-efficient and phased approach to offer 5G wholesale services in Indonesia.

In 2022, we continued to consolidate and expand our data center capabilities, including our cloud services and marketplace services. We began consolidating our data center business under our subsidiary, TDE, in 2021 by transferring our then under-construction Cikarang HyperScale data center. In 2022, we transferred our enterprise data center business in Sentul, Serpong and Surabaya from Telkom Sigma. TDE continues to expand the capacity of our HyperScale data center in Cikarang and has begun building a second HyperScale data center, in Batam. We plan to continue consolidating our domestic and international data centers under TDE in the future and to expand our capacity in order to become a market leader in the data center ecosystem.

Our subsidiary, PT Telekomunikasi Indonesia International (“**Telin**”), continues to strengthen its international business. Telin has 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 for wholesale trading of voice, SMS, and virtual numbers. Telin also manages data centers in Singapore, Hong Kong, and Timor-Leste. In 2023, Telin unveiled TNeX, the Telin NeXt Gen Platform which enables businesses to connect their data centers across the globe by allowing customers to select, acquire and monitor provisioning statuses for a range of connectivity products while granting customers the ability to instantaneously fine-tune bandwidths according to their needs.

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, data center and manage services;

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- Hong Kong, through Telekomunikasi Indonesia International Ltd. (“**Telin Hong Kong**”), where we provide wholesale voice services, wholesale data services, retail mobile services as an MVNO, and where we also operate a GraPARI center and a data center;
- Timor-Leste, through Telekomunikasi Indonesia International S.A. (“**Telkomcel**”), where we provide mobile cellular services, enterprise solutions, wholesale and international services and operate a data center;
- Australia, through Telekomunikasi Indonesia International Pty. Ltd. (“**Telin Australia**”), where we provide enterprise solutions, wholesale and international services;
- Taiwan, through Telin Taiwan Limited as an indirect subsidiary of Telin, where we provide retail mobile services as a MVNO, digital retail services and operate a GraPARI center;
- Malaysia, through Telekomunikasi Indonesia International Sdn. Bhd. (“**Telin Malaysia**”), where we hold a majority ownership interest in a joint venture that provides international airtime services and support, wholesale voice services, enterprise solutions as well as wholesale and international services;
- The United States, through Telekomunikasi Indonesia International Inc. (“**Telin USA**”), where we provide data services, internet connectivity services (including operating Point of Presence, peering and transit services) and wholesale voice services;
- Myanmar, through a branch office, where we provide data connectivity service;
- Dubai, through a branch office, where we provide wholesale voice services, wholesale data services and enterprise services;
- The United Kingdom, through a sales representative, where we provide wholesale data services and enterprise services;
- The Philippines, through a sales representative, where we provide wholesale data services and enterprise services;
- Vietnam, through a sales representative, where we provide wholesale data services and enterprise services;
- Canada, through a sales representative, where we provide wholesale data services and enterprise services; and
- India, through a sales representative, where we provide wholesale data services and enterprise services.

We regularly assess these 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 for further consolidation in the telecommunications tower business.

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 content 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 E-Money service provided by Telkomsel that enables Telkomsel customers to perform banking activities such as paying bills, transferring funds, and making online and offline retail payments on customers’ smartphones and/or feature phones. The comprehensive financial services offered by LinkAja are expected to further accelerate financial inclusion and foster the development of a cashless

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society as envisioned by the Government in its Non-Cash National Movement Program. As at the date hereof, Telkomsel owns a 24.83% equity interest in Finarya, and we expect our strategic partnership with GoTo will 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 TED as a holding company to provide digital services in the edu-tech, health-tech, and gaming sectors. TED intends to collaborate with Indonesian startups, investors, and stakeholders in the digital industry. As an example, TED has partnered with Agate, one of the largest game developers in Indonesia, to expand access to locally made games and so open opportunities for local creators in Indonesia's gaming ecosystem.

In 2022, we introduced a new brand, Leap, as an umbrella brand for all of our digital transformation products and services. We seek to use Leap to help achieve Indonesia's digital sovereignty by creating technological solutions through collaboration and innovation.

In 2023, our subsidiary, Metranet and Cakap have collaborated to provide Education Digital Content on the Metranet Platform, namely Cazbox Edu. The target market includes public and private schools from various levels across Indonesia.

PT. Telkom Indonesia is a company that operates in the telecommunication sector, but considering the current pace of changes, our company has to innovate to keep innovating, therefore we provides an End-to-End Big Data Platform called BIGBOX which is an analytical big data platform with end-to-end data management and Analytics, designed to help organizations manage and analyze large amounts of data in various environments and various data formats, to provide insights, problem solving, or create value for the business or organization. We currently have three segments namely PRODUCTS (end-to-end Big Data Platform to generate insights that suit client's operational and business needs), SOLUTIONS (Helping clients turn complex data into actionable insights across various use cases in various Industries), and SERVICES & SUPPORT (Helping clients build data-driven organizations with expert support, training and consulting services).

These three segments are divided into vertical products and horizontal products, where the vertical products consist of BigOne (One Data Platform to help the government to unite scattered data into one data management), BigMarket (E-commerce Analytical Platform for analyzing e-commerce products), BigSosial (Social Media Analytics Platform to help monitor and analyze trends, brands, social, political & economic issues on social media), BigView (Smart Government Dashboard that provides integrated services from various vertical applications to view regional information, regional potential, vision and mission to the regions), BigLegal (Legal Analytic to collect all systematic legal regulations that are accurate, valid and up-to-date), and BigVision (Video Analytics and eKYC to help provide API services related to Video Analytics and eKYC) and supported by seven horizontal products consisting of BigAction, BigSpider, BigLake, BigSearch, BigQuery, BigBuilder, and BigEnvelope.

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 consist 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 for music streaming and an application for ringtones called *Nada Sambung Pribadi*) and games (*e.g.*, Upoint.id and Dunia Games, which combines game content data for several games with game vouchers). We have been developing our gaming portfolio, our E-Commerce business with a specific focus on B2B E-Commerce opportunities, Xooply, a B2B marketplace for our customers, and investing in B2B IT digital services.

Property Management

Consistent with our strategy to accelerate digital ecosystem creation, we prioritize increasing network-related building and equipment asset utilization that expands our digital capacity. We also construct data centers for data intensive areas while leveraging our sizeable property asset portfolio in markets with lower data usage through external partnerships and collaborations. In addition, we seek efficient space allocation for our legacy network equipment and to provide an

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enjoyable office experience for our employees. We execute our 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.

In 2023, we took initiatives to develop and face the changing scape, aligning with our commitment to innovate and sustain. Guided by a vision for progress, we undertook Five Bold Moves to support Telkom's transformation in property management. We intensified our efforts in constructing state-of-the-art buildings designed to facilitate the growth of our data centers. This infrastructure expansion aligns with our mission to speed up the digitalization across high-traffic sectors, ensuring smooth services and product delivery. Expanding on our insight we placed strategic emphasis on the external market, fostering collaborations and partnerships to broaden our impact. This outward focus allowed us to tap into new opportunities and markets, contributing to our sustained growth. As part of our corporate evolution and expansion into the external property management market, our subsidiary focused on property management, PT Graha Sarana Duta ("GSD") has unveiled a revamped logo, marking a significant step in building a strong corporate brand image. This rebranding effort reflects our commitment to remaining dynamic and relevant in the ever-evolving business, especially in areas focused on digitization. Through our improvement projects to adapt to global challenges, we continue to develop our properties to support the digital business ecosystem by delivering E-Commerce co-warehousing and cold storage collaborations. Furthermore, in our commitment to environmental stewardship, we are making efforts to enhance our services and energy management program.

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. In addition to generating income, our property business also serves internal customers as part of our "group synergy projects" by providing efficient space allocation for our network equipment and an enjoyable work environment for our employees, partners, and subsidiaries. Such property assets come in the form of buildings that function as our network nodes, sales points, customer service centers, headquarters and branch offices, other businesses, functions, and land banks. Our goal for these projects is to achieve cost efficiency through economies of scale.

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, cybersecurity, and services), which supports our Indonesia Cyber Core program and (ii) our international network infrastructure, which supports our international expansion program.

National Network

Throughout 2022 and 2023, we further developed our Group IT infrastructure, encouraged internal digitalization initiatives, and enhanced customer services while expanding our Next Generation Network capabilities. We sought to drive digital connectivity service innovation, fortify cybersecurity, enhance network quality, deploy Future State Architecture, optimize capital and operating expenditure, modernize our operating model, and improve talent management. We regularly conduct software and network vulnerability assessments, and we offer cybersecurity training to all employees. Our commitment to network development aligns with the Indonesia Broadband Plan, aiming to improve broadband access nationwide. We expedited our digitalization efforts, alongside the deployment of 5G technology to meet Indonesia's demand for advanced telecommunications infrastructure

Our digital business comprises digital connectivity, digital platforms, and digital services, focusing on innovations that cater to the changing requirements of technology and information services.

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We continue to promote digitalization in Indonesia through our Indonesia Cyber Core program, which comprises three main components, namely id-Service ("**id-SEV**"), id-Convergence ("**id-COV**") and id-Network ("**id-NET**"), and which are further described below:

- **id-SEV**: encapsulates our strategy to enhance digital connectivity products, fostering innovation in digital and cybersecurity services for improved customer solutions. Our offerings include broadband internet, data, voice communications, and Wi-Fi for both fixed and mobile customers. We aim to grow our digital portfolio with services such as gaming, media streaming, online education, E-Commerce, mobile payments, travel, crowdsourcing, and healthcare by developing innovative platform infrastructures for applications, data management, GPU farming, in-memory databases, AI, and big data.
- **id-COV**: outlines our strategy to bolster our digital platform business by optimizing integration and reliability while expanding our data center facilities and cloud services. This includes developing two HyperScale data centers with capacities of approximately 75 MW each and enhancing the capacities of 19 neuCentrIX data centers nationally in parallel with our cybersecurity platform. We have established a data governance council to strengthen data security compliance. Our smart platform supports digital businesses in providing various services, offering an interconnected platform via cloud management and dedicated cybersecurity platforms, big data processing, and AI innovations.
- **id-NET**: details our approach to constructing comprehensive network architecture through the adoption of next-generation technologies, such as FTTH, 5G, IODN, satellite, and re-engineered Metro Ethernet networks. We are future-proofing digital services with cloud-based network solutions (e.g., SDN/NFV, SD-WAN). Our initiatives prioritize expanding fiber optic reach nationally and modernizing networks from copper to fiber to enhance network performance. For instance, we have joined the Bifrost and SEA-ME-WE 6 submarine cable consortiums and operate the Telkom-3S and Telkom-4 satellites to provide ICT services to remote areas and reduce dependency on foreign operators and networks.

Cellular Network

As of December 31, 2023, our subsidiary Telkomsel had the widest cellular network coverage in Indonesia, operating across GSM/DCS, GPRS, EDGE, 3.5G, 4G/LTE, and 5G networks with a diverse spectrum allocation, supporting technologies from GSM to 5G. In 2023, Telkomsel completed the 3G to 4G service upgrade (3G shutdown), resulting in a total of 32,718 additional 4G BTS, including both new and upgraded BTS, along with a total of 370 additional 5G BTS. As at December 31, 2023, the network encompassed 247,472 BTS, including 2G, 3G, 4G, and 5G.

Our subsidiary Mitratel has acquired a significant number of telecommunications towers from Telkomsel and other companies, enhancing its infrastructure portfolio, supporting Telkomsel's focus on digitalization, and improving the digital offering for its customers across Indonesia. In 2023, Mitratel purchased 997 telecommunications towers from Indosat for Rp1.6 trillion and 803 telecommunications towers from PT Gametraco Tunggal for Rp1.8 trillion.

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Data and Internet Network

In 2023, we continued to improve the quality of our data network by installing additional capacity and expanding coverage. As of December 31, 2023, we provided broadband access through fiber optic cable to more than 38 million homes. As of December 31, 2023, our Metro Ethernet network had an aggregate installed capacity of 167,279 Gbps. We use our Metro Ethernet network both to provide broadband services throughout Indonesia and as the main link for our IndiHome broadband services, softswitches and 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, 2023, we have extended the capacity of our internet gateway to reach an aggregate installed capacity of 9,000 Gbps, in particular to cope with expected peak surges in traffic. In 2023, we operated CDNs with an aggregate content delivery capacity of 26,834 Gbps in collaboration with Google, Facebook, Akamai, EdgeCast, Level3, Yahoo, ChinaNet, VDMS, Conversant, Zenlayer, and OTT video content providers such as iFlix and Catchplay+.

As of December 31, 2023, we had 64 points of presence in 49 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 52 primary and secondary points of presence throughout Indonesia. We have also been developing two primary points of presence in Kendari, which are expected to commence operations in the fourth quarter of 2024.

In 2023, we consistently deployed additional access points across Indonesia to enhance our Wi-Fi coverage and business model, while also choosing to dismantle certain access points that provided Wi-Fi services in locations where there was low utilization. Moreover, we expanded our Wi-Fi business by offering Wi-Fi management services using ONT Premium, which allows SMEs to purchase Wi-Fi at various bandwidth levels and with various additional services. As of December 31, 2023, we had installed a total of 394,031 access points (consisting of 123,311 managed access points, 221,000 home spots, and 49,720 ONT Premium access points).

Data Centers

As of December 31, 2023, we operated 32 data centers (27 data centers in Indonesia and five overseas). Telin operated five overseas data centers with a total capacity of 18 MW consisting of three in Singapore, one in Timor-Leste and one in Hong Kong. Our 23 neuCentrIX data centers in Indonesia had an aggregate capacity of 1,942 racks. TDE, through its NeutraDC brand operated three enterprise data centers with a classification of tier 3 or tier 4 in Indonesia (at Serpong, Sentul, and Surabaya) with a total IT load capacity of 15.9 MW (Telkom Sigma transferred these data centers to TDE in 2022 as part of a portfolio consolidation) and one HyperScale data center with a classification of tier 3 or tier 4 in Indonesia (at Cikarang) with a total designed IT load capacity of up to 51 MW across three campuses.

In 2023, we expanded our neuCentrIX data center capacity and services, which target enterprise and wholesale customers, by creating a digital hub experience under the neuCentrIX umbrella brand to provide various connectivity services for digital businesses. We expanded seven of our existing neuCentrIX data centers. As of the date hereof, we are building new neuCentrIX data centers in Indonesia that will provide carrier neutral connectivity and multiple custom-made services for enterprise clients throughout the Asia Pacific region.

In December 2022, TDE conducted the ground breaking ceremony for our second HyperScale data center in Batam. PT Teknologi Data Infrastruktur (“**NeutraDC Batam**”), in its pursuit of technological excellence, is making remarkable strides in the development of its 51MW data center located on a five hectare site at Kabil Industrial Estate, Batam. A significant achievement was recently marked with the signing of a contract with PLN Batam, securing essential electrical support with total 90MVA capacity for the data center. In our commitment to sustainable practices, we are also actively exploring renewable energy initiatives in collaboration with PLN Batam. Currently in the schematic design stage under the guidance of our expert consultants, the facility is taking shape, emphasizing efficiency and innovation. Envisioned as a three-campus infrastructure, we are thrilled to announce that the first campus is expected to be operational by 2025. This progress underscores NeutraDC Batam's commitment to strengthening digital transformation and digital

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economic development in Indonesia, particularly in Batam and the surrounding region, in response to spillover demand from Singapore.

We are also in the process of consolidating our international data centers by transferring Telin Singapore's data center business to NeutraDC Singapore, which is an important milestone in our journey to become a leading regional player in the data center industry. NeutraDC also continues to explore data center expansion options at the regional level. Through regional expansion, we aim to identify new opportunities and address market demand in the Asia Pacific region.

Transmission Network

In 2023, 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 COVID-19, data traffic significantly increased due to the implementation of various measures for ensuring the health and safety of the public, such as working and studying from home. We took preemptive steps to reinforce 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 prevent service disruptions (e.g., certain key Government agencies or ministries 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 have benefited from the enhancements to our network infrastructure in response to COVID-19 and we seek to maintain the reliability of our network.

Communications Cable System

As of December 31, 2023, our transmission network comprised 26 backbone rings in Indonesia with an aggregate installed capacity of 287,260 Gbps and our fiber optic backbone network totaled 111,663 km domestically (compared to 108,566 km as at December 31, 2022). Our domestic fiber optic backbone network is supplemented by an international fiber optic backbone network totaling 64,700 km.

In 2019, we began deployment of several submarine cable systems in order to strengthen our fiber optic backbone. In western Indonesia, we completed the deployment of the 632.12 km long SLM (Sabang-Lhokseumawe-Medan) submarine cable system in 2021, connecting the Sabang-Lhokseumawe cable system with the Lhokseumawe-Medan cable system. In eastern Indonesia, we completed deployment of the 283 km long PATARA (Papua Utara) submarine cable system in 2021, connecting Sentani and Sarmi. In Kalimantan, we completed the deployment of the 673 km long MATANUSA (Mangkajang-Tawao-Nunukan-Sangatta) cable system in 2021. We continue to progress on the deployment of our fiber optic backbone in eastern Indonesia. We completed the deployment of the 1,126 km long PATARA-2 submarine cable in 2022, connecting Sarmi and Waisei. In Sulawesi, we completed the deployment of the 436 km long LUMORI (Luwuk-Morowali-Kendari) submarine cable in 2021, connecting Luwuk, Bonepute, Kolaka and Kendari. When our JASUKA and IGG fiber optic cables were disconnected in the second quarter of 2022 due to an incident with an anchor, we prioritized the repair of these two cables so that we could provide sufficient network bandwidth. In October 2023, we completed the construction of our PATARA-2 submarine fiber optic cable system connecting across North Papua, Indonesia.

We also intend to leverage Indonesia's strategic geographic location and to provide an alternative direct broadband connection between Europe, Asia, and America. The IGG cable system connects two major submarine cable systems, namely SEA-ME-WE 5 and SEA-US. 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.

Satellites

In 2023, we operated two satellites, Telkom-3S and Telkom-4 (Merah Putih).

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We launched the Telkom-3S satellite in February 2017, and it commenced commercial operations in April 2017. Telkom-3S provides coverage to Indonesia. It has a capacity of 42 transponders (equivalent to an aggregate of 49 TPE) consisting of (i) 24 standard C-band transponders, (ii) 8 extended C-band transponders, and (iii) 10 Ku-band transponders.

We launched the Telkom-4 (Merah Putih) satellite in August 2018 replacing the Telkom-1 satellite which ceased operations in 2017. Telkom-4 began its commercial operations in September 2018 and provides coverage to Indonesia and South Asia. It has a capacity of 60 transponders (equivalent to an aggregate of 60 TPE) consisting of (i) 24 standard C-band transponders for Indonesia, (ii) 24 standard C-band transponders for South Asia, and (iii) 12 extended C-band transponders for Indonesia. We control our satellites from a main control station in Cibinong, Bogor in West Java. To ensure continuity of service, we operate a backup control station in Banjarmasin, South Kalimantan.

We lease capacity of 37.84 TPE from the following satellites: Apstar-5C HTS (138 E) in the amount of 33.6 TPE, Apstar-9 (142 E) in the amount of 1.5 TPE, JCSAT 4B (124 E) in the amount of 1.88 TPE and MySat (142 E) in the amount 0.86 TPE.

In 2022, the MoCI granted Telkomsat Starlink landing rights, enabling Telkomsat to serve backhaul services through Starlink satellite constellation. This will enhance internet broadband connectivity especially 4G cellular broadband connectivity in rural areas throughout Indonesia.

By early 2024, we expect to launch a high-throughput satellite using C-band and Ku-band frequencies with 32 Gbps total capacity in orbital slot 113 E.

International Networks

Through Telin, 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 voice gateways in Singapore and Hong Kong to offer voice services from or to any countries. As of December 31, 2023, we owned and operated an international fiber optic backbone network totaling 64,700 km.

We are a member of multiple submarine cable consortiums, including Thailand-Indonesia-Singapore, two routes of Batam-Singapore, Dumai-Malacca, Asia-America Gateway, Southeast Asia-Japan, Southeast Asia-Middle East-Western Europe 5 (SEA-ME-WE 5), South East Asia-United States (SEA-US) and IGG, which connects major cities in Indonesia with Asia, Europe, and the US. IGG also provides an express connection between the SEA-ME-WE 5 and SEA-US cable systems.

Moreover, we also operate and have rights of use for fiber optic infrastructure totaling 134,040 km in the aggregate under a long-term telecommunications lease agreement with other global submarine cable operators/consortiums. This includes the following submarine cables: 10,000 km 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 of the EAC-C2C network, 2,700 km of the APCN-2 network, 6,500 km of the Asia Pacific Gateway (APG) network, 7,000 km of the Asia Submarine-cable Express (ASE)/Cahaya Malaysia network, 2,700 km of the TGN-Intra Asia (TGN-IA) network, 20,000 km of the Southeast Asia-Middle East-Western Europe 4 (SEA-ME-WE-4) network, 20,000 km of the Asia Africa Europe-1 (AAE-1) network, 8,100 km of the Bay of Bengal Gateway (BBG) network, 12,091 km of the Imewe network, 15,000 km of the Europe India Gateway ("EIG") network, and 6,000 km of the Hibernia Transatlantic network.

In 2020, Telin along with the Southeast Asia-Japan Cable 2 (SJC2) consortium initiated the deployment of 10,500 km of submarine cables laid in intra-Asia, connecting China, Japan, South Korea, Taiwan, Thailand, Vietnam, and Hong Kong SAR. As of the date hereof, these cables are expected to be ready for sale at the latest by the first quarter of 2025.

In 2021, Telin 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. Construction is expected to be completed in late 2024.

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In 2022, Telin joined the SEA-ME-WE-6 cable consortium, which is constructing a cable to connect Southeast Asia, the Middle East and Europe. The SEA-ME-WE 6 cable will connect Singapore, Malaysia, Bangladesh, Sri Lanka, India, Pakistan, Djibouti, Saudi Arabia, Egypt, and France. This 19,200 km-long cable is expected to be completed in 2025 and will provide additional diversity and resilience for the significant amount of traffic between Asia and Europe. Compared with other options, the SEA-ME-WE 6 will offer one of the lowest latencies available between Southeast Asia, the Middle East and Western Europe and will have a capacity of more than 100 terabytes per second.

In 2023, Telin commenced construction of the Indonesia Cable Express initiative ("ICE"). The ICE initiative aims to develop seven innovative systems that will connect and provide low latency and direct data center-to-data center access.

All of the submarine cables used by Telin are equipped with Open Cable Technology for efficient use of capacity. Telin also has control over the fiber optic infrastructure, including the physical cables and associated bandwidth, allowing it to provide guaranteed bandwidth for each member of the respective cable consortium. These submarine cables are also monitored and supported 24/7 by the Telin World Hub Operation and Command Center.

As of the date hereof, to support our international voice and data services, Telin operates 58 points of presence throughout the world, including 26 points of presence in Asia and the Middle East (11 in Indonesia which are used for supporting the international network, four in Singapore, four in Hong Kong, two in Kuala Lumpur, and one in each of Dili, Tokyo, Taipei, Yangon and Dubai), 19 points of presence in Europe (one in each of London, Amsterdam, Frankfurt, Warsaw, Vienna, St. Petersburg, Bucharest, Prague, Switzerland, Milan, Manchester, Luxembourg, Brussels, Sofia, Marseille, Paris, Moscow, Helsinki, and Madrid), 13 points of presence in the United States and Canada (one in each of Montreal and Toronto, two in Los Angeles and one in each of Palo Alto, Ashburn, San Jose, New York, Guam, Hawaii, Seattle, San Francisco and Atlanta).

Geographic Distribution of Revenues

International expansion has become a necessity for us to be able to maintain and sustain a high 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,			
	2021	2022	2023	
	(Rp billion)	(Rp billion)	(Rp billion)	(US\$ million)
External Revenues				
Indonesia	136,482	139,983	141,157	9,167
Abroad	6,728	7,323	8,059	523
Total	143,210	147,306	149,216	9,690

Revenue Controls

As a customer-facing business, we may face revenue leakage as a result of being unable to collect some revenues to which we are entitled. We mitigate such potential revenue leakage by implementing control functions in all of our existing business processes, cooperating with and sharing information between operating units to detect potential fraud, using revenue assurance methods, employing adequate policies and procedures, and implementing certain information system applications.

Overview of Telecommunications Services Rates

Under the Telecommunications Law and Government Regulation No. 52 of 2000 on Telecommunications Operations, as partially revoked by GR No. 46/2021 (GR No. 52/2000, as amended), tariffs for operating telecommunications services are determined by providers based on the tariff type and structure and with respect to the price cap formula set by the Government. However, the Government may determine the (i) formula to calculate the tariff;

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and (ii) an upper limit tariff or lower limit tariff for the provision of telecommunications services based on public interest and fair competition.

a. Telecommunications Services Tariffs

Under the MoCI Regulation No. 5/2021, telecommunications services tariff consist of basic telephony service tariffs, value-added telephone service tariffs, and multimedia service tariffs, as described below:

- Basic telephony services tariffs, comprising tariffs for the provision of basic telephony services, which include:
 - (i) core features, such as telephony, facsimile, SMS, and/or MMS; and
 - (ii) additional features, including but not limited to Rich Communication Services.
- Value-added telephony services tariffs, comprising tariffs for the provision of value-added telephony services, which include but are not limited to Information call center services and premium call services; and
- Multimedia services tariffs, comprising tariffs for the provision of multimedia services, which include but are not limited to ISP and NAP services.

All the aforementioned tariffs follow the below tariff structure:

- Activation fee;
- Monthly subscription charges; and/or
- Usage charges.

b. Telecommunications Network Tariffs

Under the MoCI Regulation No. 5/2021, telecommunications network tariffs consist of basic interconnection tariffs, and network lease tariffs, as described below:

- Interconnection tariffs

The Indonesian Telecommunications Regulatory Authority (Badan Regulasi Telekomunikasi Indonesia or "BRTI"), in its letter No. 262/BRTI/XII/2011 dated December 12, 2011, mandated a shift to cost-based pricing for SMS interconnection tariffs among telecommunications providers, with a maximum tariff of Rp23 per SMS effective from June 1, 2012, applicable to all telecommunications service operators. In addition, based on Letter No. 118/KOMINFO/DJPPI/PI.02.04/01/2014 of the DGPIO, the DGPIO required our Company and Telkomsel to submit annual Reference Interconnection Offer ("RIO") proposals to the BRTI for evaluation. The subsequent approvals of the RIO adjustments by the BRTI, as indicated in its letters No. 60/BRTI/III/2014 and No. 125/BRTI/IV/2014 approved our Company's and Telkomsel's RIO adjustments, set the SMS interconnection tariff at Rp24 per SMS (the "2014 RIO Proposal"). Furthermore, on January 18, 2017, through its letters No. 20/BRTI/DPI/I/2017 and No. 21/BRTI/DPI/I/2017, BRTI resolved to maintain the interconnection tariffs from the 2014 RIO Proposal between Telkom and Telkomsel, pending the establishment of new interconnection tariffs.

- Network lease tariffs

MoCI Regulation No. 5/2021 establishes guidelines on the structure and pricing for network lease services, including the form, type, structure, and formula of tariffs for such services, which built upon Decree No.

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115 of 2008 issued by the Director General of Post and Telecommunications in Indonesia 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 Providers (“DGPT Decree 115/2008”) in agreement with the Telkom proposal.

c. Tariffs for other services

The tariffs for satellite lease, telephony services, and other multimedia are determined by the service providers by taking into account the expenditures and market prices of such services. The Government only determines the tariff formula for basic telephony services. The Government does not determine the tariffs for 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.

The following provides a description of our marketing and promotional strategies by customer segment.

Mobile Customers

In 2023, Telkomsel continued to implement and incentivize healthier business practices in the industry through price adjustments after competing intensely on prices in the past. Major competitors also implemented price rationalization initiatives, suggesting that industry prices will remain at more sustainable levels than in recent years.

In 2023, we launched personalized offerings for mobile costumers through dynamic customer segmentation and customer value management by targeting specific groups of customers. This allowed us to conduct targeted marketing campaigns and rely on data analytics. We also improved profitability and ARPU by harmonizing prices across different product portfolios. Telkomsel continues to provide products and services that address customers' needs, including a variety of packages available to customers across all the Telkomsel channels and physical outlets. Telkomsel is generally able to implement strategies conducive of higher data usage, including by enriching its digital products, collaborating with strategic partners, and providing high-quality services designed to give its customers a seamless experience. Other strategic initiatives focused on network optimization, cost optimization, and strengthening of core broadband.

We also enhanced our digital lifestyle related video and games content, including by increasing the market presence of MAXstream in the video streaming industry through expanded partnerships with major content partners and original MAXstream content. We also expanded our footprint in the mobile gaming industry by entering into game publishing through our "Dunia Games" brand.

We have continued to develop Telkomsel Orbit, a home wireless internet service, as an effort to leverage our strong network capacity and to cater to demand in areas where fixed broadband cannot penetrate. As of December 31, 2023, we had 159.3 million cellular subscribers, comprising 151.8 million prepaid cellular subscribers, 7.5 million postpaid cellular subscribers and 127.1 million mobile broadband customers.

Consumer Customers

In 2023, IndiHome remained our flagship consumer product, with our sales strategy centered on value-based pricing attuned to local market dynamics and reinforced by the IndiHome Integration, thus improving customer relations. Telkomsel's strategy to bridge the home and mobile connectivity experience sought to increase fixed broadband adoption, given the low penetration of fixed broadband services in Indonesia, against the backdrop of a nearly saturated cellular service market.

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Despite growing competition, we improved our service quality and customer experience with our "You Are First" program, a customer-centric initiative that relied on activities organized for customers and tailored loyalty programs. We have also implemented network enhancements and improved response times to customers' complaints, for instance in the event service disruptions and other technical issues.

We design our service offerings, which span up to 300Mbps, to deliver on value, aiming to meet the needs of our customers through wide selection of customer-centric offerings which includes bundled contents. The IndiHome Integration has fostered a unified customer strategy, enhancing our ability to cross-sell and up-sell. We offer personalized services through advanced data analytics, which enable us to refine our customer segmentation by utilizing customer data profiles to tailor offerings and pricing strategies. Our problem resolution is supported by an end-to-end traceable customer relationship management process, allowing us to anticipate and address issues before they negatively impact our customers.

Our access points provide wide coverage, with the number of fixed broadband IndiHome B2C subscribers having increased by approximately 0.4 million from the integration of IndiHome B2C into Telkomsel on July 1, 2023 to December 31, 2023 which makes us having 8.7 million IndiHome B2C Subscribers by the end of 2023. As of December 31, 2023, we had a total of 10.1 million fixed broadband IndiHome subscribers including 8.7 million IndiHome B2C subscriber.

Enterprise Customers

In 2023, we refined our enterprise customers approach by targeting high-value enterprise customers through strategic account management. This involved offering tailored solutions to deepen customer relationships.

Our marketing strategy for enterprise customers aims to:

- Spearhead digital transformation for enterprises, including SOEs, to achieve and secure a leading bandwidth share in the digital connectivity market;
- Empower SMEs with digital platforms to improve market, funding, and technology access, contributing to Indonesia's digital transformation; and
- Partner with the Government as a trusted ICT provider to support Indonesia's key digital initiatives, such as "Making Indonesia 4.0" and "One Data Indonesia."

Our sales approach provides tailored support across various enterprise customers segments:

- Enterprise account managers offer a single point of contact for large enterprises, delivering comprehensive service from relationship initiation to after-sales customer care, utilizing an application-based process for full digitalization;
- Government account managers cater to the ICT needs of the Government, with support from the Government's relationship officers to enhance service quality and foster contract renewals; and
- Business account managers and tele account managers cater to the needs of MSME customers, with support from third-party value-added resellers who promote Telkom's MSME products. Their efforts are supplemented by digital channels and mobile applications that incentivize initial purchases with additional products or services.

Wholesale and International Business Customers

Our wholesale and international business segment serves a mix of other domestic operators, service providers, digital entities, global wholesalers, carriers, and related enterprises, such as those utilizing overseas data centers and

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international connectivity. Additionally, through our Non Geostationary Orbit satellites, we cater to retail customers internationally.

Our marketing and sales strategy for wholesale and international business customers focuses on:

- Executing compelling business model strategies for voice traffic to increase sales volume, combining competitive pricing and high service quality;
- Enhancing services for international connectivity and overseas data center customers by improving coverage and quality;
- Offering a wide range of telecommunications tower services, including built-to-suit tower rentals, co-location, site maintenance, and related services; and
- Expanding our regional presence with submarine cable laying and maintenance services.

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 branding, digital platforms, operations, and customer experience;
- Building digital business models to support Indonesia's digital economy;
- Leveraging our assets and inventory to obtain more insight into digital services and customer experience; and
- Growing our digital services portfolio through investment in digital startups.

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 example, we promote the myIndiHome application as a digital touchpoint for IndiHome's customers, which also offers Disney+ Hotstar in a starter bundle package, Indibox as a source of value-added services (e.g., video content, games, and certain 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

Our primary distribution channels for products and services in 2023 included:

- Walk-in and mobile customer service points, such as Plasa Telkom Digital outlets and GraPARI centers, which offered comprehensive Telkom and Telkomsel services ranging from billing to customer care. As of December 31, 2023, these included 495 Plasa Telkom and GraPARI centers across Indonesia, some of which provide services for both Telkom and Telkomsel, and several GraPARI centers operate 24/7. IndiHome sales cars also extended our reach nationwide;

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- Authorized dealers and modern retail channels distributed Telkomsel products such as starter packs and prepaid top-up vouchers across Indonesia. A shift to modern retail channels was noted, with consumers preferring online transactions over physical stores post-COVID-19;
- Partnership stores extended our reach through various third-party marketing outlets, including electronics stores and bank ATMs;
- Contact centers supported customer access to our services around the clock, with facilities in key Indonesian cities;
- Specialized teams for account management and sales provided tailored solutions to large enterprises, Government agencies, and wholesale customers, enhancing business relationships and technical consultation;
- Channel partners, as third-party value-added resellers, met the needs of enterprise customers and facilitated sales of retail packages at events;
- Digital touchpoints provided customer service and account management through digital platforms such as myIndiHome, MyTelkomsel, MyTEnS for enterprise customers, MyIndibiz for SMEs, and MyCarrier for wholesale customers, which are equipped with interactive features and digital assistance;
- Our websites, www.telkom.co.id, www.telkomsel.com, www.telin.net, and www.indihome.co.id offered e-services such as billing and support;
- Social media and instant messaging platforms such as Facebook, Instagram, and WhatsApp provided product interaction and support, such as via our AI chatbot Veronika, which is powered by Microsoft Azure OpenAI; and
- LinkAja, our E-Money service, allowed customers to conduct transactions and service purchases digitally.

Licensing

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

Cellular

Telkomsel holds licenses to operate a nationwide mobile cellular telephone network using 15 MHz of spectrum allocation in the 800/900 MHz frequency bands, 22.5 MHz of spectrum allocation in the 1.8 GHz frequency band, 20 MHz of spectrum allocation in the 2.1 GHz frequency band, and up to (depending on the region) 50 MHz additional spectrum in the 2.3 GHz frequency band, together won at auctions in October 2017, May 2021, and November 2022 as well as gained from PT Berca Indonesia in November 2022. The licenses do not have set expiry dates, but they are evaluated every 10 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 BTS.

Fixed Network and Basic Telephony Services

We have the following licenses to operate fixed local networks, fixed long-distance direct line networks, fixed international call networks and fixed closed networks:

- MoCI Decree No. 073/TEL.01.02/2021 (on licenses to operate fixed long distance direct line);

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- MoCI Decree No. 094/TEL.01.02/2021 (on licenses to operate fixed closed networks);
- MoCI Decree No. 082/TEL.01.02/2021 (on licenses to operate fixed international networks); and
- MoCI Decree No. 095/TEL.01.02/2021 (on licenses to operate circuit switched based local fixed line networks).

These licenses do not have set expiry dates, but they are evaluated every five years.

International Calls

We have a license to operate a fixed network to provide international call services pursuant to 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 telecommunications network and service operators, among others, and to provide an international telecommunications transmission facility through a SCCS directly to Indonesia for overseas telecommunications operators.

According to MoCI Regulation No. 5/2021, overseas telecommunications operators who wish 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 operated by us on the basis of landing rights we hold within Indonesia and that are attached to our license to operate fixed network of international call services.

DGPIIO Decree No. 93 of 2016 on Limited Fixed Network Licenses 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 DGPIIO to provide international telecommunications transmission facilities through the Submarine Cable System ("SCS").

The foregoing licenses do not have set expiry dates, but they are evaluated every five years.

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.

VoIP

We are licensed to provide internet telephony services for public utilization for commercial use as provided under DGPIIO Decree No. 127 of 2016 (on internet telephony services for public utilization). Telkomsel is also licensed to provide public VoIP services based on DGPIIO Decree No. 65 of 2015 (internet telephony services for public utilization). These licenses do not have set expiry dates, but they are 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 nationwide coverage under DGPIIO Decree No. 19 of 2016 (on internet access services). These licenses do not have set expiry dates, but they are evaluated every five years.

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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 Points). This license does not have a set expiry date, but it is evaluated every five years.

Data Communication System ("SISKOMDAT")

We have a license to provide data communication system services pursuant to MoCi Decree No. 046/KEP/M.KOMINFO/02/2020 (on data communication system services). This license does not have a set expiry date, but it is evaluated every five years.

Payment Method Using e-Money

Following the implementation of BI's regulations applicable to APMK and E-Money businesses since 2009, BI 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 BI Circular Letter No. 9/9/DASP, Telkomsel is also permitted to conduct APMK activities and offers *Tunai* prepaid cards. These permits do not have set expiry dates so long as: (i) we and Telkomsel continue to conduct the relevant businesses in compliance with applicable regulations; and (ii) the Government does not amend or revoke such permits. In addition, BI regulations governing E-Money companies in Indonesia have multiple requirements for BI license holders such as Telkomsel, including certain restrictions on shareholding and corporate governance as well as risk management and information system capability requirements.

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 under the B2C business model, but also provide business solution services under the B2B business model. LinkAja's business solution service provides various features such as fund disbursement, cash collection, digital payments through QRIS, merchant applications and others, digital ecosystems, and advertising services. LinkAja is currently targeting MSMEs and corporations in various industries. LinkAja also collaborates on sharia-compliant services with Bank Syariah Indonesia to facilitate convenient sharia-compliant digital transactions, with the aim of achieving financial inclusivity in Indonesia.

Administration of Source of Fund and Remittance Service

We and Telkomsel have licenses to operate as money transfer service providers pursuant to BI License No. 23/587/DKSP/Srt/B. These permits do not have set expiry dates so long as: (i) we and Telkomsel continue to conduct the relevant businesses in compliance with applicable regulations; and (ii) the Government does not amend or revoke such permits. BI re-evaluates the license every three years from the date of license issued, but it may also decide to conduct such evaluation at any time.

IPTV

Since March 5, 2024, after effecting the transfer of the IndiHome business segment into Telkomsel, Telkom no longer holds an IPTV telecommunications service operation license as it is no longer listed in Telkom's NIB.

However, we are able to continue to provide IPTV services by reselling Telkomsel's IPTV products, which Telkomsel offers through its IPTV telecommunications service operation license, obtained on May 27, 2023.

Construction Services Business License

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Certain of our subsidiaries possess SBUJKs, thereby permitting us to provide national telecommunications-related construction services, which primarily consist of installing telecommunications equipment and wiring buildings. Each SBUJK is valid for three years and can be renewed upon expiry.

On February 15, 2023, we obtained an SBUJK for the construction of central telecommunications infrastructure, such as stations for voice connection. While this license has no expiry date, MoCI re-evaluates all such licenses every three years.

Content Service Provider

We obtained a content service provider license in 2017 pursuant to MoCI Decree No. 1040 of 2017 on Content Service Providers dated May 16, 2017. While such license has no set expiry date, MoCI re-evaluates all content service provider licenses every five years.

Trademarks, Copyrights and Patents

We 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 several intellectual property rights, including trademarks, copyrights, and patents with the Directorate General of Intellectual Property Rights at the MOLHR.

The intellectual property rights we have registered include: (i) trademarks for our products and services, corporate logo and name, (ii) copyrights for 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 patent submission) on technological inventions in the form of telecommunications products, systems and methods.

Corporate and Social Responsibility and Human Capital Management

We are dedicated to fostering a sustainable business and society. Our efforts encompass enabling connections, generating employment, and driving digital innovation. Our sustainability strategy, grounded in our five pillars of ethics, growth, human capital, societal contribution, and environmental stewardship, is regularly refined to mitigate risks and grasp new opportunities.

Our governance framework demonstrates our ambition to become a partner of choice for customers, suppliers, and communities, backed by a firm commitment to ethical practices. All our employees are required to uphold our ethical standards in their daily work, and we provide by regular training and information to foster a culture of integrity. We are also committed to upholding fair competition, data privacy, and transparent, inclusive procurement practices. We believe that our accolades for excellence in corporate governance and security underscore our achievements in these areas. In 2023, we received multiple accolades: the "Best State-Owned Enterprise" in the BigCap category by the Indonesian IICD, top honors in the "Best Indonesia GCG for Public Company 2023" in the telecommunications industry by the Indonesia GCG Award-VII-2023 Economic Review, and recognition for "Most Excellent Good Corporate Governance Implementation" at the CNBC Indonesia Awards 2023.

We rely on our performance growth pillar to enhance and modernize our business through innovation and digitalization, so that we may operate sustainably and adapt to changes. By digitizing and streamlining our operations, we intend to maintain and promote our business's operational and financial health. We believe that high-quality products and services are central to achieving this goal, as they underpin customer satisfaction and business continuity. In our telecommunications business, we prioritize connectivity, platforms, and services, constantly improving our network and IT systems to preempt or mitigate cybersecurity risks and maintain our infrastructure's integrity. Collaborative initiatives with law enforcement agencies enhance security, and we incorporate customer feedback to refine our offerings.

We prioritize managing human capital because we believe that our employees, managers, and talents are key to becoming and remaining a leading digital telecommunications player. Our human capital management practices focus on equitable recruitment, diversity, positive labor relations, and personal growth. We try and foster an inclusive culture,

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offering equal training and advancement opportunities to attract and retain top talents. This approach is informed by international norms on human rights and gender equality. As of December 31, 2023, women held approximately 30.0% of managerial roles, making up 37.0% of our workforce and 44.8% of the year's new hires. Our efforts to support gender equality include flexible work schedules, harassment-free policies, and adjustments for working mothers, such as remote work options and on-site childcare. We also support the Indonesian Ministry of Manpower's and the International Labor Organization's initiatives toward a child-labor-free Indonesia. We aim to enhance productivity by ensuring a modern, digital, and secure workspace that accommodates flexible work arrangements and health, safety, and environmental standards. We believe that our recognition as a Great Place to Work in 2022 by the Great Place to Work Institute aligns with these values. For more details on our human capital strategy, please reference "Item 6. Directors, Senior Management and Employees — Employees."

Our approach to social impact is proactive and broad, encompassing philanthropy, community empowerment, and infrastructure investment. We aim to maintain rigorous quality standards for our products and contribute positively to the community through various initiatives. In 2023, we committed approximately Rp154.9 billion to corporate social responsibility and environmental efforts throughout Indonesia. Our initiatives included contributing to digital education, improving access to food, water, and healthcare, and enhancing the quality of life for people with disabilities. We further supported MSMEs with training and entrepreneurship programs and fostered rural digital integration through the Smart Village Nusantara project. Our infrastructure projects emphasized sustainable development, featuring the installation of renewable energy street lighting and the expansion of internet connectivity to underserved regions. Additionally, we funded elderly housing, rural suspension bridges, and environmental conservation measures such as reforestation and marine ecosystem restoration. Infrastructure enhancements included renewable energy-powered public lighting and internet access expansion for remote areas, aligning with national development goals. We also invested in housing for the elderly, suspension bridge construction for rural access, and ecological efforts such as reforestation and coral reef rehabilitation.

Our sustainability strategy seeks to mitigate the environmental impact of our operations and businesses. We are committed to building an eco-friendly culture and extending environmental management practices beyond our immediate operations. We aim to lessen the telecommunications industry's footprint by reducing energy use, emissions, and managing electronic waste effectively. We have implemented several practices: enhancing energy efficiency, promoting renewable energy adoption, responsible waste handling, careful water use, and procuring energy-saving hardware. Oversight of environmental policies is centralized under the head of each business unit. Measures to decrease energy consumption include using LED lighting, installing reflective glass to cut down on air conditioning use, managing cooling systems, and optimizing electricity use with devices such as capacitor banks and timers. Plans to install rooftop solar panels are also being assessed as at the date hereof. Our network infrastructure improvements entail AC optimization and replacing old equipment with more energy-efficient alternatives, alongside expanding solar energy usage. Water-saving initiatives feature automatic taps and reusing AC condensation. Transportation is made eco-friendlier by encouraging cycling to work with bike parking facilities. Through digitalization, we are reducing paper trails by encouraging online communication and virtual meetings. Invoicing processes are now paperless, with digital channels in use for customer billings, such as apps (myIndiHome and MyTelkomsel), email, outbound calls, and text notifications on Pay TV services. Our corporate culture is focused on sustainability and responsible practices, integrating ESG principles into business decisions. We engage with communities and within our organization to foster a sense of environmental responsibility.

See "— Business Overview — Strategy — Environmental, Social and Governance ("ESG") matters" above for more information on our ESG strategies.

The Telecommunications Industry in Indonesia

In 2023, Indonesia's GDP grew by 5.05%, with further expansion expected in 2024, according to Government data. In its January World Economic Outlook Update, the IMF forecasts a 5% growth for the Indonesian economy in 2024. The Indonesian telecommunications industry has seen significant advancements, with rising mobile and broadband subscriptions primarily as a result of greater affordability, service improvements, and higher smartphone penetration. The shift from traditional voice and SMS to data services is still ongoing, fueled by the affordability of smartphones and a sizeable youth demographic. OTT applications have supplanted legacy services, causing a notable decline in traditional telecommunications business.

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The industry has also faced intense competition, with operators initiating promotional deals to attract customers sensitive to data pricing, leading to lower operator margins and fervent price competition. The industry, however, saw a return to stability in pricing and competition in late 2021, continuing through 2022 and into 2023, with operators sustaining healthier market conduct amidst rising demand for high-quality data services.

As of December 31, 2023, according to our internal estimates, Indonesia had roughly 315.6 million cellular subscribers, a 0.3% decrease from 316.5 million in 2022, with Telkomsel maintaining a market share of approximately 50.5%. Following the IOH merger, Telkomsel concentrated on initiatives to foster sustainable growth. Data consumption has been increasing, necessitating significant investment in network enhancement. In 2023, Telkomsel finalized the 3G to 4G migration, leading to an extended coverage that supported the growth of digital businesses and improved customer experience.

With the analogue TV bandwidth now available, mobile operators have the opportunity to strengthen their 4G LTE service offerings and explore 5G service offerings, providing enhanced coverage and speed. As data traffic remains a key revenue stream, telecommunications companies face the challenge of expanding their infrastructure to cater to the increasing data traffic, influenced by HD video streaming, gaming, and a surge in network-connected devices.

Economic recovery in Indonesia in 2023 led to higher demand for quality internet connectivity, with the fixed broadband market still led by select companies, including us and XL Axiata. However, high barriers to entry persist due to licensing and infrastructure requirements and limitations. Despite increasing competition and a slightly reduced market share, we continued to lead with approximately 10.1 million fixed broadband subscribers as at December 31, 2023.

Competition

Our cellular services business, operated through our majority-owned subsidiary Telkomsel, competes primarily with IOH and XL Axiata. However, we are also facing increased competition from smaller operators that provide cellular services in Indonesia, such as Smartfren, which is part of the Sinar Mas Group.

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. To increase competition, the Telecommunications Law prohibits monopolistic practices and unfair competition among fellow telecommunications operators.

The Telecommunications Law, as amended by the Job Creation Law 2023, is implemented through various Government regulations and ministerial regulations, including: (i) GR No. 52/2000, as amended, (ii) Government Regulation No. 46/2021, (iii) MoCI Regulation No. 01/PER/M.KOMINFO/01/2010 on Telecommunications Network Operations as last amended by MoCI Regulation No. 5/2021, (iv) MoCI Regulation No. 7 of 2018 on Electronic Integrated Business Licensing Services in the Sector of Communications and Informatics as last amended by MoCI Regulation No. 5/2021 ("MoCI Regulation No. 7/2018, as amended"), (v) Decree of the Ministry of Transportation No. KM33 of 2004 on Monitoring of Fair Competition of The Fixed Network and Basic Telephone Service Operations; and (vi) MoCI Regulation No. 14 of 2018 on Fundamental Technical Plan of National Telecommunications Plan. Along with the Telecommunications Law, MoCI Regulation No. 14/2018 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.

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Competition in the telecommunications sector, as with all Indonesian business sectors, is also governed more generally by the Business Competition Law, as amended by the Job Creation Law 2023. 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 of 2010 on Merger or Consolidation of Business Entities and Acquisition of Company Shares which may result in Monopolistic Practices and Unfair Business Competition ("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 March 30, 2023, the KPPU issued Regulation No. 3 of 2023 on Assessment of Mergers, Acquisitions, or Stock Takeovers and/or Asset Acquisitions That May Result in Monopoly Practices and/or Unfair Business Competition ("KPPU Regulation No. 3/2023"). Under KPPU Regulation No. 3/2023, asset acquisitions which meet the set regulatory threshold must be reported to the KPPU.

In addition, a new implementing regulation relating to the Business Competition Law, namely Government Regulation No. 44 of 2021 on The Implementation of Monopolistic Practices Prohibition and Unfair Business Competition ("GR No. 44/2021") has been issued following the adoption of the Job Creation Law 2023.

The Job Creation Law 2023 amended the Business Competition Law in the following ways:

- Assignment of the authority to examine objections to the KPPU's decisions from the District Court to the Commercial Court;
- Elimination of the deadline for examining objections at the Commercial Court and cassation at the Supreme Court;
- Additional provisions on administrative actions and the elimination of maximum fines of Rp25 billion; and
- Elimination of principal and additional criminal provisions.

The Job Creation Law 2023, as implemented by GR No. 44/2021, regulates the authority of the KPPU, criteria for the imposition of sanctions and types of sanctions for violations of competition law, and the amount of fines as well as procedures for the evaluation of objections and appeals against KPPU decisions.

Furthermore, on May 31, 2021, the KPPU issued KPPU Regulation No. 2 of 2021 on the Guidelines for the Imposition of Fines for the Violation of Monopolistic Practices and Unfair Business Competition ("KPPU Regulation No. 2/2021") which provides provisions on the calculation of fines, bank guarantees, payment of fines and concessions for payment of fines. According to KPPU Regulation No. 2/2021, the KPPU may impose a fine of between a minimum of Rp1 billion and a maximum of either 50% of the net profit earned by the business in the relevant market or 10% of the total sales of the business in the relevant market during the period when the violation occurred. The fine amount is Rp1 billion plus a calculation based on: (a) the negative impact caused by the violation, (b) the duration of time the violation occurred, (c) mitigating factors, (d) aggravating factors, and/or (e) the ability of business actors to pay the fine.

Additionally, in 2022, the KPPU issued KPPU Regulation No. 1 of 2022 on the Business Competition Compliance Programs which aims to provide a general understanding of compliance for business actors in preventing violations of laws and encouraging the implementation of business activities in accordance with the principle of fair business competition. As an incentive for business actors to register their compliance programs, the KPPU will impose a lower fine if the business actors are later proven to have violated the Business Competition Law. To comply with the Business Competition Law, we obtained certification of our compliance program from the KPPU, as evidenced by the Statement of Compliance Program No. 04/KPPU-PKP/2023 issued by the KPPU.

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Cellular

We operate our cellular service business through Telkomsel.

As of December 31, 2023, Telkomsel remained the largest cellular provider in Indonesia, with approximately 159.3 million cellular subscribers and a market share of approximately 50.5%, based on our internal estimates. According to publicly available data, the next largest providers were IOH and XL Axiata, based on number of subscribers as of December 31, 2023, and information publicly released by each of these companies. The penetration of SIM cards in the cellular industry in Indonesia is high, significantly over 112%, making continued growth in penetration increasingly difficult. There were approximately 315.6 million cellular subscribers in Indonesia as of December 31, 2023, compared to approximately 316.5 million as of December 31, 2022. This 0.3% decrease primarily stems from the current penetration rate being significantly over 100%, suggesting market saturation, as most of the population already possess at least one SIM card. Further growth becomes increasingly difficult as there are fewer potential new subscribers. Additionally, changes in regulations or policies regarding SIM card registration, usage, or distribution could also impact the number of subscribers. The Government's reinforcement of the prepaid SIM registration policy since 2018, as customers no longer have the freedom of accumulating several numbers provided by various operators, 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 starter packs, operators can provide better quality services to customers. Additionally, operators now focus more on offering renewal promotions than on new starter pack promotions, as demonstrated by the recent price increase on starter packs within the industry. With the overall current competition landscape being stagnant and highly saturated in the Java region, other operators are adjusting their prices while also aggressively expanding their networks outside the Java region seeking a path towards profitability. 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 been growing significantly, while SMS service traffic has been decreasing in the last five fiscal years. 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 persisted in 2023 and are likely to continue in the foreseeable future, as they are attributable to the substitution of traditional voice and SMS services to OTT based calling and messaging services as smartphone penetration in Indonesia has risen.

The following table sets out information as of December 31, 2023, 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	20
Time Division Duplex (TDD) technology (2.3 GHz)	MHz	50 ⁽¹⁾
Subscribers	million	159.3

Note:

(1) Comprises additional spectrum in the 2.3 GHz frequency band that Telkomsel won following an auction process in 2021

Fixed Broadband Services

We face competition in the fixed broadband market from major providers such as XL Home, IconNet, Biznet Home, and MyRepublic, with XL Home leading in customer base. The industry is witnessing strategic acquisitions targeting subscriber growth, including IOH's acquisition of MNC Play and XL Axiata's purchase of PT Link Net Tbk, as operators strive for service convergence and new growth engines. Despite increased competition since 2019 and market entry by PT Perusahaan Listrik Negara's subsidiary, IconNet, which leverages wide coverage beyond Java, Telkomsel aims to capture demand by offering high-speed, quality broadband services.

Data Centers

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Companies such as Equinix/NTT Communication, EDGE Connex, Biznet, DCI Indonesia, Elitery, Nexcenter/CBN Nusantara, Pure DC, BDx/IOH provide data center solutions in Indonesia and compete with us. In the Asia Pacific region, our subsidiary, Telin, competes with other major data center providers in Singapore and Hong Kong. We are committed to providing the highest quality of data center solutions to our customers in Indonesia and 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.

International Direct Dialing (IDD)

We compete in traditional IDD services (non-VoIP) in Indonesia, primarily with IOH. However, due to the development of digital technology, our IDD services also face competition from VoIP and other OTT voice services such as Telegram, FaceTime (iPhone) and WhatsApp. The presence of these OTT services has affected the use of legacy services, which has resulted in decreasing traffic in recent years.

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. Several other companies, including XL Axiata, IOH, PT Atlasat Solusindo, PT Gaharu Sejahtera, PT Telindo Nusantara, PT Quiros Networks, PT Aktif Tengah Malam, PT Jasnita Telekomindo and PT IP Telecom Multimedia Indonesia also provide licensed VoIP services in Indonesia.

Satellite

The Asia Pacific region particularly Southeast Asia, requires satellites on an ongoing basis for telecommunications and broadcasting infrastructure due to the region's archipelagic nature. The technological capabilities provided by satellites include cellular backhaul, broadband backhaul, enterprise network, military network, government network, video distribution, video contribution, DTH TV, communication on aviation, maritime, mining, plantation, and for disaster recovery scenario, as well as other satellite-based services.

We compete with several 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. Our Telkom-3S satellite began operating in April 2017 and the Telkom-4 (*Merah Putih*) satellite began operating in September 2018. Our Telkom-3S satellite operates at orbital slot 118 E and our Telkom-4 (*Merah Putih*) satellite operates at orbital slot 108 E. By early-2024, we expect to launch a high-throughput satellite using C-band and Ku-band frequencies with 32 Gbps total capacity at orbital slot 113 E.

Tower

Within the tower market, we face competition from several other companies, including PT Tower Bersama Infrastructure Tbk, PT Profesional Telekomunikasi Indonesia, and PT Solusi Tunas Pratama Tbk.

From 2018 to 2023, the tower market in Indonesia has seen reduced demand due to industry consolidation and spectrum reallocation within the mobile sector. However, in the past three years, there has been significant activity within the Indonesian mobile and tower sectors, characterized by mergers and acquisitions. MNOs are strategically divesting tower assets to generate capital for network expansion and to enhance service delivery.

Following the IOH merger, despite network optimizations in 2022, the requirement for new tower infrastructure persists, underpinned by continued profitability among mobile operators and the need to extend coverage, particularly outside of Java where market opportunity is substantial. Additionally, investments in complementary services like fiber connectivity for improved mobile services have spurred tower market growth.

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In addition to our 5G deployment and the adoption of newer network technologies in anticipation of future demand for services, we are transitioning our tower business towards fiber optic solutions, aligning with global shifts of tower companies evolving into comprehensive infrastructure providers. We have already initiated this transformation and aim to reinforce our tower operations to support Indonesia's 5G infrastructure development.

As of December 31, 2023, we had approximately 43,047 towers, including 38,014 towers owned by Mitratel, 477 towers owned by Telkom and approximately 4,556 towers owned by Telkomsel.

Legal Basis and Regulation

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

Telecommunications Law

The Indonesian telecommunications sector is primarily governed by the Telecommunications Law, which became effective on September 8, 2000. This law established guidelines for industry reforms, encompassing industry liberalization, the facilitation of new entrants, and enhanced transparency and competition across various business activities.

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, aiming to pave the way for market liberalization.

The Telecommunications Law was implemented through several Government Regulations, Ministerial Regulations and Ministerial Decrees. Key regulations include:

- Law No. 36 of 1999 on Telecommunications, as partially amended by the Job Creation Law 2023;
- Law No. 27 of 2022 on Personal Data Protection;
- Government Regulation No. 52 of 2000 on Telecommunication Operations, as partially revoked by Government Regulation No. 46 of 2021 on Post, Telecommunications and Broadcasting;
- Government Regulation No. 53 of 2000 on the Use of Radio Frequency Spectrum and Satellite Orbit, as partially revoked by Government Regulation No. 46 of 2021 on Post, Telecommunications and Broadcasting;
- Government Regulation No. 46 of 2021 on Post, Telecommunications and Broadcasting;
- Government Regulation No. 43 of 2023 on Types and Tariffs for Non-tax Revenue Implemented by MoCI;
- MoCI Regulation No. 01/PER/M.KOMINFO/01/2010 on Telecommunications Network Operations as partially revoked by MoCI Regulation No. 5 of 2021 on Telecommunications Operation;
- MoCI Regulation No. 20 of 2016 on Data Protection on Electronic System;
- MoCI Regulation No. 13 of 2019 on Telecommunications Services Operation, as last amended by MoCI Regulation No. 14 of 2021 on the Third Amendment to MoCI Regulation No. 13 of 2019 on Telecommunications Services Operation;
- MoCI Regulation No. 20 of 2020 on Over-the-Top Services;
- MoCI Regulation No. 5 of 2021 on Telecommunications Operation;

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- MoCI Regulation No. 14 of 2018 on the Fundamental Technical Plan of National Telecommunications; and
- MoCI Regulation No. 11 of 2022 on Governance of Implementation of Electronic Certification.

Telecommunications Regulators

The authority to regulate the telecommunications industry is held by MoCI. Pursuant to authorities assigned to it under the Telecommunications Law, MoCI establishes policies, regulates, supervises, and controls the telecommunications industry in Indonesia. MoCI comprises several directorate generals, each authorized to set policies, supervise, evaluate, and report on various derivative aspects of telecommunications industry in Indonesia. Specifically, the DGPIO oversees the postal and telecommunications sectors in Indonesia, including with respect to licensing, numbering, interconnection, USO and business competition. Additionally, the Directorate General of Post and Informatics Resources and Equipment of MoCI is responsible for regulating matters related to radio frequency spectrum and standardization of telecommunications equipment in Indonesia.

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. MoCI Regulation No. 13 of 2019 on Telecommunications Services Operation, as last amended by MoCI Regulation No. 14 of 2021 on the Third Amendment to MoCI Regulation No. 13 of 2019 on Telecommunication Services Operations (“MoCI Regulation No. 13/2019, as amended”) regulates all telecommunications services and requires a permit issued by MoCI for the provision of such services by any person.

Since 2018, MoCI has transferred a significant portion of its licensing responsibilities to the Online Single Submission (“OSS”) through the enactment of Government Regulation No. 24 of 2018 on Electronic Integrated Business Licensing Services (“GR No. 24/2018”). Consequently, the OSS oversees the administration and issuance processes for the majority of telecommunications business licenses. Designed as an online platform, OSS aims to expedite and simplify the acquisition of business licenses, making it accessible at any time, from any location, for businesses across Indonesia.

GR No. 24/2018 also introduces a mandate for any existing or newly established business in Indonesia to obtain a Business Identification Number (*Nomor Induk Berusaha* or “NIB”) through OSS registration. This NIB serves as a substitute for various other licenses and permits, including customs duties access rights. The NIB is obligatory for businesses seeking to (i) apply for new business licenses and/or commercial or operational licenses, or (ii) extend or modify existing business licenses and/or commercial or operational licenses.

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 in the 800 MHz, 900 MHz, 1.8 GHz, 2.1 GHz, and 2.3 GHz frequency bands. 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);

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- 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).

Interconnection

The Telecommunications Law expressly prohibits monopolistic practices and mandates network providers to facilitate user access across networks on the basis of mutual interconnection agreements. In accordance with GR No. 52/2000, as amended, interconnection fees must be transparent, equitable, and based on mutual consent.

On March 31, 2021, MoCI released MoCI Regulation No. 5/2021 which requires that basic telephony service network operators provide interconnection transparently and without discrimination. This regulation enforces that agreements regarding service levels must uphold the quality standards for operation of telecommunications services established by the Director General of Telecommunications to ensure healthy business competition, maintain service performance, and protect consumer interests. Such operators must also be ready to implement such IP-based interconnections following pursuant to mutual agreements without altering the existing fee determination process. Under this regulation, any adjustments to the Reference Interconnection Offer ("RIO") must be submitted to MoCI.

Further, MoCI Regulation No. 5/2021 empowers the DGPIO to evaluate RIOs from operators with a dominant market position, defined as telecommunications network operators that control 50% or more of the total revenue of all telecommunications network operators of basic telephony services.

MoCI Regulation No. 5/2021 also sets a transition timeline for interconnection services to move from TDM-based to IP-based interconnection services, between July 1, 2021, and December 31, 2024, with the expectation that all interconnection services will utilize IP technology by 2025.

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, MoCI issued Regulation No. 14/PER/M.KOMINFO/04/2011, as partially revoked by MoCI Regulation No. 11/2014 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

In Indonesia, the IPTV business is regulated by MoCI Regulation No. 13/2019, as amended. GR No. 52/2005, as amended, 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. As stipulated by MoCI Regulation No. 13/2019, IPTV services entail the delivery of television, video, audio, text, and data via an IP network, ensuring quality, security, and reliability, and facilitating interactive communication between the provider and users.

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Satellite

In Indonesia, the use of radio spectrum frequency for satellites is governed by 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 and coordinate with domestic satellite operators, including us, to prevent the operational disruption of Indonesian satellite and terrestrial systems. Additionally, as per GR No. 46/2021, subject to MoCI's approval, spectrum allocations can be re-assigned to different telecommunications operators, outside of the occurrence of a merger or acquisition.

Consumer Protection

Under the Telecommunications Law, each network provider is required to protect consumer rights in relation to, among other things, 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 required by USO regulation to provide a financial contribution that is used to provide facilities and infrastructure for telecommunications access to certain underserved and undeveloped regions and citizens in Indonesia. MoCI regulations require, among other things, that when selecting a provider of telecommunications access and services in rural areas (as part of the Government's USO program), the selection process is 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. The USO tariff rate as of the date hereof is 1.25% of gross revenue (excluding certain revenues), net of bad debts and/or interconnection charges and/or connection charges.

Regulatory Charges

The Government collects several non-tax state revenues from telecommunications providers. For Government spectrum auctions, the Government collects both an upfront fee (equal to twice the offering price submitted by each of the winning bidders) as well as an annual license fee for telecommunications operations (equal to the lowest offering price submitted by all winning bidders). MoCI also collects regular payments from telecommunications operators that are calculated based on gross revenues while deducting both certain receivables that have been written off as well as interconnection fees.

Further, telecommunications equipment and devices are subject to a certification fee. Telecommunications equipment and devices that are used for research, development, and disaster response are exempted for an initial period and subsequently only subject to half the commercial certification fee. Telecommunications equipment and devices with local content in excess of 50% are also charged half the certification fee plus a testing fee.

Telecommunications Towers

Operating telecommunications towers involves a number of relevant Government bodies. On March 30, 2009, the Ministry of Home Affairs Regulation No. 18/2009, Ministry 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, the "Tower Construction Joint Decree") were promulgated with the intention of creating a joint system of regulation of telecommunications towers to be implemented by various Government bodies.

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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 regions 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 telecommunications service provider who owns passive telecommunications infrastructure (including telecommunications towers) has to grant access to such infrastructure to other telecommunications providers. GR No. 46/2021 states that such use of passive telecommunications 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 telecommunications operators still remain to be seen, pending the issuance of further guidelines by 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 employ a strategic control framework for the management of our Group, which we believe grants productive flexibility to our subsidiaries based on their business needs and characteristics. Our corporate office outlines the overall corporate strategy, and then delegates the implementation of such strategy to each CFU and Regional Business Unit accordingly. This structure, centered around customer segmentation and geography, allows us to manage emerging business challenges while aligning our operations with our diverse business portfolios. We have five CFUs, with each unit overseeing subsidiary operations within specific customer segments:

- Our *mobile CFU* is responsible for managing relationships with mobile customers.
- Our *consumer CFU* is responsible for managing relationships with consumer customers.
- Our *enterprise CFU* is responsible for managing relationships with SMEs, Government institutions, and other enterprise customers.
- Our *wholesale and international business CFU* is responsible for managing relationships with wholesale customers and other licensed telecommunication operators.
- Our *digital services CFU* is responsible for supporting digital services for all of our customers.

In addition, 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 subsidiary, maximize cross-CFU and subsidiary synergies, optimize synergies among SOEs, and engage in merger and acquisition planning and execution.

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Our property and equipment are primarily used for telecommunications operations, which mainly consist of transmission and installation equipment, cable network and in turn consist of (i) switching equipment, (ii) telegraph, telex, and data communication equipment, (iii) transmission installation and equipment, (iv) satellite, earth station, and equipment, (v) cable network, (vi) power supply, (vii) data processing equipment, and (viii) other telecommunication peripherals collectively grouped as 'telecommunication infrastructure'. A description of these is contained in Note 12 to our Consolidated Financial Statements and "— Business Overview — Network Infrastructure and Development." See also "Item 5. Operating and Financial Review and Prospects — Liquidity and Capital Resources — 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*). Both rights stipulate that 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 use of assets, freely tradable and may be placed as security under loan agreements.

We lease several parcels of land located throughout Indonesia together with rights to build and use such land for periods varying from eight to 50 years, which will expire between 2024 and 2071. We hold registered right to build and rights 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 up to an additional 20 years plus up to another additional period of 30 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 13 to our Consolidated Financial Statements.

All assets owned by our Company have been pledged as collateral for bonds. Please refer to Note 12b to our Consolidated Financial Statements. Certain property and equipment of our subsidiaries with gross carrying value amounting to Rp3,076 billion as of December 31, 2023, have been placed as collateral for loan agreements. Please refer to Notes 19a and 20c to our Consolidated Financial Statements.

Insurance

As of December 31, 2023, our property and equipment (excluding land rights), with net carrying amount of Rp175,519 billion was insured against fire, theft, earthquake and other specified risks, under blanket policies totaling Rp41,045 billion and HK\$10 million, and SG\$373 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 2023, we obtained proceeds from an insurance claim on lost and damaged property and equipment, with a total value of Rp199 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 2023 that requires disclosure in this report under Section 13(r) of the Exchange Act, except as set forth below.

Telkomsel, our subsidiary, 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 2023, we recorded gross revenues of US\$442.30 from transactions under these agreements. The amount of our

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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 telecommunication services in the ordinary course of business to the Embassy of Iran in Jakarta, Indonesia. We recorded gross revenue of approximately Rp23.33 million from these services in 2023. 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 telecommunication 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.

A discussion of the changes in our financial condition and results of operations for the fiscal years ended December 31, 2022 and 2021 has been omitted from this Form 20-F, but may be found in "Item 5. Operating and Financial Review", of the Telkom 2021 annual report on Form 20-F for the year ended December 31, 2022, filed with the SEC on April 6, 2023, which is available free of charge on the SEC's website at www.sec.gov and our website at www.telkom.co.id.

KAP Purwantono, Sungkoro & Surja (a member firm of Ernst & Young Global Limited) audited our Consolidated Financial Statements, prepared as of December 31, 2022 and 2023 and our Consolidated Statement of Profit or Loss and Other Comprehensive Income for the years ended December 31, 2021, 2022, and 2023.

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 readers and have been made using the middle exchange rate for the Indonesian Rupiah ("Rp") against the U.S. Dollar ("US\$") published by Reuters Refinitiv on December 31, 2023, which was Rp15,398.5 to US\$1.00.

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, 2023, we had approximately 159.3 million mobile cellular subscribers through Telkomsel and 137.2 million broadband subscribers (consisting of 127.1 million mobile broadband subscribers and 10.1 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.

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Indonesia's GDP grew by 5.31% in 2022 and in 2023, it grew by 5.05%, according to government data. Meanwhile, inflation decreased from 5.51% in 2022 before decreasing to an average of 2.61% in 2023, according to the Indonesian Central Bureau of Statistics. Decrease in the inflation rate was due to hawkish monetary policy or macroeconomic factors to prevent an erosion of real income for consumers, which in turn may affect our consumer segment. Overall, the decrease in inflation did not materially affect us in 2023. In 2023, according to data from Reuters Refinitiv, the Rupiah appreciated to Rp15,395 to US\$1.00 on November 29, 2023, due to, among other factors, the slowing global economy and weakened U.S. Dollar. 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. Dollars.

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

The growth in our revenues in 2023 compared with 2022 was largely driven by increases in data, internet, and information technology service revenue which increased by 5.1%.

Our operating results in 2023 compared with 2022 also reflected a decrease in expenses. This decrease was mainly driven by decreased marketing expenses and depreciation and amortization expenses as the result of the IndiHome integration. See also "Item 5. Operating and Financial Review and Prospects — Liquidity and Capital Resources — Capital Expenditures" for more information on our capital expenditures.

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 B2C Subscribers

We track the number of our home broadband subscribers (*e.g.*, our IndiHome B2C 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 legacy revenues, broadband revenues, digital service revenues, and IndiHome B2C revenues, and total expenses, mainly comprising operation, 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."

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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.

Principal Factors Affecting our Financial Condition and Results of Operations

Increase in Utilization of 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 2023. As a result, annual ARPU increased by approximately Rp3,300 from approximately Rp44,200 in 2022 to approximately Rp47,500 in 2023. This increase in annual ARPU was mainly due to increases in the number of products acquired by customers thanks to our upselling and cross-selling initiatives, and existing customers' adoption of premium products and packages.

The share of our revenue generated by digital business revenues has been increasing in the last few years and accounted for 76.7% of Telkomsel revenues for 2023. A key driver of this trend is increases in the number of products acquired by customers thanks to our upselling and cross-selling initiatives, while also focusing on retaining customers or maintaining customer loyalty through a customer-centric approach. Our customer-centric approach focused on catering to our customers' needs with effective and efficient products and services. Telkomsel achieved this through improving consumer analytics and micro-segmentation to improve product offerings.

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 usage. In addition, we believe there is opportunity for growth in non-cellular internet, data communication and internet technology revenue, particularly by accelerating the adoption of broadband internet in 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 B2C

Since launching in 2015, the number of IndiHome B2C subscribers has increased significantly. The number of IndiHome B2C subscribers reached 8.7 million in 2023. This increase drove an increase in revenue generated by IndiHome B2C subscriptions. Telkomsel successfully accelerated the acquisition of new customers for IndiHome B2C within the second half of 2023, amounting to 0.4 million new subscribers. The rate of acquisition of new customers was higher after the integration of IndiHome B2C into Telkomsel than before completion of such integration.

We believe there is opportunity for further growth in revenue to be 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 sales events to encourage customers to buy various additional services, such as speed upgrades, additional set-top boxes, minipack add-ons, add-on games, and OTT services. Post integration, IndiHome services are expected to further strengthen Telkomsel's position in the telecommunications and digital industry in Indonesia by ensuring continuity of our service and value creation. This should also allow us to seize new sales opportunities through cross-selling and up-selling initiatives.

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

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services, are subject to increasing competition from non-traditional telecommunications services, such as OTT 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, flattened in recent years, and since 2017 began to decline. We expect that such revenues will continue to decline in the future. Our cellular telephone revenues decreased by 32.0% from Rp12,052 billion in 2022 to Rp8,194 billion in 2023. 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 the contribution from the digital business will continue to grow and comprise a greater percentage of our consolidated revenues in the future. Our revenues from cellular phone services accounted for 5.5% of our consolidated revenues for 2023 compared to 8.2% for 2022. See "Item 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 2023, our operation and maintenance expenses increased compared to 2022. 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 1.4%, from Rp22,746 billion in 2022 to Rp23,057 billion in 2023. In Telkomsel, there is an impact of IndiHome integration which is mainly due to the adoption of a new wholesale agreement. This agreement enables Telkomsel to get optimal access to Telkom's wide infrastructure to strengthen the digital ecosystem by providing reliable and widespread digital connectivity nationwide. In addition, we expect that the IndiHome Integration will allow for cost optimization and efficiency along with an increase in productivity and improvement in the economies of scale, taking advantage of our large traffic share and potential users.

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. See Note 12 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, 2021, 2022 and 2023. Each item is expressed as a percentage of total revenues or expenses.

	2021		2022		2023		(US\$ million)
	(Rp billion)	%	(Rp billion)	%	(Rp billion)	%	
REVENUES							
Telephone revenues							
Cellular	14,737	10.3	12,052	8.2	8,194	5.5	532
Fixed line	1,730	1.2	1,536	1.0	899	0.6	59
Total telephone revenues	16,467	11.5	13,588	9.2	9,093	6.1	591
Interconnection revenues	7,787	5.4	8,472	5.8	9,067	6.1	589
Data, internet, and information technology service revenues							
Cellular data and internet	64,500	45.0	69,006	46.8	73,187	49.0	4,753
Internet, data communication, and information technology services	10,272	7.2	10,286	7.0	10,899	7.3	708
Short Messaging Service ("SMS")	4,754	3.3	4,309	2.9	3,380	2.3	219
Others	2,698	1.9	2,809	1.9	3,354	2.2	218
Total data, internet, and information technology service revenues	82,224	57.4	86,410	58.7	90,820	60.8	5,898
Network revenues	1,880	1.3	2,378	1.6	2,482	1.7	161
IndiHome revenues	26,325	18.4	28,020	19.0	28,785	19.3	1,869
Other services							
Call center service	1,081	0.8	1,164	0.8	1,264	0.8	82

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	2021		2022		2023		(US\$ million)
	(Rp billion)	%	(Rp billion)	%	(Rp billion)	%	
Manage service and terminal	2,048	1.4	1,157	0.8	920	0.6	60
E-health	640	0.4	729	0.5	761	0.5	49
E-payment	487	0.3	474	0.3	496	0.3	32
Others	1,859	1.3	2,310	1.6	2,742	1.8	178
Total other services	6,115	4.3	5,834	4.0	6,183	4.1	401
Total revenues from contract with customer	140,798	98.3	144,702	98.2	146,430	98.1	9,509
Revenues from lessor transaction	2,412	1.7	2,604	1.8	2,786	1.9	181
Total revenues	143,210	100.0	147,306	100.0	149,216	100.0	9,690
EXPENSES							
Operation, maintenance, and telecommunications service expenses							
Operation and maintenance	21,467	22.4	22,746	21.1	23,057	22.0	1,497
Radio frequency usage charges	6,097	6.4	6,510	6.0	7,412	7.0	481
Leased lines and CPE	5,003	5.2	3,530	3.3	3,462	3.4	225
Concession fees and USO charges	2,472	2.6	2,601	2.4	2,836	2.7	184
Electricity, gas, and water	898	0.9	904	0.8	877	0.8	57
Cost of SIM cards, vouchers, and peripherals	739	0.8	747	0.7	797	0.8	52
Project Management	519	0.5	400	0.4	489	0.5	32
Vehicles rental and supporting facilities	305	0.3	343	0.3	308	0.3	20
Insurance	432	0.5	230	0.2	269	0.3	17
Others	201	0.2	173	0.2	211	0.2	14
Total operation, maintenance, and telecommunications service expenses	38,133	39.8	38,184	35.4	39,718	37.9	2,579
Depreciation and amortization	31,714	33.2	33,129	30.8	32,569	31.1	2,115
Personnel expenses							
Salaries and related benefits	8,661	9.1	9,360	8.7	9,674	9.2	628
Vacation pay, incentives, and other benefits	4,999	5.2	3,835	3.6	4,159	4.0	270
Periodic pension benefit cost	1,137	1.2	1,268	1.2	1,319	1.3	86
LSA expense	153	0.2	92	0.1	289	0.3	19
Obligation under the Labor Law	254	0.3	78	0.1	217	0.2	14
Net periodic post-employment health care benefit cost	263	0.3	213	0.2	205	0.2	13
Other post-employment benefit cost	23	0.0	25	0.0	22	0.0	1
Long service employee benefit cost	3	0.0	1	0.0	1	0.0	0
Others	31	0.0	35	0.0	41	0.0	3
Total personnel expenses	15,524	16.3	14,907	13.8	15,927	15.2	1,034
Marketing expenses							
General and administrative expenses	3,633	3.8	3,929	3.6	3,530	3.4	229
General expenses	2,043	2.1	2,259	2.1	2,446	2.3	159
Professional fees	789	0.8	1,097	1.0	996	1.0	65
Allowance for expected credit losses	474	0.5	567	0.5	513	0.5	33
Training, education, and recruitment	284	0.3	371	0.3	461	0.4	30
Travelling	321	0.3	421	0.4	443	0.4	29
Meeting	249	0.3	312	0.3	334	0.3	22
Social contribution	213	0.2	218	0.2	232	0.2	15
Collection expenses	212	0.2	173	0.2	195	0.2	13
Others	431	0.5	436	0.4	479	0.5	30
Total general and administrative expenses	5,016	5.2	5,854	5.4	6,099	5.8	396
Interconnection expenses							
Unrealized gain on changes in fair value of investments	3,432	3.6	(6,438)	(6.0)	(748)	(0.7)	(49)
Gains (losses) on foreign exchange - net	50	0.1	256	0.2	(36)	(0.0)	(2)
Other income - net	162	0.2	35	0.0	259	0.2	15
Total expenses	95,635	100.0	107,677	100.0	104,730	100.0	6,802
Operating profit	47,653		39,716		44,485		2,888
Finance income	558		878		1,061		69
Finance costs	(4,394)		(4,077)		(4,692)		(305)
Share of gain (loss) of long-term investment in associates	(78)		(87)		1		0
Profit before income tax	43,739		36,430		40,855		2,652
Income tax expense	(9,640)		(8,710)		(8,787)		(570)
Profit for the year	34,099		27,720		32,068		2,082
Other comprehensive income (losses) - net	1,980		1,767		(1,454)		(94)
Total comprehensive income for the year	36,079		29,487		30,614		1,988
Profit for the year attributable to owners of the parent company	24,877		20,736		24,427		1,586
Total comprehensive income for the year attributable to owners of the parent company	26,884		22,449		22,949		1,490

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	2021		2022		2023		(US\$ million)
	(Rp billion)	%	(Rp billion)	%	(Rp billion)	%	
Basic earnings per share (in full amount)							
Profit per share	251.13		209.32		246.58		0.02
Profit per ADS (100 Series B Shares per ADS)	25,112.50		20,932.30		24,658.24		1.60

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, 2023, 2022 and 2021. See "— Liquidity and Capital Resources — New Standards and Interpretations."

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Financial Overview

Year ended December 31, 2023, compared to year ended December 31, 2022

Revenues

Total revenues increased by Rp1,910 billion, or 1.3%, from Rp147,306 billion in 2022 to Rp149,216 billion (US\$9,690 million) in 2023. This increase was primarily due to an increase in data, internet and information technology service revenues, IndiHome revenues, interconnection revenues, other services, revenues from lessor transaction, and network revenues, but was partially offset by a decrease in cellular telephone revenues and fixed line revenues.

a. Cellular Telephone Revenues

Cellular telephone revenues represented 5.5% of our consolidated revenue in 2023. Cellular telephone revenues decreased by Rp3,858 billion, or 32.0%, from Rp12,052 billion in 2022 to Rp8,194 billion (US\$532 million) in 2023. This decrease was primarily due to decrease in usage of voice services as a result of customers increasingly using non-traditional telecommunications services, such as OTT services, as an alternative to voice services.

b. Fixed Line Telephone Revenues

Fixed line telephone revenues decreased by Rp637 billion, or 41.5%, from Rp1,536 billion in 2022 to Rp899 billion (US\$58 million) in 2023. This decrease in fixed line telephone revenues was primarily due to a decrease in voice service usage from customers shifting to OTT 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 Rp595 billion, or 7.0%, from Rp8,472 billion in 2022 to Rp9,067 billion (US\$589 million) in 2023, primarily due to an increase in voice wholesale traffic between countries and A2P SMS services. The increases in voice wholesale traffic between countries and A2P SMS services were due to increases in demand from customers, growth in the international E-Commerce sector and online services, and the expansion of our international business operations.

d. Data, Internet and Information Technology Service Revenues

Our data, internet, and information technology service revenues accounted for 60.9% of our consolidated revenues in 2023, compared to 58.7% in 2022. Data, internet, and information technology service revenues increased by Rp4,410 billion, or 5.1%, from Rp86,410 billion in 2022 to Rp90,820 billion (US\$5,898 million) in 2023. This increase was primarily due to:

- an increase in cellular data and internet revenues by Rp4,181 billion, or 6.1%, from Rp69,006 billion in 2022 to Rp73,187 billion in 2023. This increase was primarily driven by an increase in the number of mobile broadband subscribers from 120.9 million subscribers as of December 31, 2022 to 127.1 million subscribers as of December 31, 2023, and the positive impact on mobile traffic data of changing 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;"
- an increase in internet, data communication, and information technology services by Rp613 billion, or 6.0%, from Rp10,286 billion in 2022 to Rp10,899 billion in 2023. This increase was primarily due to customers'

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data usage as they used enriched digital products which require higher bandwidth and wider smartphone penetration in Indonesia; and

- an increase in other data and internet revenues by Rp545 billion, or 19.4%, from Rp2,809 billion in 2022 to Rp3,354 billion in 2023, primarily due to an increase in volume of collocation data center and value-added services such as security, consulting and support services and services customized for our customers' specific needs.

Such increases were partially offset by a decrease in SMS revenues of Rp929 billion, or 21.6%, from Rp4,309 billion in 2022 to Rp3,380 billion in 2023. This decrease was primarily due to increased competition from non-traditional telecommunications services, such as OTT products including instant voice, messaging services, and other mobile services, which decreased demand for SMS.

e. Network Revenues

Network revenues increased by Rp104 billion, or 4.4%, from Rp2,378 billion in 2022 to Rp2,482 billion (US\$161 million) in 2023, primarily due to an increase in leased lines and VSAT revenue from the enterprise segment due to higher demand reflecting the overall growth of the Indonesian economy.

f. IndiHome Revenues

IndiHome revenues increased by Rp765 billion, or 2.7%, from Rp28,020 billion in 2022 to Rp28,785 billion (US\$1,869 million) in 2023. The increase was primarily due to an increase in the number of fixed broadband subscribers from 9.2 million as of December 31, 2022 to 10.1 million as of December 31, 2023.

g. Other Services

In 2023, revenues from other services increased by Rp349 billion, or 6.0%, from Rp5,834 billion in 2022 to Rp6,183 billion (US\$401 million) in 2023. The increase was primarily due to:

- an increase in others revenues by Rp432 billion, or 18.7%, from Rp2,310 billion in 2022 to Rp2,742 billion in 2023 due to higher demand for our other products such as IndiBiz, Enterprise Digital Solution, and services targeted to SMEs through integrated offerings of bundled products and services;
- an increase in call center services revenue by Rp100 billion, or 8.6%, from Rp1,164 billion in 2022 to Rp1,264 billion in 2023, primarily due to an increase in sales of telecommunication services and supporting facilities services;
- an increase in e-health revenue by Rp32 billion, or 4.4%, from Rp729 billion in 2022 to Rp761 billion in 2023, primarily due to an increase in enterprise health services sales such as smart platform and ICT services; and
- an increase in e-payment revenue by Rp22 billion, or 4.6%, from Rp474 billion in 2022 to Rp496 billion in 2023, primarily due to an increase in sales of enterprise payment aggregator services, IoT banking payment devices and platforms. This increase in sale volumes reflected increased demand for e-payment services linked to improving macroeconomic factors and the need for innovation and improved efficiency, particularly for enterprise customers.

This increase in our revenues from other services was partially offset by a decrease in manage service and terminal revenues by Rp237 billion, or 20.5%, from Rp1,157 billion in 2022 to Rp920 billion in 2023, primarily due to a decrease in manage service revenues from the enterprise segment. This decrease in turn resulted from delays in projects, increased competition, and decrease in Customer Premise Equipment ("CPE") order revenue. The decrease in CPE order revenue is a result of the change in the strategy of our enterprise business, which involved adapting our product mix to increase

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revenue sourced from the sales of services that generate higher margin. As CPE orders generate lower margins, we adapted our product mix accordingly.

h. Revenues from Lessor Transactions

Revenues from lessor transactions increased by Rp182 billion or 7.0% from Rp2,604 billion in 2022 to Rp2,786 billion (US\$182 million) in 2023. This increase resulted primarily from increased rental revenues from telecommunication towers, which reflected an increase in the number of tenants.

Expenses

Total expenses decreased by Rp2,947 billion, or 2.7%, from Rp107,677 billion in 2022 to Rp104,730 billion (US\$6,800 million) in 2023. This decrease in expenses was attributable primarily to decreases in depreciation and amortization expenses as well as marketing expenses.

a. Operation, Maintenance, and Telecommunications Service Expenses

Operation, maintenance, and telecommunications service expenses increased by Rp1,534 billion, or 4.0%, from Rp38,184 billion in 2022 to Rp39,718 billion (US\$2,579 million) in 2023.

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

- an increase in radio frequency usage charges by Rp902 billion, or 13.9%, from Rp6,510 billion in 2022 to Rp7,412 billion in 2023, primarily due to an increase in service usage of data and cellular internet;
- an increase in operation and maintenance expenses by Rp311 billion, or 1.4%, from Rp22,746 billion in 2022 to Rp23,057 billion in 2023. This increase was primarily due to an increase in our network maintenance expenses for improving our mobile cellular and IndiHome services;
- an increase in concession fees and USO charges by Rp235 billion, or 9.0%, from Rp2,601 billion in 2022 to Rp2,836 billion in 2023, primarily due to an increase in gross revenue from Telkomsel. Increases in gross revenue result in increases in concession fees and USO charges, because concession fees and USO charges are formulated as a percentage of gross revenue;
- an increase in project management expenses by Rp89 billion, or 22.3%, from Rp400 billion in 2022 to Rp489 billion in 2023, primarily as a result of expenses linked to new selected projects that were initiated in 2023;
- an increase in cost of SIM cards, vouchers and peripherals by Rp50 billion, or 6.7%, from Rp747 billion in 2022 to Rp797 billion in 2023, primarily due to an increase in inventory of SIM Cards and prepaid vouchers involving sim cards printing & storage expenses.
- an increase in insurance expense by Rp39 billion, or 17.0%, from Rp230 billion in 2022 to Rp269 billion in 2023 and an increase in others operation and maintenance expense by Rp38 billion, or 22.0%, from Rp173 billion in 2022 to Rp 211 billion in 2023. This increase reflected the expanded operations and infrastructure that Telkom insured.

This increase in our operation, maintenance, and telecommunications service expenses was partially offset by:

- a decrease in leased lines and customer premises equipment (such as modems and other equipment that customers keep in their premises) expenses by Rp68 billion, or 1.9%, from Rp3,530 billion in 2022 to Rp3,462 billion in 2023, primarily as a result of the impact of continued implementation of business strategy initiated in 2022. The strategy intended to adapt our product mix to increase the share of our revenue sourced

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from bundling of higher margin-generating services; and

- a decrease in vehicles rental and supporting facilities by Rp35 billion, or 10.2%, from Rp343 billion in 2022 to Rp308 billion in 2023, primarily due to a decrease in our operational mobility as a result of more efficient and sustainable operations.

b. Depreciation and Amortization

Depreciation and amortization decreased by Rp560 billion, or 1.7%, from Rp33,129 billion in 2022 to Rp32,569 billion (US\$2,115 million) in 2023 in line with the integration of our network infrastructure both for our mobile and fixed businesses, whose related assets are subject to depreciation and amortization. This integration involved streamlining operations, consolidating assets and eliminating duplicated resources.

c. Personnel Expenses

Personnel expenses increased by Rp1,020 billion, or 6.8%, from Rp14,907 billion in 2022 to Rp15,927 billion (US\$1,034 million) in 2023. This increase was primarily due to:

- an increase in vacation pay, incentives and other benefits to our employees by Rp324 billion, or 8.4%, from Rp3,835 billion in 2022 to Rp4,159 billion in 2023, primarily as a result of an increase in performance-related compensation;
- an increase in salaries and related benefit by Rp314 billion, or 3.4%, from Rp9,360 billion in 2022 to Rp9,674 billion in 2023, primarily as a result of our policy to increase salaries to offset annual inflation;
- an increase in long service awards expenses by Rp197 billion, or 214.1%, from Rp92 billion in 2022 to Rp289 billion in 2023, primarily as a result of our employee transfer and mobility program due to the IndiHome integration and related compensation; and
- an increase in periodic pension benefits by Rp51 billion, or 4.0%, from Rp1,268 billion in 2022 to Rp1,319 billion in 2023. This increase primarily reflected an increase in payment obligations under the Labor Law (due to the enactment of the Job Creation Law 2022) by Rp139 billion, or 178.2%, from Rp78 billion in 2022 to Rp217 billion in 2023. The increase in payment obligations resulted from employee transfers from Telkom to Telkomsel, as part of effecting the IndiHome Integration. These increases were partially offset by a decrease in other post-employment benefit cost by Rp3 billion, or 12.0%, from Rp25 billion in 2022 to Rp22 billion in 2023.

d. Marketing Expenses

Marketing expenses decreased by Rp399 billion, or 10.2%, from Rp3,929 billion in 2022 to Rp3,530 billion (US\$229 million) in 2023. This decrease was primarily due to a decrease in advertising and promotion expenses, allocated towards more effective and strategic marketing activities including promotions and cross-product marketing campaigns.

e. General and Administrative Expenses

General and administrative expenses increased by Rp245 billion, or 4.2%, from Rp5,854 billion in 2022 to Rp6,099 billion (US\$396 million) in 2023, primarily due to a Rp187 billion increase, or 8.3%, in general expenses from Rp2,259 billion in 2022 to Rp2,446 billion (US\$159 million) in 2023 as a result of the implementation of our Five Bold Moves corporate initiatives Training, education, and recruitment expense increased by Rp90 billion, or 24.3%, from Rp371 billion in 2022 to Rp461 billion (US\$30 million) in 2023, due to increasing recipient number of our scholarships given to our employees to pursue higher education through our Great People Scholarship Program in 2023 and increased digital talent development program. This increase in our general and administrative expenses was partially offset by a decrease of Rp101 billion, or 9.2%, in professional fees (mainly consultant fees related to our fixed-mobile convergence initiative)

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from Rp1,097 billion in 2022 to Rp996 billion in 2023.

f. Interconnection Expenses

Interconnection expenses increased by Rp923 billion, or 17.0%, from Rp5,440 billion in 2022 to Rp6,363 billion (US\$413 million) in 2023, reflecting our strategic focus on increasing interconnection revenues (through partnerships, bundling and cross-selling of services, maintenance and technology upgrades and marketing) and which was generally in line with the increase in our interconnection revenues.

g. Unrealized loss on changes in fair value of investments

We had a loss on changes in fair value of investments of Rp748 billion (US\$49 million) in 2023 compared with a loss on changes in fair value of investments of Rp6,438 billion (US\$414 million) in 2022 due to a decrease in unrealized loss based on the valuation of our investment in GoTo and unrealized gain from changes in the fair value of our investment in MDI. See "Item 4. Information on the Company — Business Overview."

h. Gains (Losses) on Foreign Exchange - net

We had a loss on foreign exchange-net of Rp36 billion (US\$2 million) in 2023 compared with a gain on foreign exchange-net of Rp256 billion (US\$16 million) in 2022. This loss in 2023 primarily originated from decrease in the valuation of financial assets denominated in U.S. Dollars.

i. Other Income - net

Other income increased by Rp224 billion, or 640.0%, from Rp35 billion in 2022 to Rp259 billion (US\$18 million) in 2023 due to higher other income primarily related to increased net income from the sale and exchange of fixed assets in 2023.

Operating Profit and Operating Profit Margin

As a result of the foregoing, our operating profit increased by Rp4,769 billion, or 12.0%, from Rp39,716 billion in 2022 to Rp44,485 billion (US\$2,888 million) in 2023. Our operating profit margin increased from 27.0% in 2022 to 29.8% in 2023.

Finance Income

Finance income increased by Rp183 billion, or 20.8%, from Rp878 billion in 2022 to Rp1,061 billion (US\$69 million) in 2023, due to higher interest rates, which were partially offset by lower cash deposits.

Finance Costs

Finance costs increased by Rp615 billion, or 15.1%, from Rp4,077 billion in 2022 to Rp4,692 billion (US\$305 million) in 2023, primarily as a result of an increase in the average balance of long-term bank loans.

Profit before Income Tax and Pre-tax Profit Margin

As a result of the foregoing, our profit before income tax increased by Rp4,425 billion, or 12.1%, from Rp36,430 billion in 2022 to Rp40,855 billion (US\$2,652 million) in 2023. Our pre-tax profit margin was 24.7% for 2022 and 27.4% for 2023.

Income Tax (Expense) Benefit

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Our income tax expense decreased by Rp77 billion, or 0.9%, from Rp8,710 billion in 2022 to Rp8,787 billion (US\$570 million) in 2023, as a result of decreased deferred tax income of Rp549 billion in 2022 compared to deferred tax expense of Rp9 billion in 2023.

Other Comprehensive Income (Losses)

We recorded other comprehensive loss of Rp1,454 billion (US\$94 million) in 2023 compared to other comprehensive income of Rp1,767 billion (US\$113 million) for 2022, primarily due to actuarial loss of Rp1,389 billion recognized in 2023 compared to an actuarial gain of Rp1,464 billion recognized in 2022, in each case relating to our Defined Benefit Pension Plan ("DBPP").

Total Comprehensive Income for the Year

As a result of the foregoing, our total comprehensive income for the year increased by Rp1,127 billion or 3.8%, from Rp29,487 billion in 2022 to Rp30,614 billion (US\$1,988 million) in 2023.

Profit for the Year Attributable to Owners of the Parent Company

Profit for the year attributable to owners of the parent company increased by Rp3,691 billion, or 17.8%, from Rp20,736 billion in 2022 to Rp24,427 billion (US\$1,586 million) in 2023.

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 Rp500 billion, or 2.2%, from Rp22,449 billion in 2022 to Rp22,949 billion (US\$1,490 million) in 2023.

Profit per Share

Our profit per share increased by Rp37.26, or 17.8%, from Rp209.32 in 2022 to Rp246.58 in 2023.

For a discussion of our statements of operations for the years ended December 31, 2022 and 2021, see the section "Item 5. Operating and Financial Review and Prospects—A. Operating Results—Results of Operations—Comparison of the Years Ended December 31, 2022 and 2021" in our annual report on Form 20-F for the year ended December 31, 2022.

Segment Overview

We have five main operating segments as follows:

- Our *mobile segment* includes operating results of customer-facing lines of business that provide cellular services.
- 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.

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For more detailed information regarding our segment information, see Note 32 to our Consolidated Financial Statements. Our segment results for 2021, 2022 and 2023 were as follows:

Telkom's Results of Operations by Segment

	Years Ended December 31,				
	2021	2022	2023	2023-2022	
	(Rp billion)	(Rp billion)	(Rp billion)	(US\$ million)	(%)
Mobile					
Revenues					
External revenues	84,267	85,493	85,291	5,539	(0.2)
Inter-segment revenues	3,097	3,344	3,628	236	8.5
Total segment revenues	87,364	88,837	88,919	5,775	0.1
Segment results	34,435	26,122	28,693	1,863	9.8
Depreciation and amortization	(20,333)	(21,028)	(21,248)	(1,380)	1.0
Provision recognized in current period	(99)	(128)	(231)	(15)	80.5
Consumer					
Revenues					
External revenues	24,930	26,354	27,713	1,800	5.2
Inter-segment revenues	187	195	(1,106)	(72)	(667.2)
Total segment revenues	25,117	26,549	26,607	1,728	0.2
Segment results	5,894	7,579	7,971	518	5.2
Depreciation and amortization	(6,566)	(6,738)	(5,828)	(378)	(13.5)
Provision recognized in current period	(285)	(434)	(463)	(30)	6.7
Enterprise					
Revenues					
External revenues	19,141	19,161	18,237	1,184	(4.8)
Inter-segment revenues	22,395	24,646	26,505	1,721	7.5
Total segment revenues	41,536	43,807	44,742	2,905	2.1
Segment results	(307)	831	602	39	(27.6)
Depreciation and amortization	(3,909)	(3,999)	(3,884)	(252)	(2.9)
Provision recognized in current period	(13)	(45)	173	11	(484.4)
Wholesale and International Business					
Revenues					
External revenues	14,255	15,442	16,928	1,099	9.6
Inter-segment revenues	18,072	19,658	20,333	1,320	3.4
Total segment revenues	32,327	35,100	37,261	2,419	6.2
Segment results	9,192	8,925	9,386	610	5.2
Depreciation and amortization	(4,702)	(5,805)	(6,135)	(398)	5.7
Provision recognized in current period	5	34	(11)	(1)	(132.4)
Others					
Revenues					
External revenues	205	239	402	26	68.2
Inter-segment revenues	2,395	2,486	2,014	131	(19.0)
Total segment revenues	2,600	2,725	2,416	157	(11.3)
Segment results	199	(1,063)	(1,188)	(77)	11.8
Depreciation and amortization	(20)	(19)	(18)	(1)	(5.3)
Provision recognized in current period	(33)	(5)	(5)	(0)	—

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, 2023 and 2022. See "— New Standards and Interpretation." See also "— Financial Overview — Year ended December 31, 2022 compared to year ended December 31, 2021" in Item 5 to our annual report on Form 20-F for the financial year ended December 31, 2022 filed with the SEC on April 6, 2023, 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, 2023 compared to year ended December 31, 2022

Mobile Segment

Our mobile segment revenues decreased by Rp202 billion, or 0.2%, from Rp85,493 billion in 2022 to Rp85,291 billion in 2023. The decrease was primarily due to:

- a decrease in cellular revenues by Rp3,883 billion, or 32.6%, which primarily reflected a decrease in revenue from voice services due to customers shifting to OTT services, as an alternative to voice services; and
- a decrease in SMS revenues by Rp915 billion, or 21.5%, which primarily reflected a decrease in revenue from messaging services due to customers shifting to OTT services, as an alternative to SMS services.

The above-mentioned decreases were partially offset by an increase in cellular internet and data service revenue by Rp4,181 billion, or 6.1%, in 2023 compared with 2022. This increase was primarily due to customers choosing to use digital telecommunications services and an increase in the number of mobile broadband subscribers from 120.9 million subscribers as of December 31, 2022 to 127.1 million subscribers as of December 31, 2023. Mobile data traffic increased by 9.1% from 16.4 million terabytes to 17.9 million terabytes.

Consumer Segment

Our consumer segment revenues increased by Rp1,359 billion, or 5.2%, from Rp26,354 billion in 2022 to Rp27,713 billion in 2023, primarily due to an increase in IndiHome revenues by Rp2,031 billion, or 8.0%. This increase reflected growth in the number of IndiHome subscribers from 9.2 million as of December 31, 2022 to 10.1 million as of December 31, 2023.

The increase in our consumer segment revenues was partially offset by a decrease in internet, data communication, and information technology services revenue by Rp223 billion, or 72.4% and a decrease in fixed line telephone revenues by Rp425 billion, or 56.1%, primarily due to a decrease in the usage of voice service as a result of competition from other cellular services and OTT services.

Enterprise Segment

Our enterprise segment revenues decreased by Rp924 billion, or 4.8%, from Rp19,161 billion in 2022 to Rp18,237 billion in 2023, primarily due to:

- a decrease in IndiHome revenues by Rp1,266 billion, or 45.4%, primarily due to a decrease in purchases of IndiHome bundled products by enterprise customers along with the IndiHome integration because IndiHome B2B products were replaced with IndiBiz products;
- a decrease in fixed line revenues by Rp154 billion, or 25.5%, primarily due to declining demand for voice services; and
- a decrease in network revenues by Rp226 billion, or 15.7%, primarily due to the decrease in leased lines and VSAT revenue for the enterprise product;

The above-mentioned decreases were partially offset by:

- an increase in data, internet and information technology service revenues by Rp680 billion, or 7.1%, primarily due to an increase in demand of Enterprise Digital Solution services and IndiBiz product packages; and
- an increase in other telecommunication services revenues by Rp43 billion, or 0.9%, primarily due to an increase in call center service revenues by Rp125 billion or 11.0%, an increase in e-health service revenues

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by Rp32 billion, or 4.4%, an increase in e-payment service revenues by Rp42 billion, or 9.3%, and an increase in revenue from other services by Rp92 billion, or 7.0%, which were partially offset by a decrease in manage service and terminal revenues by Rp248 billion, or 21.5%.

Wholesale and International Business Segment

Our wholesale and international business segment revenues increased by Rp1,486 billion, or 9.6%, from Rp15,442 billion in 2022 to Rp16,928 billion in 2023, mainly due to:

- an increase in interconnection revenues by Rp587 billion, or 7.2%, primarily due to an increase in voice wholesale traffic between countries and A2P SMS services;
- an increase in network revenues by Rp329 billion, or 35.1%, primarily due to an increase in leased lines as a result of higher demand;
- an increase in data, internet and information technology services revenue by Rp389 billion, or 12.6%, primarily due to an increase in internet, data communication and information technology services revenues by Rp151 billion, or 6.8%, from data centers and an increase in revenue from other services by Rp238 billion, or 27.7%, primarily as a result of increased demand for IT management services; and
- an increase other telecommunications services revenues by Rp24 billion, or 7.8%, which was primarily due to an increase in others revenues by Rp38 billion, or 13.6%, which principally reflected increased sales of devices. The increase was offset by a decrease in call center service revenues by Rp25 billion, or 100%.

This increase in wholesale and international business segment revenues was partially offset by a decrease in telephone revenues by Rp33 billion, or 10.2%, due to a decrease in fixed line revenues by Rp58 billion, or 33.1%, while international cellular revenues increased by Rp25 billion, or 17.0%. This reflected a shift in demand away from fixed lines to cellular services .

Other Segment

Our other segment revenues increased by Rp163 billion, or 68.2%, from Rp239 billion in 2022 to Rp402 billion in 2023, primarily due to an increase of other telecommunication services revenues by Rp194 billion, or 29.2%, and an increase in data, internet and information technology service revenues resulting from an increase in sales of other services by Rp5 billion, or 2.4%, due to sales related to our digital business. This increase was partially offset by an increase in intercompany transaction eliminations by Rp36 billion, or 5.7%, compared to 2022.

For a discussion of our results of operations per segment for the years ended December 31, 2022 and 2021, see the section “Item 5. Operating and Financial Review and Prospects — A. Operating Results — Results of Operations — Comparison of the Years Ended December 31, 2022 and 2021” in our annual report on Form 20-F for the year ended December 31, 2022.

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B. LIQUIDITY AND CAPITAL RESOURCES

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, 2023, we had Rp29,007 billion (US\$1,884 million) in cash and cash equivalents available. Cash and cash equivalents decreased by Rp2,940 billion, or 9.2%, from Rp31,947 billion as of December 31, 2022.

Cash receipts from revenues primarily comprised cash receipts from revenues from customers, which amounted to Rp148,458 billion (US\$9,641 million) in 2023, and which 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 is computed by dividing current assets by current liabilities. As of December 31, 2022 and 2023, our current ratio was 78.4 and 77.9, 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 Rp68,000 billion as of December 31, 2023.

As of December 31, 2023, we had the following undrawn amounts under our sources of liquidity:

- a credit facility with Bank Mandiri in the amount of Rp8,000 billion;
- a credit facility with Bank Negara Indonesia in the amount of Rp4,947 billion;
- a credit facility with MUFG Bank in the amount of Rp4,605 billion;
- a credit facility with Bank Central Asia in the amount of Rp2,350 billion;
- a credit facility with Bank Rakyat Indonesia in the amount of Rp2,000 billion;
- a credit facility with HSBC Bank in the amount of Rp1,561 billion;
- a credit facility with Bank Syariah Indonesia in the amount of Rp1,500 billion;
- a credit facility with Bank of China in the amount of Rp1,500 billion;

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- a credit facility with Maybank in the amount of Rp1,000 billion;
- a credit facility with Bank CIMB Niaga in the amount of US\$76,090,710;
- a credit facility with Bank DBS Indonesia in the amounts of US\$20,000,000 and Rp435 billion; and
- credit facilities with Citibank, BJB Bank and Maspion Bank in the amounts of Rp500 billion, Rp500 billion and Rp97 billion, respectively.

As of December 31, 2023, 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.

For a discussion of our sources of liquidity for the year ended December 31, 2022, see “Item 5. Operating and Financial Review and Prospects — B. Liquidity and Capital Resources — Sources of Liquidity” in our annual report on Form 20-F for the year ended December 31, 2022.

Contractual Obligations and Commercial Commitments

The following table sets forth information on certain of our material contractual obligations as of December 31, 2023:

Contractual Obligations	By Payment Due Date				
	Total (Rp billion)	Less Than a Year ⁽⁶⁾ (Rp billion)	1-3 years ⁽⁶⁾ (Rp billion)	3-5 years ⁽⁶⁾ (Rp billion)	More than 5 years ⁽⁶⁾ (Rp billion)
Long-Term Debts ⁽¹⁾⁽⁴⁾	38,049	10,276	14,412	6,877	6,484
Lease Liabilities ⁽²⁾	20,302	5,458	5,222	3,899	5,723
Interest on Long-Term Debts and Lease Liabilities ⁽⁵⁾	14,946	3,491	4,836	2,640	3,979
Unconditional Purchase Obligations ⁽³⁾	12,286	12,286	—	—	—
Total	85,583	31,511	24,470	13,416	16,186

Notes:

- (1) See Notes 19 and 20 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 — Risk Factors — Risks Related to Our Business — Financial Risks — We are exposed to interest rate risk in relation to our bank borrowings."
- (6) Less than 1 year means 2024, 1-3 years means 2025-2026, 3-5 years means 2027-2028, more than 5 years means Thereafter.

See Note 33 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 2023, we contributed Rp1,635 billion to our Defined Benefit Pension Plan and post-employment health care benefit plan.

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 2021, 2022 and 2023.

	Years Ended December 31,			
	2021	2022	2023	
	(Rp billion)	(Rp billion)	(Rp billion)	(US\$ million)
Net cash flows:				
provided by operating activities	68,353	73,354	60,581	3,934
used in investing activities	(37,914)	(39,122)	(36,911)	(2,397)
used in financing activities	(12,775)	(40,965)	(26,565)	(1,725)

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	Years Ended December 31,			
	2021	2022	2023	
	(Rp billion)	(Rp billion)	(Rp billion)	(US\$ million)
Net increase/(decrease) in cash and cash equivalents	17,664	(6,733)	(2,895)	(188)
Effect of exchange rate changes on cash and cash equivalents	59	370	(44)	(3)
Allowance for expected credit losses	(1)	(1)	(1)	(0)
Cash and cash equivalents at beginning of year	20,589	38,311	31,947	2,075
Cash and cash equivalents at end of year	38,311	31,947	29,007	1,884

Year ended December 31, 2023 compared to year ended December 31, 2022

As of December 31, 2023, total cash and cash equivalents amounted to Rp29,007 billion, representing a decrease of Rp2,940 billion, or 9.2%, from Rp31,947 billion as of December 31, 2022.

In 2023, operating activities generated the largest cash receipts which amounted to Rp150,781 billion, or 78.2% of total cash receipts, followed by financing activities which generated cash receipts of Rp41,795 billion, or 21.7% of total cash receipts, and investing activities which generated cash receipts of Rp313 billion, or 0.1% of total cash receipts. In total, cash receipts increased by Rp5,602 billion, or 3.0%, compared to 2022.

In 2023, cash used for operating activities amounted to Rp90,200 billion, or 46.1% of total cash disbursements, followed by cash used for financing activities which amounted to Rp68,360 billion, or 34.9% of total cash disbursements, and cash used for investing activities which amounted to Rp37,224 billion, or 19.0% of total cash disbursements. Compared to 2022, cash disbursements increased by Rp1,764 billion, or 0.9%.

Cash Flows from Operating Activities

Net cash generated by operating activities was Rp60,581 billion (US\$3,934 million) in 2023 and Rp73,354 billion in 2022, representing a decrease of Rp12,773 billion, or 17.4%.

Cash receipts from operating activities in 2023 amounted to Rp150,781 billion, representing an increase of Rp899 billion, or 0.6%, compared to 2022. Cash receipts principally originated from cash receipts from customers and other operators of Rp148,458 billion, cash receipts from interests of Rp1,049 billion, and cash receipts from tax refund of Rp681 billion. Cash receipts from customers and other operators increased by 1.5% compared to 2022, principally due to increased data, internet and information technology service revenues, IndiHome revenues, and interconnection revenues. Cash receipts from interests increased by 21.3% compared to 2022, mainly as a result of increased transaction volume with government agencies and state-owned banks. Cash receipts from others - net in 2023 amounted to Rp593 billion, representing an increase of 75.4% compared to cash payments for others - net in 2022 which amounted to Rp338 billion, mainly due to vendor and procurement transactions. Cash receipts from tax refund decreased by 71.8% compared to 2022, primary as a result of delays in processing overpayment of domestic VAT for 2021 and administrative fines charged as a result of the corrected VAT amount for 2020.

Cash disbursements from operating activities in 2023 amounted to Rp90,200 billion and increased by Rp13,672 billion, or 17.9%, compared to 2022. This increase primarily resulted from an increase in cash payments for expenses, cash payments for value added taxes – net, and cash payments for corporate and final income taxes, cash payments to employees and was partially offset by decreased and cash payments for short-term lease and low-value lease assets. The cash disbursements were primarily used for:

- cash payments for expenses of Rp53,410 billion increased by 17.2% compared to 2022, primarily due to increases in operation, maintenance and telecommunication service expenses, personnel expenses, general and administrative expenses, and interconnection expenses;
- cash payments to employees of Rp16,116 billion increased by 14.7% compared to 2022, primarily due to increased salaries and benefit expenses in 2023;
- cash payments for corporate and final income taxes of Rp10,746 billion increased by 26.9% compared to

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2022, primarily due to increased income tax expense in 2023;

- cash payments for finance costs of Rp4,748 billion increased by 16.8% compared to 2022, primarily due to increased costs relating to borrowings;
- cash payments for short-term lease and low-value lease assets of Rp3,770 billion decreased by 2.7% compared to 2022, primarily due to decreased interest costs related to lease liabilities; and
- cash payments for value added taxes - net of Rp1,410 billion increased by 173.8% compared to 2022, primarily due to increased VAT on prepaid other tax liabilities for our company and our subsidiaries.

Cash Flows used in Investing Activities

Net cash flows used in investing activities in 2023 amounted to Rp36,911 billion (US\$2,397 million), compared to Rp39,122 billion in 2022, representing a decrease of Rp2,211 billion, or 5.7%. Cash flows used in investing activities principally included payments for purchases of property and equipment amounting to Rp33,603 billion, payments for purchases of intangible assets amounting to Rp2,817 billion, addition of long-term investments in financial instruments amounting to Rp340 billion, a placement in other current financial assets - net amounting to Rp315 billion, and a decrease in other assets - net amounting to Rp149 billion. Payments of property and equipment principally reflected the acquisitions of transmission installation and equipment, cable network, and payments related to property under constructions. Purchases of intangible assets primarily reflected purchases of software.

Cash Flows used in Financing Activities

Net cash flows used in financing activities in 2023 amounted to Rp26,565 billion (US\$1,725 million), compared to Rp40,965 billion in 2022, representing a decrease of Rp14,400 billion, or 35.2%.

Cash receipts from financing activities amounted to Rp41,795 billion in 2023, an increase of Rp5,792 billion, or 16.1%, compared to 2022. This increase primarily reflected non-recurring cash receipts of Rp2,961 billion received in 2023 from proceeds from the issuances of new shares of subsidiaries and Rp38,834 billion from the withdrawal of loans and other borrowings in 2023. The issuances of new shares of subsidiaries consisted of an issuance of new shares of Telkomsel, to mitigate further dilution of Singtel's share ownership in Telkomsel, and an issuance of shares as part of the establishment of Telkom Data Infrastructure.

Cash disbursements from financing activities amounted to Rp68,360 billion in 2023, a decrease of Rp8,608 billion, or 11.2%, compared to 2022. The cash disbursements were primarily used for the repayments of loans and other borrowings in the amount of Rp35,323 billion representing a decrease of Rp8,981 billion or 20.3%, payments of cash dividends to our shareholders and non-controlling interests of subsidiaries amounting to Rp26,406 billion in aggregate representing an increase of Rp1,447 billion or 5.8%, repayments of principal portion of lease liabilities in the amount of Rp6,600 billion representing a decrease of Rp424 billion or 6.0%, and proceeds from a share buyback of non-controlling interests by our subsidiary in the amount of Rp31 billion.

Current Assets

As of December 31, 2023, our current assets were Rp55,628 billion (US\$3,613 billion) compared to Rp55,073 billion as of December 31, 2022, representing an increase of Rp555 billion, or 1.0%. This increase was primarily due to:

- an increase in trade and other receivables of Rp2,053 billion, or 23.1%, from Rp8,895 billion as of December 31, 2022 to Rp10,948 billion as of December 31, 2023, primarily due to an increase in third parties receivables and related parties receivables by Rp1,685 billion and Rp348 billion, respectively;
- an increase in other current assets of Rp964 billion, or 14.2%, from Rp6,766 billion as of December 31, 2022 to Rp7,730 billion as of December 31, 2023 due to an increase in prepaid frequency license fees;

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- an increase in our prepaid other taxes of Rp413 billion, or 27.3%, from Rp1,512 billion as of December 31, 2022 to Rp1,925 billion as of December 31, 2023, primarily due to an increase in VAT payable by Telkom and its subsidiaries;
- an increase in other current financial assets by Rp312 billion, or 23.1%, from Rp1,349 billion as of December 31, 2022 to Rp1,661 billion as of December 31, 2023, primarily due to an increase in time deposits of Rp465 billion; and
- an increase in contract assets by Rp247 billion, or 10.1%, from Rp2,457 billion as of December 31, 2022 to Rp2,704 billion as of December 31, 2023, primarily due to an increase in enterprise segment's contract assets from government customers;

These increases were primarily and partially offset by:

- a decrease in our cash and cash equivalents of Rp2,940 billion, or 9.2%, from Rp31,947 billion as of December 31, 2022 to Rp29,007 billion as of December 31, 2023, primarily due to a Rp2,940 billion decrease in cash deposited with banks;
- a decrease in prepaid income taxes by Rp329 billion, or 99.1%, from Rp332 billion as of December 31, 2022 to Rp3 billion as of December 31, 2023, primarily due to a decrease in our subsidiaries' corporate income tax;
- a decrease in inventories by Rp147 billion, or 12.8%, from Rp1,144 billion as of December 31, 2022 to Rp997 billion as of December 31, 2023, primarily due to decrease in inventories of components and others; and
- a decrease in contract costs of Rp18 billion, or 2.7%, from Rp671 billion as of December 31, 2022 to Rp653 billion as of December 31, 2023.

Current Liabilities

As of December 31, 2023, our current liabilities were Rp71,451 billion (US\$4,640 billion) compared to Rp70,235 billion as of December 31, 2022, representing an increase of Rp1,216 billion, or 1.7%. This increase was primarily due to:

- an increase in short-term bank loans and current maturities of long-term liabilities of Rp2,877 billion, or 16.9%, from Rp17,049 billion as of December 31, 2022 to Rp19,926 billion as of December 31, 2023, primarily due to an increase in short-term bank loans of Rp1,459 billion and an increase in current maturities of long-term liabilities of Rp1,418 billion. We primarily increased our short-term bank loans to funding working capital. The increase in current maturities of long-term liabilities was primarily due to an increase in the current maturities of bank loans of Rp1,494 billion which was partially offset by a decrease in other borrowings of Rp590 billion;
- an increase in current maturities of lease liabilities of Rp686 billion, or 14.4%, from Rp4,772 billion as of December 31, 2022 to Rp5,458 billion as of December 31, 2023;
- an increase in contract liabilities of Rp553 billion, or 8.8%, from Rp6,295 billion as of December 31, 2022 to Rp6,848 billion as of December 31, 2023, primarily due to an increase in advances from enterprise customers and wholesale and international business customers amounting to Rp461 billion and Rp103 billion, respectively. This increase was partially offset by a decrease in advances from mobile customers amounting to Rp17 billion, respectively;
- an increase in customer deposits of Rp184 billion, or 7.7%, from Rp2,382 billion as of December 31, 2022 to Rp2,566 billion as of December 31, 2023, primarily due to an increase in customer deposits from new

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IndiHome and IndiBiz customers. Such deposits can be used to deduct billings on the payment date or can be refunded to customers who want to deactivate their services; and

- an increase in trade and other payables of Rp129 billion, or 0.7%, from Rp18,920 billion as of December 31, 2022 to Rp19,049 billion as of December 31, 2023 due to an increase in trade payables to related parties by Rp1,215 billion. This increase in trade payables to related parties was primarily due to an increase in universal service obligation charges due to the Government.

These increases were partially offset by:

- a decrease in accrued expenses of Rp2,366 billion, or 15.3%, from Rp15,445 billion as of December 31, 2022 to Rp13,079 billion as of December 31, 2023, due to a decrease in accrued expenses for operation, maintenance, and telecommunication services of Rp2,370 billion and a decrease in salaries and benefits of Rp73 billion;
- a decrease in current income tax liabilities of Rp474 billion, or 16.9%, from Rp2,807 billion as of December 31, 2022 to Rp2,333 billion as of December 31, 2023, mainly due to a decrease in corporate income tax payable by Telkom parent by Rp575 billion; and
- a decrease in other tax liabilities of Rp373 billion, or 14.5%, from Rp2,565 billion as of December 31, 2022 to Rp2,192 billion as of December 31, 2023, mainly due to a Rp123 billion decrease in VAT collected by Telkom parent.

Working Capital

As of December 31, 2023, our working capital, defined as the difference between current assets and current liabilities as of the same date, decreased by Rp661 billion compared to our working capital as of December 31, 2022. As at December 31, 2023, 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 0.78 as of December 31, 2023. 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 Rp555 billion, or 1.0%, from Rp55,073 billion as of December 31, 2022 to Rp55,628 billion as of December 31, 2023. See"— Current Assets."
- an increase in current liabilities of Rp1,216 billion, or 1.7%, from Rp70,235 billion as of December 31, 2022 to Rp71,451 billion as of December 31, 2023. 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.

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Capital Structure

Our capital structure as of December 31, 2023, is described as follows:

	Amount (Rp billion)	Portion (%)
Short-term debt	9,650	4.7
Long-term debt	58,351	28.7
Total debt	68,001	33.4
Equity attributable to owners of the parent company	135,576	66.6
Total	203,577	100.0

As of December 31, 2023, our net debt to equity ratio was 0.29 and our debt service coverage ratio was 1.9 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 35 to our Consolidated Financial Statements.

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, 2021, 2022 and 2023 were as follows:

	As of December 31,			
	2021	2022	2023	
	(Rp billion)	(Rp billion)	(Rp billion)	(US\$ million)
Indonesian Rupiah	67,587	62,107	67,668	4,394
U.S. Dollar ⁽¹⁾	671	531	220	14
Japanese Yen ⁽²⁾	285	181	84	5
Malaysian Ringgit ⁽³⁾	36	34	29	2
Total	68,579	62,853	68,001	4,416

Notes:

- (1) The amounts as of December 31, 2021, 2022 and 2023 translated into Rupiah at Rp14,252.50, Rp15,569.05 and Rp15,398.5 to US\$1, respectively, being the Reuters average rates for U.S. Dollars at each of those dates.
- (2) The amounts as of December 31, 2021, 2022 and 2023 translated into Rupiah at Rp123.84, Rp118.15 and Rp108.80 to Yen 1, respectively, being the Reuters average rates for Yen at each of those dates.
- (3) The amount as of December 31, 2021, 2022 and 2023 translated into Rupiah at Rp3,421.97, Rp3,534.06 and Rp3,354.47 to Ringgit 1, being the Reuters average rates for Ringgit at each of those dates.

Of our total indebtedness, as of December 31, 2023, Rp15,734 billion, Rp19,634 billion, Rp10,776 billion, and Rp12,207 billion were scheduled for repayment in 2024, 2025-2026, 2027-2028, and thereafter, respectively. As of December 31, 2023, approximately 43.7% (based on the aggregate then outstanding principal) of our total bank borrowings were floating-rate loans. We use hedging instruments to cover foreign currency risk exposures for periods ranging from three to 12 months.

For further information on our Company's indebtedness, see Notes 19 and 20 to our Consolidated Financial Statements.

Capital Expenditures

In 2023, we incurred capital expenditures of Rp32,858 billion (US\$2,134 million) for not only increasing capacity but also improving the quality of our services. Our capital expenditures are grouped into the following categories for planning

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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, optical transport network 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 Rp32,858 billion capital expenditure in 2023, Telkom, as the parent company, incurred capital expenditures of Rp14,037 billion (US\$912 million), Telkomsel incurred capital expenditures of Rp18,804 billion (US\$1,221 million) and our other subsidiaries incurred capital expenditures of Rp17 billion (US\$1 million). As our capital expenditures in 2022 were at historically elevated levels, we expect to further reduce our capital expenditures in the future to bring them more in line with our long-term funding capacity. The following table set forth our capital expenditure breakdown between Telkom as a parent company, Telkomsel and our other subsidiaries for the periods indicated.

	Years Ended December 31,			
	2021	2022	2023	
	(Rp billion)	(Rp billion)	(Rp billion)	(US\$ million)
Telkom (parent company)	15,347	15,650	14,037	912
Subsidiaries				
Telkomsel	10,540	12,343	18,804	1,221
Others	4,442	6,153	17	1
Subtotal for subsidiaries	14,982	18,496	18,821	1,222
Total for Telkom Group	30,329	34,146	32,858	2,134

Our capital expenditures in 2023 were mostly expenditures incurred for strengthening our networks and supporting infrastructure as well as enhancing capacity to provide a better customer experience. Our fixed line capital expenditures were primarily related to fiber-based access, submarine backbone infrastructure development and other projects such as towers and data centers. We also used capital expenditures for the improvement of 4G network quality and capacity, 5G rollout, and enhancement of the IT system for our mobile business.

Material Commitments for Capital Expenditures

As of December 31, 2023, we had material commitments for capital expenditures under contractual arrangements totaling Rp12,286 billion (US\$798 million), principally relating to transmission installation, cable network, and property under construction. We also have capital expenditure planned for property, equipment and investment outside Indonesia. Our subsidiaries also have capital expenditure plans. Telkomsat plans to launch a satellite in orbit slot 113 East Longitude as part of efforts to strengthen the capacity and quality of connectivity throughout Indonesia. In addition, it plans to fund its expansion strategy, including through organic growth and tower acquisitions, in line with its goal of becoming the largest tower company in Southeast Asia.

The following table sets forth information on our committed capital expenditures under contractual arrangements as of December 31, 2023.

Currencies	Amounts in Foreign Currencies	Equivalent in Rupiah
	(in millions)	(in billions)
Rupiah	—	8,596
U.S. Dollar	235.00	3,619
Chinese Yuan	33.00	71
Total		12,286

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For a more detailed discussion regarding our material commitments for capital expenditures, see Note 33a to our Consolidated Financial Statements.

Source of Funds

We have historically funded our capital expenditures primarily with cash generated from operations. In 2024, we expect that our capital expenditure to revenue ratio will range approximately from 25% to 30%. 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 sources 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.

C. CRITICAL ACCOUNTING POLICIES, ESTIMATES, AND JUDGMENTS

We prepare our financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). As such, we are required to make certain estimates, judgments and assumptions that management believes are reasonable based upon the information available. For a complete discussion of our critical accounting policies, estimates and judgments, see Note 2x to our Consolidated Financial Statements.

New Standards and Interpretations

For new standards, amendments to standards and interpretations not yet adopted in 2023 which have not been applied in preparing the Consolidated Financial Statements, see Note 38 to our Consolidated Financial Statements. For amendments to standards and interpretations adopted in 2023 which have been applied in preparing the Consolidated Financial Statements, see Note 2a. Such amendments had no material impact on our Consolidated Financial Statements.

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C. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES, ETC.

Our research and development efforts focus on advancing network infrastructure for enhanced data speeds, lower latency, and improved performance through FMC, Wi-Fi 6, and 5G technologies, among others.

Indonesia Telecommunications and Digital Research Institute

Established in 2021, the Indonesia Telecommunications and Digital Research Institute ("ITDRI") within our Telkom Corporate University Center aims to leverage globally adopted technologies for Indonesia's specific market needs, initially targeting the fisheries, agribusiness, and tourism sectors. ITDRI collaborates with various stakeholders such as the Center for Macroeconomic and Financial Research at the National Research and Innovation Agency of Indonesia (*Pusris EMK BRIN*), which engages in research collaborations, notably in fields of learning, research, and innovation. ITDRI also collaborates with Government ministries and industry research centers across sectors such as palm farming and pharmaceuticals, while exploring revenue-sharing business models with Narasi, an Indonesian multi-platform media and news company, and BKI Academies, which are training centers operated by Biro Klasifikasi Indonesia that offer a range of development programs in maritime, insurance, and other industry sectors.

In 2022, ITDRI shifted its focus towards joint research efforts with academic and research institutions to identify market opportunities for digital products. Critical research areas include digital connectivity, IoT monitoring, blockchain for network validation, and business process solutions. Collaborating with the National Research and Innovation Agency, ITDRI continues to delve into digital technology applications within agriculture, fisheries, and tourism, emphasizing the efficacy of partnership-driven market research.

In 2023, we expanded and deepened our joint experimentation and research initiatives at ITDRI with a renewed focus on the Telkom Group, building upon the foundation laid in 2022. Our focus remains on gaining comprehensive insights into market opportunities for digital products through collaborative efforts. Continued collaboration with research centers, universities, and other relevant partners such as major tech players (Huawei, Google, or MIT). Our collaborative approach enhances our ability to tap into diverse expertise and perspectives, fostering innovation and comprehensive research outcomes. While continuing our research in digital connectivity, IoT device monitoring, network validation using blockchain, and business process solutions, we aim to diversify our research areas. This may involve exploring emerging technologies, industry trends, and new digital frontiers to stay at the forefront of technological advancements. We aspire to forge international collaborations to enrich our research endeavors. Partnering with institutions and experts from around the world will provide a global perspective and contribute to a more holistic understanding of digital market dynamics. As we gain valuable insights from our research initiatives, we aim to facilitate the transfer of technology and knowledge to practical applications. Implementation of research findings will be a key focus, ensuring that the benefits of our work contribute tangibly to industry advancements. Embracing agile methodologies in our research processes, we aim to enhance flexibility and responsiveness. This approach allows us to adapt quickly to changes in technology, market dynamics, and stakeholder needs. Throughout 2023, we conducted regular evaluations of our research initiatives. This included assessing the effectiveness of our collaborative model, the impact of our research, and identifying areas for improvement to refine our approach continually.

Infrastructure Research and Development

Our strategy for 2023 included creating an InfraCo entity to optimize shared Telkom infrastructure in the following ways:

- Exploring FANS via a SDAN roadmap: examining the opportunities and methods for multiple service providers to jointly utilize a single fixed access network infrastructure efficiently, through a strategic plan that guides the implementation of SDAN technologies. This involves utilizing SDN principles to enable the virtualization and abstraction of the access network, allowing for flexible management, optimized operations, and reduced costs in deploying broadband services; and

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- Testing Bitstream products: evaluating the performance and conformance of video and audio decoders, encoders, or communication systems by using a series of standardized or custom digital data sequences, known as bitstreams, to expedite revenue growth.

Prioritizing customer needs, we continue to explore the implementation of Wi-Fi 6 to provide high-performance connectivity in dense areas and have implemented dual-band optical network terminals to combat household interference, supporting the surge in IoT and gaming usage.

To facilitate our FMC initiative, our research focuses on infrastructure and service innovation. Implementing traffic separation for high-speed internet B2B and B2C allows for tailored management and monitoring aligned with specific service level agreements. We attained a major service milestone with the introduction of "Unbreakable Wi-Fi," a service that integrates fixed broadband with mobile networks by integrating a home gateway with 4G/5G USB dongles, providing seamless connectivity by automatically switching networks if one fails, thus enhancing the customer experience.

Our research is dedicated to enhancing infrastructure services such as triple play (video, voice, and internet), focusing on the optimal technologies for TV, video platforms, video conferencing, and voice communications including IMS and SBC. By leveraging cloud-native virtual technologies such as edge cloud, vCDN, and vSTB, we aim to elevate service speed, deployment flexibility, and operational efficiency. Additionally, we are exploring infrastructure automation and virtualization, encompassing MEC, SDN/NFV, SD-WAN, and AI/ML, to continually improve network service quality and enrich customer experiences in the rapidly evolving digital telecommunications landscape.

Our pursuit of long-term success is anchored in advancing our expertise and human capital through the evaluation and adoption of emerging technologies such as LPWAN with LoRa, IoT platforms, and 5G technology. This focus is expected to unlock new revenue streams and drive cost efficiencies. Our objective is to facilitate the transition to Industry 4.0 with interconnected smart factories and automated systems. Moreover, recognizing the growing significance of space telecommunications, we are investigating NGSO satellites, HAPs, drones, and balloons to expand our infrastructure capabilities.

Digital Ventures

Our entrepreneurship initiative, Amoeba, fosters internal innovation while our open innovation program, collaborates with Indonesian tech entrepreneurs and digital startups through the Digital Amoeba (for Telkom employees) and Indigo programs (for external collaborations). Amoeba cultivates employees' ideas for new products within integrated task forces across the regions we serve and provides validation through internal competitions. Our open innovation program aims for seamless integration of their developments into our ecosystem. With initiatives such as Digital Amoeba and Indigo (a collaboration with digital startups), we aim to support the growth of Indonesia's digital creative industry and enhance our digital offerings.

In 2022, we evolved Indigo with the launch of the Indigo Social Impact Program to guide startups in creating meaningful social impact. Enhanced mentoring, customer testing in the Indigo Unlock program, and professional development for content creators underpin our commitment to nurturing the startup ecosystem. Notably, the Indigo program was recognized with the AsiaStar 10X10 Launchpad award and the AABI Incubator Presidential Nominee award, with Run System, an Indigo graduate, winning the AABI Torch Best Entrepreneur Award 2022. Through Indigo, startups gain opportunities to collaborate with Telkom and leverage our platforms, such as Verihub's AI-based E-KYC solutions, Opsigo's business travel management tools, and Educourse's e-learning platform. Our Educourse's e-learning platform has already been used by 33,000 students, and 130 schools with 450,000 affected students. These initiatives demonstrate Indigo's ability to empower startups and enrich various sectors with innovative solutions by leveraging our Group ecosystem.

Our subsidiary MDI Ventures actively invests in promising digital startups to foster synergies and enhance digital customer experiences across a range of sectors. Collaborating with international investors, incubators, and the Indigo Creative Nation program, MDI Ventures aims to support the growth of Indonesia's digital ecosystem and economy. In 2023, it added five new startups to its portfolio, which has grown to over 90 investments since 2016, primarily focusing on early and mid-stage companies both within Southeast Asia and globally. A highlight from its investments is WeBuy, a

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portfolio company from the Centauri Fund, which completed its initial public offering and listing on NASDAQ in December 2023. Other startups in its portfolio have also completed mergers, acquisitions, or initial public offerings.

In collaboration with Indonesian SOEs, MDI Ventures aims to accelerate the digitalization of the Indonesian economy and fostering a broader digital ecosystem. Among its collaborative efforts, MDI Ventures manages several funds, including:

- PT Telkomsel Mitra Inovasi ("**Telkomsel Ventures**"): with investments in 21 startups focusing on sectors like fintech, logistics, edu-tech, healthcare, and agriculture, it aims to create synergies and value for Telkomsel by investing in early to mid-stage startups;
- Centauri Fund: established in 2019 alongside KB Financial Group from South Korea, this fund targets early-growth stage startups in Indonesia, Southeast Asia, and South Korea, facilitating corporate support and bridging regional gaps. In 2023, it completed investments in two companies within the AI and creative industries;
- Arise Fund: initiated in 2021 with Finch Capital Netherlands, it centers on early-stage Indonesian startups innovating in technology. Following its first successful fundraising in August 2021, it made an investment in Slice in 2023, with some portfolio companies attracting term sheets from new investors at higher valuations.

MDI Ventures' excellence in fostering digital growth and innovation was recognized with two Gold Medals at The 2023 International Business Awards® in the categories of "Corporate & Community - Partner Engagement Event" and "Company of the Year - Financial Services."

Furthermore, in collaboration with Telkomsel Ventures, MDI Ventures hosted the Nex-BE Fest 2023 alongside HUB.ID, a MoCI initiative. This event aimed at enhancing collaborative synergy and brought together stakeholders from Telkom Group companies, startups, SOEs, private entities, governments, and universities. It focused on creating strong networks to support digital economic growth, offering platforms for business matchmaking, discussions, and networking. The festival successfully united diverse participants, including VIPs and sector representatives, to promote collaboration for future digital advancements and economic prosperity.

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D. TREND INFORMATION

We believe favorable external factors and post-COVID-19 economic recovery will support our ability to continue to drive revenue growth from both cellular and non-cellular data, internet, and IT services. Indonesia's GDP grew by 5.31% in 2022, as all sectors experienced growth, and GDP growth slightly decelerated to 5.05% in 2023, according to Government data (Indonesian Central Bureau of Statistics). In October 2023, the IMF in the World Economic Outlook Update projected that the Indonesian economy would grow by 5.0% in 2024. This projection assumes that Indonesia will implement moderate tax policy and administration reforms, some expenditure realization, and a gradual increase in capital spending over the medium term in line with fiscal space. Indonesia is expected to benefit from a demographic dividend that should have a positive impact on economic growth. In addition, a growing working population should result in an improvement in Indonesia's Purchasing Power Parity (PPP) growth. The transition of the Indonesian economy toward digitalization, the pace of which increased during COVID-19, 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 five main digitalization projects that have an impact on Telkom are the following:

- Making Indonesia 4.0: this project offers an opportunity for Telkom to partner with IT companies to provide technology-based solutions for manufacturing companies, with a focus on IoT, AI, human-machine interfaces, robotic technologies, and 3D printing.
- One Data Indonesia: this project involves creating a digital portal for the sharing of Government data, with the goal of enabling the public sector to make data-driven decisions. Therefore, we expect this will provide opportunities for Telkom to propose and provide high volume data storage through data centers as well as cloud solutions using big data and analytics.
- Presidential Regulation No. 95/2018: this regulation guides the implementation of digital governance tools and services. As part of the Government's goal to expand its provision of digital services, the Government has begun building the first of four national data centers with tier 4 classification, which we believe will provide us with future opportunities to provide network and other services to these data centers.
- Presidential Direction for Infrastructure Development: the Government's 2020-2024 National Medium-Term Development Plan set out targets for Indonesia's digital transformation, including a target of 60% of districts (kecamatan) having fixed broadband coverage and 95% of villages (desa) having mobile broadband coverage by 2024. Part of this plan is the Government's analog switch-off policy, which supports mobile broadband expansion by providing additional spectrum.
- Presidential Decree No. 17/2023: this regulation concerns the acceleration of digital transformation in the procurement of government goods/services. Telkom has been assigned by the Government to organize an electronic procurement system and its supporting systems, including funding, planning, construction, development integration, operation and maintenance. Through this regulation, it is expected that the acceleration of digital transformation in the procurement of government goods/services as an effort to increase independence and growth as well as equalization of the national economy can soon be realized.

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The World Health Organization (WHO) has lifted the Public Health Emergency of International Concern (PHEIC) for COVID-19 in May 2023. As the global economy continues to recover from the impact of COVID-19, and we believe that remote working and learning has been continuing and will continue post-COVID-19, which means that consumers will continue to use fixed and mobile broadband services, we expect a positive impact on our revenue. Moreover, we anticipate that the ending of pandemic-related restrictions in Indonesia will contribute to the overall economic growth moving forward, which should increase consumers' purchasing power. To capture potential increases in consumption of telecommunications services, we are implementing specific measures, such as managing network load and configuration to adapt to changes in traffic patterns, 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. CRITICAL ACCOUNTING ESTIMATES

See Note 2x to our Consolidated Financial Statements for reference.

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 2023) 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 ten members, one of whom is designated as the President Commissioner.

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As of December 31, 2023, the Board of Commissioners consisted of ten members as listed below:

Name	Age	Commissioner Since	Position
Bambang Permadi Soemantri Brojonegoro	57	2021	President Commissioner/Independent Commissioner
Ismail	54	2019	Commissioner
Marcelino Rumambo Pandin	58	2019	Commissioner
Arya Mahendra Sinulingga	53	2021	Commissioner
Rizal Mallarangeng	59	2020	Commissioner
Isa Rachmatarwata	57	2021	Commissioner
Silmy Karim	49	2023	Commissioner
Wawan Iriawan	60	2020	Independent Commissioner
Bono Daru Adji	55	2021	Independent Commissioner
Abdi Negara Nurdin	55	2021	Independent Commissioner

Each of our Commissioners was a citizen of and domiciled in Indonesia as of December 31, 2023. 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.

As from January 19, 2024, Mr. Abdi Negara Nurdin has ceased to serve as a commissioner of Telkom, pending ratification during our forthcoming 2024 Annual General Meeting of 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. He also served as President Commissioner of PT Prudential Syariah since 2022, President Commissioner of PT Bukalapak Tbk. since 2021, Independent Commissioner of PT Astra International Tbk. since 2021, Independent Commissioner of TBS Energi Utama Tbk. since 2021, Commissioner of PT Combiphar since 2021, President Commissioner of PT Oligo Infrastruktur since 2021, Independent Commissioner of PT Indofood Tbk. since 2021, and President Commissioner of PT Nusantara Green Energy since 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), Minister of Research and Technology / Head of BRIN (2019-2021), and President Commissioner of PT Oligo Infrastruktur (2021-2023) He holds his Ph.D in Urban and Regional Planning from University of Illinois at Urbana-Champaign, United States (1995-1997), Master of Urban Planning, University of Illinois at Urbana-Champaign, United States (1991-1993), and a bachelor's 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 IT Devices Resources of MoCI since 2016. Previously, he served as Chairman of Indonesia Telecommunications Regulation Authority (2018-2019), Deputy Chairman of Indonesia Telecommunications Regulation Authority (2016-2018), Director of Broadband Development of MoCI (2014-2016), Director of Telecommunications of MoCI (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's degree in physics engineering from Universitas Indonesia, Jakarta (1999) and a bachelor's 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 Advisor at United City and Local Government (UCLG) Asia Pacific, Jakarta (2017-2019). He holds his Ph.D. in Technology and Innovation from University of

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Queensland, Australia (2007), a master's degree in philosophy from Judge Business School University of Cambridge, United Kingdom (1999), and a bachelor degree in architecture from the Institut Teknologi Bandung, Bandung (1991).

Arya Mahendra Sinulingga assumed the role of Commissioner in May 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), Corporate Secretary of PT MNC Sky Vision (2007-2015), Corporate Secretary of PT Global Mediacom Tbk (2008-2014), President Director of PT Hikmat Makna Aksara (Sindo Weekly), 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), Director of PT MCI (2014-2018), News Director of PT MNC Tbk (2014-2019), President Commissioner of PT Hikmat Makna Aksara (2014-2019), Deputy Director iNews TV (2015-2018), President Commissioner of PT MNC Infotainment Indonesia (2017-2018), President Director of PT IDX Channel (2015-2018), 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 (2021-2022). He holds a bachelor's degree in civil engineering from the Institut Teknologi Bandung, Bandung (1995).

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) – (2006-2012), 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).

Silmy Karim assumed the role of Commissioner in May 2023. Silmy Karim has also served as Director General of Immigration at the Ministry of Law and Human Rights since 2023. Previously, he served as the President Director of Krakatau Steel (2018-2023), Commissioner of PT GE Power Solution Indonesia (2016-2019), President Director of PT Barata Indonesia (Persero) (2016-2018), President Commissioner of MAN Diesel & Turbo Indonesia (2015-2016), President Director of PT Pindad (Persero) (2014-2016), Commissioner PT PAL Indonesia (Persero) (2011-2014), held various leadership positions in Ministry of Defense (2007-2014), Advisor on economic issues in Badan Intelijen Negara (BIN) Republik Indonesia (2013-2015), As special advisor in Indonesian Investment Coordinating Board (2010-2011). He holds a Master of Economy from Universitas Indonesia (2007), and a bachelor's degree of Economy from Trisakti University (1997).

Wawan Iriawan assumed the role of Commissioner in June 2020. Previously, Wawan Iriawan served as Managing Partner at Iriawan & Co Law Firm (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 May 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 (2019-2022), Member of the Management Board, Indonesian Audit Committee Association (IKAI) (2022-2025), Member of Ethics Committee of Football Association of Indonesia (PSSI) (2023-now). He holds a bachelor's degree in law from Universitas Trisakti (1993), a master's degree in law from Monash University (1995).

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Abdi Negara Nurdin assumed the role of Commissioner in May 2021. Previously, *Abdi Negara Nurdin* served as Senior Advisor for Badan Ekonomi Kreatif (2015-2019), Member of Supervisory Board of LMKN (Lembaga Manajemen Kolektif Nasional) (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), Advisor at *Persatuan Artis Penyanyi, Pencipta Lagu dan Pemusik Republik Indonesia* (PAPPRI) (2022-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 Enterprise and Business Service	<ol style="list-style-type: none"> 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). 2. Oversees our holding scheme 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	<ol style="list-style-type: none"> 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 holding scheme 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	<ol style="list-style-type: none"> 1. Responsible for the formulation and availability of an innovation strategy to optimize the digital services business and explore digital business opportunities.
Director of Network, IT and Solution	<ol style="list-style-type: none"> 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	<ol style="list-style-type: none"> 1. Responsible for the formulation and availability of the corporate level strategy, including directional strategy, portfolio strategy and holding scheme strategy, and exploring new sources of growth through alliances and acquisitions and synergies.
Director of Finance and Risk Management	<ol style="list-style-type: none"> 1. Responsible for the formulation and availability of the corporate level strategy, including portfolio strategy and holding scheme 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.

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Role	Functions and Authority
Director of Human Capital Management	<ol style="list-style-type: none"> 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. Responsible for disseminating our corporate strategy, including directional strategy, portfolio strategy and holding scheme strategy on aspects related to the development of human capital, employee organization, corporate culture, leadership architecture and industrial relations. Oversees human capital management within the TelkomGroup and supervises the Pension Fund and Telkom Foundation (<i>Yayasan</i> 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.
Director of Group Business Development	<ol style="list-style-type: none"> As new member, the Director of Group Business Development has a key role for driving business development and ensuring comprehensive strategic governance. This involves a range of responsibilities, including strategy development, strategy alignment, business planning and business development. By focusing on these areas, the Director is able to help build competitive advantage and drive growth across the business portfolio. Oversees TelkomGroup business growth including implementing holding scheme strategy, functional strategy, and business development to improve the interrelation between parent and Group Business Development operations. This is all in an effort to create more value for companies within TelkomGroup.

As of December 31, 2023, the Board of Directors consisted of nine members as listed below:

Name	Age	Director Since	Position
Ririek Adriansyah	60	2019	President Director ⁽¹⁾
Heri Supriadi	58	2020	Director of Finance and Risk Management ⁽²⁾
Herlan Wijanarko	58	2020	Director of Network, and IT Solution
F.M. Venusiana R.	57	2022	Director of Enterprise and Business Service
Muhamad Fajrin Rasyid	37	2020	Director of Digital Business
Budi Setyawan Wijaya	51	2020	Director of Strategic Portfolio
Bogi Witjaksono	56	2021	Director of Wholesale and International Service
Afriwandi	52	2020	Director of Human Capital Management
Honesti Basyir	55	2023	Director of Group Business Development

Notes:

- (1) This position is equivalent to Chief Executive Officer ("CEO").
- (2) This position is equivalent to Chief Financial Officer ("CFO").

Each of our Directors was a citizen of and domiciled in Indonesia as of December 31, 2023. 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 of International Carrier Service of Telin (2008-2010). Mr. Adriansyah holds a bachelor degree in electrical engineering from Institut Teknologi Bandung, Bandung (1989).

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Heri Supriadi assumed the role of Director of Finance and Risk Management in June 2020. He is also served as Commissioner of PT Telekomunikasi Seluler since 2021. He previously served as President Commissioner of PT Graha Sarana Duta (2020-2023), President Commissioner of PT Telekomunikasi Seluler (2020), President Commissioner of PT Fintech Karya Nusantara (2019-2020), 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, IT and Solution in June 2020. He is also served as Commissioner of PT Dayamitra Telekomunikasi, Tbk. since 2023. He previously served as President Commissioner of PT Dayamitra Telekomunikasi, Tbk. (2020-2023), President Commissioner of PT Infrastruktur Indonesia (2022), President Director of PT Dayamitra Telekomunikasi, Tbk. (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).

F.M. Venusiana R. assumed the role of Director of Enterprise and Business Service in July 2022. She previously served as Director Consumer Service of Telkom (2020-2023), President Commissioner of Telkom Access (2022-2023), President Commissioner of PINS Indonesia (2022-2023), 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).

Muhamad Fajrin Rasyid assumed the role of Director of Digital Business in June 2020. He also served as Commissioner of PT MDI since 2023, and Commissioner of PT Digital Aplikasi Solusi since 2023. He previously served as President Commissioner of PT Metranet (2020-2023), Commissioner of PT Sigma Cipta Caraka (2020-2023), President Commissioner of PT MDI (2020-2023), 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's 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 Commissioner of PT Sigma Cipta Caraka since 2023 and Member of the Board of Trustees of Telkom Education Foundation since 2020. He previously served as President Commissioner of PT Multimedia Nusantara (2022), President Commissioner of PT Sigma Cipta Caraka (2020), President Commissioner of PT Jalin Pembayaran Nusantara (2020), 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's 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 Service in May 2021. He also served as Commissioner of PT Telekomunikasi Indonesia International (TELIN) since 2021, Commissioner of PT Telkom Satelit since 2022, and Commissioner of Telkom Data Ekosistem (NeutraDC) since 2022. He previously served as President Commissioner of PT Telkom Infra (2021-2023), 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 Satellite (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

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Surabaya (1985-1989) and a master degree in Telecommunications Engineering (Mobile Communication) from Institut Teknologi Bandung (1993-1995).

Afriwandi assumed the role of Director of Human Capital Management in June 2020. He previously served as Chairman of the Supervisory Board Telkom Pension Fund (2020-2023), President Commissioner of Infomedia (2020-2023), 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).

Honesti Basyir assumed the role of Director of Group Business Development in May 2023. He previously served as President Director of PT Bio Farma (Persero) (2019-2023), President Director of PT Kimia Farma (2017-2019), Director of Wholesale and International Services of PT Telkom Indonesia (Persero) Tbk (2014-2017), Director of Finance of PT Telkom Indonesia (Persero) Tbk (2012-2014). Mr. Honesti Basyir holds a bachelor's degree in industrial engineering from Sekolah Tinggi Teknologi Telkom (1992), Bandung, and master degree in corporate finance from Institut Manajemen Telkom (2002).

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.

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 fiscal year ended December 31, 2023, 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 fiscal year ended December 31, 2023. 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 2023, the total remuneration paid to the entire Board of Commissioners was Rp103,138,612,368. The table below sets forth the remuneration paid to our Commissioners received in 2023.

Commissioners	Honorarium	Religious Holiday Allowances	Transport Allowances	Tantiem	Total
Bambang P. S. Brodjonegoro	2,349,000,000	195,750,000	469,800,000	9,356,163,050	12,370,713,050
Bono Daru Adji	2,114,100,000	176,175,000	422,820,000	8,446,270,721	11,159,365,721
Abdi Negara Nurdin	2,114,100,000	176,175,000	422,820,000	8,446,174,292	11,159,269,292
Wawan Iriawan	2,114,100,000	176,175,000	422,820,000	8,446,237,979	11,159,332,979
Arya Mahendra Sinulingga	2,114,100,000	176,175,000	422,820,000	8,446,367,150	11,159,462,150
Ilsa Rachmatarwata	2,114,100,000	176,175,000	422,820,000	8,446,367,150	11,159,462,150
Ismail	2,114,100,000	176,175,000	422,820,000	8,446,367,150	11,159,462,150
Marcelino Rumambo Pandin	2,114,100,000	176,175,000	422,820,000	8,446,270,721	11,159,365,721
Rizal Mallarangeng	2,114,100,000	176,175,000	422,820,000	8,446,045,122	11,159,140,122
Silmy Karim ⁽¹⁾	1,244,199,194	0	248,839,839	0	1,493,039,033
Total	20,505,999,194	1,605,150,000	4,101,199,839	76,926,263,335	103,138,612,368

Notes:

(1) Mr. Silmy Karim has served as Commissioner since May 30, 2023.

For the fiscal year ended December 31, 2023, the total remuneration paid to the entire Board of Directors was Rp198,197,862,348. The table below sets forth the remunerations paid to our Directors received for the fiscal year ended December 31, 2023:

Directors	Honorarium	Religious Holiday Allowances	Transport Allowances	Tantiem	Total
Ririek Adriansyah	5,220,000,000	435,000,000	300,000,000	20,757,628,373	26,712,628,373
Afriwandi	4,437,000,000	369,750,000	300,000,000	17,643,984,117	22,750,734,117
Heri Supriadi	4,437,000,000	369,750,000	300,000,000	17,643,984,117	22,750,734,117
FM Venusiana R	4,437,000,000	369,750,000	300,000,000	17,643,984,117	22,750,734,117
Herlan Wijanarko	4,437,000,000	369,750,000	300,000,000	17,643,984,117	22,750,734,117
Muhamad Fajrin Rasyid	4,437,000,000	369,750,000	300,000,000	17,643,984,117	22,750,734,117
Budi Setyawan Wijaya	4,437,000,000	369,750,000	300,000,000	17,643,984,117	22,750,734,117
Bogi Witjaksono	4,437,000,000	369,750,000	300,000,000	17,643,984,117	22,750,734,117
Honesti Basyir ⁽¹⁾	2,611,282,258	0	176,612,903	0	2,787,895,161
Edi Witjara ⁽²⁾	0	0	0	9,442,199,995	9,442,199,995
Total	38,890,282,258	3,023,250,000	2,576,612,903	153,707,717,187	198,197,862,348

Notes:

(1) Mr. Honesti Basyir has served as Director of Group Business Development since May 30, 2023.

(2) No longer in charge since July 8, 2022.

The total accrued remuneration of the Board of Commissioners and the Board of Directors for the year ended December 31, 2023, was Rp301,336,474,716 including tantiem. Neither our Directors nor the directors of our subsidiaries will receive benefits upon the termination of their respective employment with our subsidiaries.

Equity Compensation Plans

On June 22, 2022, our Board of Directors adopted an executive compensation recovery policy (the "**Clawback Policy**"), which provides for the recovery of certain incentive-based compensation from current and former members of our Board of Commissioners and/or our Board of Directors in the event that we are required to restate any of our financial statements filed with the SEC under the Exchange Act to correct an error that is material to the previously-issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period. Adoption of the Clawback Policy was mandated by new Section 303A.14 of the NYSE Listed Company Manual, which was introduced pursuant to Rule 10D-1 of the Exchange Act. The Clawback Policy is in

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addition to Section 304 of the Sarbanes-Oxley Act of 2002, which permits the SEC to order the disgorgement of bonuses and incentive-based compensation earned by a registrant issuer's chief executive officer and chief financial officer in the year following the filing of any financial statement that the issuer is required to restate because of misconduct, and the reimbursement of those funds to the issuer. A copy of the Clawback Policy has been filed herewith as Exhibit 97.1.

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.

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."

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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:

- conducts studies and discussions with management regarding the Company's quarterly consolidated financial statements before these financial reports are reported to the Financial Services Authority and the Stock Exchange;
- monitoring the effectiveness of risk management and internal control;
- monitoring the effectiveness of our internal audit;
- conducting oversight of the integrated audit process;
- reviewing our Consolidated Financial Statements and the effectiveness of internal controls over financial reporting (ICOFR);
- assisting the Board of Commissioners with the appointment of independent auditors;
- approving non-audit services to be performed by our independent auditors;
- providing an independent opinion in the event of differences of opinion between our management and independent auditors;
- monitoring the steps taken by Directors to follow up on the findings of our internal auditors;
- monitoring compliance with laws and regulations (including capital market laws) relating to our business;
- analyzing and providing advice to the Board of Commissioner relating to potential conflicts of interest;
- oversee the audit process of the Social and Environmental Responsibility Program;
- oversee whistleblowing system called Telkom Integrity Line;
- maintaining confidentiality of documents, data, and information;
- 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; and
- 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.

Audit Committee Independence

OJK Rule No. 55/POJK.04/2015 on Establishment and Code of Conduct for Audit Committees ("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

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- have any business relationship, directly or indirectly, that relates to our businesses.

As of December 31, 2023, 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).

However on February 6, 2024 there was a change in the Audit Committee members which consists of five 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) Edy Sihotang (Independent Member and Forensic Audit Expert); and (v) 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. 08/KEP/DK/2023 dated August 2, 2023, 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 the Dwiwarna Share 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 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.

As of December 31, 2023 our Nomination and Remuneration Committee consists of six members (including the chairman): (i) Wawan Iriawan (Independent Commissioner and Chairman of the Nomination and Remuneration Committee), (ii) Rizal Mallarangeng (Commissioner), (iii) Ismail (Commissioner), (iv) Marcelino Rumambo Pandin (Commissioner), (v) Arya Mahendra Sinulingga (Commissioner), and (vi) Silmy Karim (Commissioner) and (vii) Abdi

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Negara Nurdin (Independent Commissioner). In the execution of their tasks, members of the Nomination and Remuneration Committee have to act independently.

However on February 6, 2024 there was a change in the Nomination and Remuneration Committee members which consists of five members (including the chairman): ((i) Wawan Iriawan (Independent Commissioner and Chairman of the Nomination and Remuneration Committee), (ii) Rizal Mallarangeng (Commissioner), (iii) Ismail (Commissioner), (iv) Marcelino Rumambo Pandin (Commissioner), (v) Arya Mahendra Sinulingga (Commissioner), and (vi) Silmy Karim (Commissioner).

D. EMPLOYEES

We manage our human capital 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 COVID-19. 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 23,064 employees (including 20,605 permanent employees, representing 89.34% of our workforce) as of December 31, 2023, consisting of 7,469 Telkom employees (including 7,170 permanent employees) and 15,595 employees (including 13,435 permanent employees) of our subsidiaries. As of December 31, 2023, 22,863 of our employees were located in Indonesia and 201 of our employees were located overseas. In comparison, we had a total of 23,793 employees as of December 31, 2022, and 23,756 employees as of December 31, 2021.

As of December 31, 2023, we had 307 senior management employees, compared with 322 senior management employees as of December 31, 2022. The total number of middle management employees decreased from 6,209 employees as of December 31, 2022, to 6,155 employees as of December 31, 2023. The number of supervisor level employees decreased from 12,632 employees as of December 31, 2022, to 12,331 employees as of December 31, 2023. Other employees decreased from 4,630 employees as of December 31, 2022, to 4,271 employees as of December 31, 2023. We did not employ a significant number of temporary employees in 2023. The following table shows our employee profile by position.

Position	As of December 31, 2023			
	Telkom	Subsidiaries	Telkom Group	Percentage (%)
Senior Management	122	185	307	1.33
Middle Management	2,645	3,510	6,155	26.69
Supervisors	3,653	8,678	12,331	53.46
Others	1,049	3,222	4,271	18.52
Total	7,469	15,595	23,064	100.0

Our employee profile based on educational background as of December 31, 2023, was dominated by university graduates who accounted for 67.74% 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, 2023			
	Telkom	Subsidiaries	Telkom Group	Percentage (%)
Pre University	779	1,284	2,063	8.94
Diploma Graduates	437	1,742	2,179	9.45
University Graduates	4,628	10,996	15,624	67.74
Post Graduates	1,625	1,573	3,198	13.87
Total	7,469	15,595	23,064	100.0

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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.

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 of December 31, 2023, we had identified and developed 4,033 digital talents, including 2,833 talents sourced internally and 1,200 talents sourced externally. These digital talents participate in training and development programs and can obtain Telkom certifications delivered internally. In 2023, expenses incurred in connection with our digital training and certification programs amounted to approximately Rp186.99 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) DBPP – Defined Benefit Pension Plan, which is applicable to permanent employees (other than our Directors) who were permanent prior to July 1, 2002 and (b) DCP – Defined Contribution Pension Plan, 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 Rp1,000,000 per month, or minimum Rp750,000 per month for spouses of the retired employees. We did not make any contribution to the DBPP for the fiscal years ended December 31, 2017 and 2018. In the fiscal year ended December 31, 2023, we contributed Rp1,635 billion to the DBPP.

b. *Defined Contribution Pension Plan*

We operate a DCP for permanent employees other than Directors who were permanent on or after July 1, 2002. DCP 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

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basic salary, which totaled Rp44 billion, Rp48 billion and Rp50 billion, for the years ended December 31, 2021, 2022, and 2023 respectively.

Management of Employee Relations

Pursuant to Law No. 13 of 2003 on Manpower (as amended by the Job Creation Law 2023, the "**Manpower Law**") and Law No. 21 of 2000 on Employee Unions and Labor Unions, our employees established SEKAR (*Serikat Karyawan*). As of December 31, 2022, SEKAR represented a total of 5,925 employees, which was 79.3% 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 10th collective labor agreement dated January 13, 2024.

The employees of Telkomsel, PT Infomedia Nusantara, Metra Digital Media, Graha Sarana Duta and Telkomsigma have also established employees' unions. Telkomsel employees' union (*Serikat Pekerja Telkomsel* or "**SEPAKAT**") represented a total of 4,756 employees (79.7% of Telkomsel's total employees) as at December 31, 2023. Infomedia Nusantara employees' union (*Serikat Pekerja Infomedia Nusantara* or SPIN) represented a total of 256 employees 83.3% of Infomedia Nusantara's total employees) as at December 31, 2023. Metra Digital Media's 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 106 employees (91% of the total number of employees of Metra Digital Media) and 702 employees (90.1% of the total number of employees of Graha Sarana Duta). Telkomsigma's employees' union (*Serikat Karyawan Telkomsigma* or "**SERASI**") represented a total of 450 employees (24% of Telkomsigma's total employees) as at December 31, 2023.

E. SHARE OWNERSHIP

As of February 29, 2024, none of our Commissioners, Directors or senior management beneficially owned more than 5% 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

Our 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 our 2012 annual incentives. On such date, 59,811,400 shares of common stock (equal to 299,057,000 shares after stock split) were transferred to 24,993 employees with a total fair value of Rp661 billion. As of December 31, 2023, 43,624,510 of our shares were owned by 7,086 of our employees and our retirees. From 2014 through 2023, 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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F. DISCLOSURE OF A REGISTRANT’S ACTION TO RECOVER ERRONEOUSLY AWARDED COMPENSATION

As of the date hereof, no actions that have been taken to recover erroneously awarded compensation following an accounting restatement, and we are compliant with the aforementioned guideline.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. MAJOR SHAREHOLDERS

Shareholder Composition

Our authorized capital consists of one Dwiwarna Share and 389,999,999,999 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 presents information relating to the beneficial ownership of our ordinary shares and Dwiwarna Share as of February 29, 2024.

	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	100.00

Shareholders Owning More Than 5% of Shares (Major Shareholder)

The table below sets forth the beneficial ownership of our major shareholder which owns more than 5% of our shares as of February 29, 2024. To our knowledge, no other shareholders beneficially own 5% or more of our shares of common stock.

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, 2022, 2023 and February 29 2024, respectively. No other persons beneficially owned 5% or more of our outstanding shares of common stock as of February 29, 2024, based on information available to us.

Shares Owned by Commissioners and Directors

The table below sets forth information regarding persons known to us to own less than 5% of each class of our shares (whether directly or beneficially through the ADSs) as of February 29, 2024.

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Commissioners and Directors	Number of Shares	Percentage of Ownership
Commissioners		
Arya Mahendra Sinulingga	2,014,800	<0.01
Marcelino Rumambo Pandin	1,968,000	<0.01
Ismail	1,968,000	<0.01
Rizal Mallarangeng	1,968,000	<0.01
Isa Rachmatarwata	1,968,000	<0.01
Directors		
Ririeck Adriansyah	6,016,355	<0.01
F.M. Venusiana R.	7,806,900	<0.01
Muhamad Fajrin Rasyid	4,130,400	<0.01
Budi Setyawan Wijaya	4,585,400	<0.01
Afriwandi	4,172,900	<0.01
Herlan Wijanarko	4,172,900	<0.01
Heri Supriadi	4,170,400	<0.01
Bogi Witjaksono	4,130,400	<0.01
Honesti Basyir	370,004	<0.01
Total	49,442,459	<0.05

Shareholders (by Type) Owning Less Than 5% of Shares

The table below presents information on the shareholding (by type of shareholder) of our shareholders which individually owned less than 5% of our outstanding shares of common stock as of February 29, 2024.

Group	Number of Shares of Common Stock Owned	Percentage of Ownership
Foreign		
Business Entities	37,649,109,824	38.01
Individuals	17,349,800	0.02
Local		
Business Entities		
Companies	154,154,060	0.16
Mutual Funds	2,149,252,562	2.17
Insurance Companies	2,344,405,046	2.37
Pension Funds	3,793,584,794	3.83
Others Business Entities	127,735,650	0.13
Individuals	1,224,271,304	1.24
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 governmental departments and agencies, but excludes SOEs.

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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, 2024. 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."

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: (i) the nomination, appointment and removal of our Directors; (ii) the nomination, appointment and removal of our Commissioners; (iii) the issuance of new shares and (iv) 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 MoCI. MoCI has the authority to issue regulations that implement laws, which are typically broad in scope. Through such decrees 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 DGPIO, MoCI regulates the allocation of frequencies and sets numbers for fixed telephone lines. We are required to obtain a license from the DGPIO for each type of service offered, including licenses for the frequencies we use (as allocated by MoCI). We and other operators are required to pay frequency usage fees. Telkomsel also holds licenses issued by MoCI (some of which were previously issued by the then Ministry of Communications and Information) 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 MoCI as regulator, has the authority to issue new licenses for the establishment of new joint ventures and other new arrangements, particularly in the telecommunications sector.

Certain licenses require us to pay a concession fee to operate under such licenses. We pay concession fees for our provision of telecommunications services and radio frequency usage charges to MoCI. Concession fees amounted to Rp1,843 billion in 2022 and Rp2,076 billion (US\$135 million) in 2023. Concession fees as a percentage of total expenses amounted to 1.7% in 2022 and 2.0% in 2023. Radio frequency usage charges amounted to Rp6,510 billion in 2022 and Rp7,412 billion (US\$481 million) in 2023. Radio frequency usage charges as a percentage of total expenses amounted to 6.0% in 2022 and 7.1% in 2023. USO charges to MoCI amounted to Rp744 billion in 2022 and Rp744 billion (US\$48 million) in 2023. USO charges as a percentage of our total expenses amounted to 0.7% in 2022 and 0.7% in 2023.

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 ("**sub-loan borrowings**"). The sub-loan borrowings were made through the Government and are guaranteed by it. As of December 31, 2023, we had a total of Rp84 billion (US\$5 million), in such outstanding two-step loans, including current maturities. We are required to pay the interest and the principal to the Government, which the Government then remits to the respective lenders. As of December 31, 2023, 100% of such sub-loan borrowings were denominated in foreign currencies with 100% denominated in Yen and 0% denominated in Rupiah. In 2023, the annual interest rates charged was 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 2023, the amount of revenues from Government departments and agencies was Rp3,925 billion, which accounted for 2.6% 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 difference between the economic interests of a public company and the personal economic interests of its Board of Directors, Board of Commissioners, principal shareholder or controlling shareholder that may cause a loss to the relevant public company. Further, a "conflict of interest transaction" is defined as any transaction containing a conflict of interest that is carried out by a public company or a company controlled by the public company with any party, whether or not the other party is an affiliate. In practice, if a transaction obtains a "fair" opinion from an independent appraiser, which is typically strong grounds for showing that the proposed transaction does not involve a conflict of interest, though it would need to be considered and confirmed based on the relevant factual scenario.

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 February 29, 2024, we had 166,737 holders of shares of common stock (including the Government). This total includes 37,666,459,624 shares of common stock held by 2,454 holders of common stock located outside Indonesia. As of the same date, there were 69 ADS shareholders who owned 40,471,818 ADSs.

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Change in Control

As of the date of this 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 the 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 the 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 31 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.

LEGAL PROCEEDINGS

From time to time, we are subjected to legal and arbitration proceedings, investigations and claims incidental to the conduct of our business. For instance, we have in the past been named as defendant in various legal actions in relation with land disputes, monopolistic practice and unfair business competition, and SMS cartel practices. Although the results of litigation and claims cannot be predicted with certainty, we currently believe that the final outcome of these ordinary course matters will not have a material adverse effect on our results of operations, cash flows and financial position. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors. We were not a party to any material litigation or arbitration and did not have material contingency reserves established for any liabilities as of December 31, 2023.

DIVIDENDS

An AGMS has the authority to determine the amount of dividends we pay. Our dividend payout ratio for the fiscal year ended December 31, 2023 will be decided at the AGMS scheduled for May 3, 2024.

Dividend Year	Payment Date	Payout Ratio (%) ⁽¹⁾	Total Dividend Payment (Rp million)	Dividend per Share (Rp)
2018	June 27, 2019	90.00	16,228,619 ⁽²⁾	163.82
2019	July 23, 2020	81.78	15,262,338 ⁽³⁾	154.07
2020	July 2, 2021	80.00	16,643,443 ⁽⁴⁾	168.01
2021	July 1, 2022	60.00	14,855,921 ⁽⁵⁾	149.97
2022	July 5, 2023	80.00	16,602,697 ⁽⁶⁾	167.60

Notes:

(1) Represents the percentage of profit attributable to owners of the parent paid to shareholders in dividends.

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- (2) Consists of cash dividend amounting to Rp10,819,080 million and special cash dividend amounting to Rp5,409,540 million.
- (3) Consists of cash dividend amounting to Rp11,197,606 million and special cash dividend amounting to Rp4,064,730 million.
- (4) Consists of cash dividend amounting to Rp12,482,582 million and special cash dividend amounting to Rp4,160,860 million.
- (5) Consists of cash dividend amounting to Rp14,855,921 million.
- (6) Consists of cash dividend amounting to Rp16,602,697 million.

TELKOMSEL DIVIDEND

Pursuant to its AGMS held on May 26, 2023, Telkomsel approved the payment of cash dividends in the amount of Rp20.11 trillion, which represented 95% of Telkomsel's net profits in 2022. Based on the Resolution of Shareholders on September 12, 2023, Telkomsel declared additional dividend amounting to Rp7.41 trillion, which represented 35% of Telkomsel's net profits in 2022. In 2023, total dividend payments were Rp27.52 trillion.

B. SIGNIFICANT CHANGES

See Note 38 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, 2023, the IDX had 903 issuers for equity and 90 active brokerage houses. In 2023, IDX recorded a trading volume of around 4.7 billion shares. As of December 31, 2023, the total market capitalization was valued at approximately Rp11.67 trillion (approximately US\$758 billion).

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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 buy or sell orders are placed at the same price, priority is given to the earlier placed buy or sell 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.

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-00055/BEI/03-2023 ("IDX Trading Rule") provides that as of April 3, 2023, the trading sessions of the IDX are as follows:

Trading Session	Market	Day	Trading Hours
Pre-opening	Regular	Monday-Friday	08.45.00-08.59.59
1 st	Regular	Monday-Thursday	09.00.00-12.00.00
		Friday	09.00.00-11.30.00
	Cash	Monday-Thursday	09.00.00-12.00.00
		Friday	09.00.00-11.30.00
		Negotiated	Monday-Thursday
2 nd	Regular	Monday-Thursday	13.30.00-15.49.59
		Friday	14.00.00-15.49.59
	Negotiated	Monday-Thursday	13.30.00-16.30.00
		Friday	14.00.00-16.30.00
		Pre-closing	Regular
Post Trading	Regular	Monday-Friday	16.01.00-16.15.00

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.

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Since the global financial crisis in the last quarter of 2008, share price movement has been typical. 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 the auto-rejection policy. This policy has changed from time to time, specifically since the Government began relaxing COVID-19-related restrictions on trading activities. Based on the newly issued IDX Trading Rule, the Jakarta Automated Trading System ("JATS") will automatically reject price orders input into the JATS at the Regular and Cash Markets if:

- (i) the buy or sell order is smaller than Rp50 (or Rp1 for rights and warrants);
- (ii) Through May 31, 2023, the buy or sell orders input into the JATS are:
 - a. more than 35% above or 7% below the reference price for stock prices ranging from Rp50 to Rp200;
 - b. more than 25% above or 7% below the reference price for stock price ranging from more than Rp200 to Rp5,000; and
 - c. more than 20% above or 7% below the reference price for stock price that is more than Rp5,000.

From June 5, 2023 to September 1, 2023, the selling or buying orders input into the JATS are:

- a. more than 35% above or 15% below the reference price for stock prices ranging from Rp50 to Rp200;
- b. more than 25% above or 15% below the reference price for stock price ranging from more than Rp200 to Rp5,000; and
- c. more than 20% above or 15% below the reference price for stock price that is more than Rp5,000.

From September 4, 2023 onwards, JATS will automatically reject price orders input into the JATS at the Regular and Cash Markets if the selling or buying orders input into the JATS are:

- a. more than 35% above or below the reference price for stock prices ranging from Rp50 to Rp200;
- b. more than 25% above or below the reference price for stock price ranging from more than Rp200 to Rp5,000;
- c. more than 20% above or below the reference price for stock price that is more than Rp5,000.

- (iii) Auto-rejection is triggered when a trade involves more than 50,000 lots of equity securities or exceeds 5% of listed securities, using the lesser amount, and the auto-rejection threshold for post-IPO trading is set at double that percentage.

Trading on the NYSE

See "Item 12. Description of Securities Other Than Equity Securities."

D. SELLING STOCKHOLDERS

Not applicable.

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E. DILUTION

Not applicable.

F. 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 have been 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, the "**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 MOLHR pursuant to the Decree of the MOLHR 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 amending our business activities according to the Indonesian Standard Industrial Classification of 2020. The latest amendments were approved by and registered with the MOLHR in its letter No. AHU-0044650.AH.01.02 of 2022 dated June 29, 2022.

In accordance with Article 3 of our Articles of Association, the scope of our business 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 other things, the following:

1. Main Business
 - a. Planning, building, providing, developing, operating, marketing/selling/renting, and maintaining telecommunications and IT networks in the broadest sense with due observance of the laws and regulations.
 - b. Planning, developing, providing, marketing/selling, and improving telecommunications and IT services in the broadest sense with due observance of the laws and regulations.
 - c. Making investments including equity participation in other companies in line with and to achieve the goals and objectives of the Company.

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- d. In connection with the business activities specified in 1(a) and 1(b) above, the Company's business activities include but are not limited to construction of telecommunications buildings and equipment, construction of irrigation, communication, and other waste networks, electrical installation, telecommunications installation, installation of air conditioning and ventilation, wholesale trade on the basis of fees or contracts, wholesale trade of computers and computer equipment, wholesale trade of software, wholesale trade of telecommunications equipment, wholesale trade of office and industrial machinery, spare parts and equipment, wholesale trade of other products that cannot be classified, retail trade of software, retail trade of telecommunications equipment, publishing directories and mailing lists, publishing of software, production of film, video and television programs by the private sector, cable telecommunications activities, wireless telecommunications activities, satellite telecommunications activities, premium call services, premium SMS content services, managed calling services, other value-added telephony services, internet service provider, data communication system services, telephony internet service for public purposes (ITKP), internet interconnection services (NAP), content provider services through cellular mobile network, other information services activities that cannot be classified, other multimedia services, video game development activities, development of trading applications through the internet (E-Commerce) activities, immersive media content programming and production activities, blockchain technology development activities, artificial intelligence based programming activities, other computer programming activities, information security consulting activities, digital identity provision activities, electronic certificate provision activities and service using electronic certificates, IoT consulting and designing activities, computer consulting and other computer facilities management activities, other IT and computer services activities, data processing activities, hosting and related activities, web portals and/or digital platforms without commercial purposes, web portals and/or digital platforms for commercial purposes, retail trade on computers and their equipment, retail trade on video game equipment and the like, retail trade on office machines, retail trade specializing in audio and video equipment in stores, other telecommunications activities that cannot be classified, resale of telephony services, calibration/metrology services, and activities of the distribution of film, video and television programs by private parties.
2. Supporting Businesses
 - a. Providing payment transactions and money transfer services through telecommunications and IT networks.
 - b. Carrying out other activities and business 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 ICT resources owned by other parties in the ICT industry, in line with and to achieve the goals and objectives of the Company.

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- d. In connection with the business activities specified in 2(a) and 2(b) above, the Company's business activities include but are not limited to general printing industry, residential building construction, construction of office buildings, construction of other buildings, construction of electrical civil buildings, construction of telecommunications civil buildings for transportation infrastructure, construction of other civil buildings that cannot be classified, sea, river, and air navigation construction installation services, electronic installation, installation of plumbing, heating and geothermal installation, mechanical installation, other unclassified construction installations, interior decoration, wholesale of printing and publishing goods in various forms, wholesale of laboratory equipment, pharmaceutical equipment and medical equipment for humans, wholesale of laboratory equipment, pharmaceutical equipment and medical equipment for animals, retail trade on laboratory equipment, pharmaceutical equipment, and medical devices for humans, special retail trade on pharmaceutical goods and drugs, medical devices, perfumes, and other cosmetics, voice recording activities, special telecommunications activities for security defense purposes, music and music book publishing activities, other monetary intermediaries, payment service provider (PJP), transportation consulting activities, industrial management consulting activities, other management consulting activities, certification services, laboratory testing services, installation engineering inspection services, advertising, other reservation services, tourism information services, call center activities, other business support services activities that cannot be classified, special event organizing services, meetings, incentive travel, conference and exhibition (MICE) organizing services, private tutoring and counseling education, and repair of computers and similar equipment.

In accordance with the 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 with due observance of the laws and regulations in the capital markets sector. 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 interest 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. 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, 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 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 as 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 with due observance of 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 to loans for subsidiaries that only require reporting 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 regulation 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; and

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- n. Take actions that have not been stipulated in the Company's Work Plan and Budget.

With regards to the matters referred to in paragraphs (a), (b), (c), (d), (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 holder of the Dwiwarna Share and the approval by the Board of Commissioners will be granted after being approved by the holder of the Dwiwarna share. 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.* Shareholders 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

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- 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.

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 the 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.

Shareholders 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.

Under OJK Regulation No. 11/POJK.04/2017 of 2017 on Report of Ownership or Any Changes to the Shares Ownership in Public Companies, 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
<i>Mergers and similar arrangements</i>	
<p>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.</p>	<p>Under the 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 or consolidation plan in one national newspaper and make an announcement in writing to the employees at least 30 days prior to the “summoning” of the general meeting of shareholders.</p> <p>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).</p> <p>Additional requirements are applicable for mergers or consolidations involving public companies (e.g., OJK Regulation No. 74/POJK/04/2016 on Business Merger or Business Consolidation of Public Companies, as partially revoked by OJK Regulation No. 58/POJK.04/2017 on Electronic Submission of Registration Statements or Applications for Corporate Actions).</p>
<i>Shareholder's suits</i>	

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<u>Delaware Law</u>	<u>Indonesian Law</u>
<p>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.</p>	<p>Under the 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 general meeting of shareholders, 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.</p>
<p><i>Shareholder vote on board and management compensation</i></p> <p>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.</p>	<p>Under the Indonesian Company Law and MSOE Regulation No. 03/MBU/03/2023 on Organs and Humans Resources of State-Owned Enterprises (“MSOE Regulation No. 3/2023”), 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.</p> <p>The salaries and allowances of members of the board of commissioners are determined by the general meeting of shareholders.</p> <p>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.</p>
<p><i>Annual vote on board renewal</i></p>	

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Delaware Law	Indonesian Law
<p>Unless directors are elected by written consent in lieu of an annual meeting, directors are elected in an annual meeting of shareholders on a date and at a time designated by or in the manner provided in the bylaws. Re-election is possible.</p> <p>Classified boards are permitted.</p>	<p>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</p> <p>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.</p>

Delaware Law	Indonesian Law
<p><i>Indemnification of directors and executive management and limitation on liability</i></p> <p>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:</p> <ul style="list-style-type: none"> ● 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. <p>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.</p>	<p>Under the 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:</p> <ul style="list-style-type: none"> ● 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. <p>Under the Indonesian Company Law, the term "<i>take actions to prevent such losses or the continuation thereof</i>" 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.</p>

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Delaware Law	Indonesian Law
<p>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:</p> <ul style="list-style-type: none"> ● 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. 	
<p>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.</p>	
<p><i>Directors' fiduciary duties</i></p> <p>A director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components:</p> <ul style="list-style-type: none"> ● the duty of care; and ● the duty of loyalty. <p>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 or herself 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 or she reasonably believes to be in the best interests of the corporation. He or she must not use his or her 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.</p>	<p>Under the 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.</p>

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Delaware Law	Indonesian Law
<p>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.</p>	
<p><i>Shareholder action by written consent</i></p> <p>A Delaware corporation may, in its certificate of incorporation, eliminate the right of shareholders to act by written consent.</p>	<p>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. Alternatively, voting rights may also be exercised by way of a written resolution provided that such resolution is signed by all of the shareholders of the company.</p>
<p><i>Shareholder proposals</i></p> <p>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.</p>	<p>Under the 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.</p> <p>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.</p>
<p><i>Cumulative voting</i></p> <p>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.</p>	<p>Under the Indonesian Company Law, cumulative voting is not permitted for the election of directors.</p>
<p><i>Removal of directors</i></p>	

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<u>Delaware Law</u>	<u>Indonesian Law</u>
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 the 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.

<u>Delaware Law</u>	<u>Indonesian Law</u>
<i>Transactions with interested shareholders</i>	
<p>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 within the past three years.</p>	<p>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" (<i>pengendali</i>) (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).</p> <p><u>Affiliated Party Transaction</u></p> <p>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 (<i>pengendali</i>) 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 (<i>pengendali</i>) of such public company.</p> <p>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.</p> <p><u>Conflict of Interest Transaction</u></p> <p>A conflict of interest is defined as the difference between the economic interests of a public company and the</p>

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Delaware Law	Indonesian Law
	<p>personal economic interests of its directors, commissioners, principal shareholders or controlling persons (<i>pengendali</i>), 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 and disclosed the related information to the public, unless exempted.</p> <p>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 (<i>pengendali</i>) (or an affiliate of the foregoing persons or entities) of such public company.</p>
<p><i>Dissolution; Winding up</i></p> <p>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.</p>	<p>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.</p> <p>For SOEs, dissolution of a company must be effected by way of a Government regulation promulgated by the MSOE.</p>
<p><i>Variation of rights of shares</i></p> <p>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.</p>	<p>The 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.</p> <p>With regards to public companies, and under OJK Regulation No. 22/POJK.04/2021 on the Use of Share Classifications with Multiple Voting Rights by Issuers with High Innovation and Growth to Undertake Equity-based Public Offerings in the form of Shares, public companies with certain strict requirements (such as</p>

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Delaware Law	Indonesian Law
	utilizing technologies to create innovative products that increase productivity and economic growth as well as having substantial social benefit) may adopt a different class of shares with more than one type of voting right – also known as dual-class shares with multiple voting rights. Such adoption must also be included in the company's articles of association and approved by a general meeting of shareholders.
<p><i>Amendment of governing documents</i></p> <p>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.</p>	<p>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.</p>
<p><i>Inspection of books and records</i></p> <p>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.</p>	<p>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.</p> <p>Such application can be made by:</p> <ul style="list-style-type: none"> ● 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.
<p><i>Payment of dividends</i></p> <p>The board of directors may approve a dividend without shareholder approval. Subject to any restrictions contained in its certificate of incorporation, the board</p>	<p>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 fiscal year and cannot be covered by the reserve fund, such loss</p>

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Delaware Law	Indonesian Law
<p>may declare and pay dividends upon the shares of its capital stock either:</p> <ul style="list-style-type: none"> • 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. <p>Shareholder approval is required to authorize capital stock in excess of that provided in the charter. Directors may issue authorized shares without shareholder approval.</p>	<p>should be carried forward and in the current fiscal year, the company will still be deemed to be making a loss if this carried over loss cannot be covered by the current fiscal year's profit. Under such circumstances, the company is not be able to distribute dividends from profits it earned in the current fiscal year.</p> <p>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.</p> <p>Interim dividends may also be distributed, provided that:</p> <ul style="list-style-type: none"> • 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.
<p><i>Creation and issuance of new shares</i></p>	
<p>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.</p>	<p>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).</p> <ul style="list-style-type: none"> • 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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Delaware Law	Indonesian Law
	<ul style="list-style-type: none"> In general, the issuance of new shares must also be accompanied by the issuance of pre-emptive rights to existing shareholders. However, for public companies, under OJK Regulation No. 32/POJK.04/2015 on Capital Increases of Public Companies with the Issuance of Pre-emptive Rights, as amended by OJK Regulation No. 14/POJK.04/2019, and under certain conditions, the issuance of shares can be carried out without issuing pre-emptive rights, provided that the issuance of shares must not be in excess of 10% of the issued and paid-up capital of the company, among other things. In addition, unless certain exemptions apply, prior approval by the independent shareholders is generally required for the issuance of new shares without pre-emptive rights.

C. MATERIAL CONTRACTS

In 2023, in line with our FMC initiative, we entered into the following contracts with Telkomsel to combine our fixed broadband and mobile broadband services into a single business entity, by transferring a portion of our assets and liabilities allocated to the IndiHome business segment to Telkomsel:

- Wholesale Agreement between Telkom and Telkomsel dated April 6, 2023 (the "Wholesale Agreement").
- Fixed Broadband Core Transition Services Agreement between Telkom and Telkomsel dated April 6, 2023 (the "Fixed Broadband Core TSA");
- IT System Transition Services Agreement between Telkom and Telkomsel dated April 6, 2023 (the "IT System TSA"); and
- Deed of Spin-off of IndiHome Business Segment by Telkom into Telkomsel dated June 27, 2023 (the "Deed of Transfer");

The Wholesale Agreement sets forth the terms and conditions of Telkom's provision of infrastructure, devices, professional services, and network capacity to Telkomsel for an initial period of five years commencing on the Effective Date (as defined therein) of the Wholesale Agreement, in respect of Telkomsel's indiHome customers. Such services shall include connectivity and transport to deliver fixed broadband and IPTV, voice service, and service level agreement, as described in Article 3 of this Agreement.

The IT System TSA sets forth the terms and conditions of Telkom's provision of transitional IT system services to Telkomsel for its IndiHome service (fixed broadband, IPTV, and voice) for an initial period of two years commencing on the Effective Date (as defined therein) of the IT System TSA. Such services shall include the IT service (provision of service and platform maintenance, technical operations, support and management, application enhancement/expansion, audit and compliance, system and data migration, and coordination and reporting) and billing and collecting system operation (billing and collection operation support, revenue assurance, and fraud management), as described in Article 3 of this Agreement.

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The Fixed Broadband Core TSA sets forth the terms and conditions of Telkom's provision of transitional fixed broadband core services to Telkomsel for its indiHome service (fixed broadband, IPTV, and voice) for an initial period of two years commencing on the Effective Date (as defined therein) of the Fixed Broadband Core TSA. Such services shall include the provision of operational equipment and services & deliverables (technical support, supporting tools, and reporting and performance evaluation), as described in Article 3 of this Agreement.

The Deed of Transfer sets forth the terms and conditions of the transfer of the IndiHome business segment from Telkom to Telkomsel, which involved the transfer of assets and liabilities associated with IndiHome from Telkom to Telkomsel, against which Telkomsel will issue new shares to Telkom. Telkom has disclosed the IndiHome Integration to the public, its employees, and creditors, in line with applicable laws, regulations, and the articles of association of the respective parties involved.

D. EXCHANGE CONTROLS

Currently, Indonesia has limited foreign exchange controls. The Indonesian Rupiah has been, and in general is, freely convertible. However, in order to maintain the stability of the Indonesian Rupiah and prevent utilization of the Indonesian Rupiah for speculative purposes by non-residents, BI has introduced regulations to restrict the movement of Indonesian Rupiah from (i) banks within Indonesia to offshore banks or to an offshore branch or office of an Indonesian bank, and (ii) investments denominated in Indonesian Rupiah with foreign parties and/or Indonesian parties domiciled or permanently residing outside Indonesia (without underlying trade or investment reasons), both of which thereby limit offshore trading to existing sources or liquidity. Furthermore, under BI Regulation No. 21/15/PBI/2019 on the Supervision of Foreign Exchange Activities Between Banks and Customers, ("**PBI 21/15/PBI/2019**"), any outgoing transfer from Indonesia to offshore in foreign currency (non-Rupiah) exceeding US\$100,000 or its equivalent by any party through an Indonesian bank (save for transfers of a party's own bank deposit to its own offshore bank account) must be supported by valid underlying and supporting documentation as prescribed in PBI 21/15/PBI/2019. Such documentation includes copies of import duty (*pemberitahuan pabean impor*), letters of credit and invoices. The maximum amount of outgoing transfer must not exceed the amount stated in the supporting documentation plus 2.5%. In addition, BI has the authority to request information and data concerning foreign currency activities of all people and legal entities that are either domiciled in Indonesia or who plan to reside in Indonesia for at least one year.

BI Regulation No. 21/2/PBI/2019 on Reporting of Foreign Exchange Activities enacted on January 9, 2019, requires bank institutions, non-bank financial institutions, non-financial institutions, state/regional-owned companies, private companies, business entities and individuals to submit a report to BI on their foreign exchange activities. The report must include, among other things, information relating to (i) trade activities in goods, services and other transactions between Indonesian residents and non-residents of Indonesia, (ii) details of any offshore loans and/or risk participation transactions entered into and the supporting documents of the offshore loans such as loan agreements, (iii) details of plans in relation to the withdrawal and/or repayment of offshore loans and/or risk participation transactions, (iv) details of realization in relation to the withdrawal and/or repayment of offshore loans and/or risk participation transactions, (v) the entity's position with respect to, or changes in, its offshore financial assets, offshore financial liabilities and/or risk participation transactions, and (vi) plans in relation to the incurrence of new offshore loans and/or amendments to existing offshore loans and/or risk-participating transactions.

The foreign exchange traffic report must be submitted to BI no later than the fifteenth day of the subsequent month. In the event that a correction must be made, the correction must be submitted no later than the twentieth day of the reporting month. Failure to submit the foreign exchange report is punishable in the form of a written warning to the borrower. BI may also issue a notice to the authorities, offshore lenders and/or the parent company of the borrower with respect to non-compliance.

Pursuant to Presidential Decree No. 59 of 1972 on the Acceptance of Foreign Credit, as partially revoked by Presidential Regulation No. 86 of 2006 on Granting of Government Guarantees for the Acceleration of the Development

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of Coal-Powered Power Plants, we are required to obtain approval from the MoF prior to entering into foreign commercial loans. We are also required to submit periodic reports to the MoF during the term of such foreign commercial loans. Following the disbanding of the PKLN Team in 2020 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.

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 (Indonesian Directorate General of Taxes Form);

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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 implementation of the transaction;
 2. have a legal form that reflects the economic substance in the establishment of the entity or the implementation 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 (*i.e.*, has independent discretion);
 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.

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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.

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.

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Stamp Duty

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.

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 and gift 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;

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- (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.

As described in more detail below, based on our Consolidated Financial Statements and relevant market data, we believe that we did not meet the definition of a passive foreign investment company (a "PFIC") for U.S. federal income tax purposes with respect to our 2023 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 2023 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."

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 depository in the case of ADSs. Distributions that exceed our current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder's basis in the common stock or ADSs and thereafter as capital gain. However, 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 ordinary dividend income. 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 NYSE.

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Based on our Consolidated Financial Statements and relevant market data, we believe that we did not meet the definition of a PFIC for U.S. federal income tax purposes with respect to our 2022 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 2022 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. Dollars. 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.

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. Subject to certain complex limitations, it is possible that any Indonesian tax withheld from distributions to a U.S. Holder in accordance with the Treaty generally may be deductible or creditable, at such U.S. Holder's option, in computing such U.S. Holder's federal income tax liability. However, U.S. Treasury regulations released in January 2022 tightened the standards for determining whether a foreign tax is creditable, and we have not determined whether this Indonesian withholding tax would be creditable under these regulations. Accordingly, U.S. Holders should consult their tax advisors regarding the creditability of this Indonesian tax. 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.

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 credits 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. Any amount of tax withheld that could have been reduced under the Treaty will not be eligible for credit against the U.S. Holder's U.S. federal income tax liability, even if the tax would otherwise be creditable. 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. Dollars, 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.

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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.

The creditability of any Indonesian taxes imposed on a disposition is subject to the same uncertainty described above in connection with the Indonesian withholding tax on dividends (see discussion under "Distributions on the Common Stock or ADSs"). Moreover, 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 a disposition 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 creditability of such tax, and the availability of a foreign tax credit or deduction in respect of such tax.

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.

"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. 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 2022 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, it may be possible that we are classified as a PFIC for our 2022 taxable year or for another 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.

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If we were a PFIC in any taxable year that a U.S. Holder held the ADSs or common stock, and any entity in which we own or are treated as owning equity interests is also a PFIC (any such entity, a "Lower-tier PFIC"), the U.S. Holder will be deemed to own the U.S. Holder's proportionate share of the Lower-tier PFIC and will be subject to U.S. federal income tax according to the rules described in the following paragraph on (i) certain distributions by the Lower-tier PFIC, and (ii) a disposition of equity interests of the Lower-tier PFIC, in each case as if the U.S. Holder owned its proportionate share of the Lower-tier PFIC directly, even though the U.S. Holder will not receive the proceeds of those distributions or dispositions.

Generally, if we are a PFIC for any taxable year during which a U.S. Holder owns ADSs or common stock, gain recognized by a U.S. Holder upon a sale or other disposition (including, under certain circumstances, a pledge) of the ADSs or common stock will be allocated ratably over the U.S. Holder's holding period for such ADSs or common stock. The amounts allocated to the taxable year of the sale or other disposition and to the years before we became a PFIC will be taxed as ordinary income. The amount allocated to each other taxable year will be subject to tax at the highest rate in effect for that taxable year for individuals or corporations, as applicable, and an interest charge will be imposed on the resulting tax liability for each relevant taxable year. Further, 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. U.S. Holders should consult their tax advisors regarding the availability and advisability of making a mark-to-market election in their particular circumstances. There is no law, regulation or administrative guidance that provides for a right to make mark-to-market election for equity interests in any Lower-tier PFIC the shares of which are not regularly traded on a qualified exchange. As a result, even if a U.S. Holder makes a mark-to-market election with respect to such U.S. Holder's ADSs or common stock, such U.S. Holder could nevertheless be subject to the PFIC rules described in the preceding paragraph with respect to such U.S. Holder's indirect interest in any Lower-tier PFIC.

If we are a PFIC (or treated as a PFIC with respect to a U.S. Holder) for a taxable year in which we pay a dividend or for the prior taxable year, the favorable tax rate described above with respect to dividends paid to certain non-corporate U.S. Holders will not apply.

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.

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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.

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.

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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.

J. ANNUAL REPORT TO SECURITY HOLDERS

If we are required to provide an annual report to security holders in response to the requirements of Form 6-K, we will submit the annual report to security holders in electronic format in accordance with the EDGAR Filer Manual.

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. Generally, we do not hedge our long-term liabilities in foreign currencies but hedge our obligation for the current year. As of December 31, 2023, assets in foreign currencies represented 337.8% 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 2021, 2022 and 2023 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 2024 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. Dollars. 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. Dollars, since our exposure to exchange variations against other foreign currencies is not material.

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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, 2023 can be found in Note 34b of our Consolidated Financial Statements. As of December 31, 2023, we estimate that 1% appreciation of the U.S. Dollars against the Rupiah and 5% appreciation of the Japanese Yen against the Rupiah would cause Rp91 billion profit (compared to Rp92 billion profit as of December 31, 2022) and Rp4 billion loss (compared to Rp9 billion loss as of December 31, 2022), respectively. Further, as of December 31, 2023, 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 Rp91 billion loss and Rp4 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, 2023:

Foreign Exchange Risk	Outstanding Balance as of December 31, 2023		Expected Maturity Date					Fair Value	
	Foreign Currency (million)	Rp Equivalent (Rp billion)	2024	2025	2026	2027	2028		Thereafter
ASSETS									
Cash and Cash Equivalents									
U.S. Dollar	263	4,055	4,055	—	—	—	—	—	4,055
Japanese Yen	6	1	1	—	—	—	—	—	1
Others ⁽¹⁾	16	215	215	—	—	—	—	—	215
Other Current Financial Assets									
U.S. Dollar	27	419	419	—	—	—	—	—	419
Others ⁽¹⁾	0	—	—	—	—	—	—	—	—
Trade Receivables									
Related Parties									
U.S. Dollar	0	2	2	—	—	—	—	—	2
Others ⁽¹⁾	0	0	0	—	—	—	—	—	0
Third Parties									
U.S. Dollar	153	2,356	2,356	—	—	—	—	—	2,356
Others ⁽¹⁾	12	169	169	—	—	—	—	—	169
Contract Assets									
U.S. Dollar	7	107	107	—	—	—	—	—	107
Others ⁽¹⁾	—	—	—	—	—	—	—	—	—
Other Receivables									
U.S. Dollar	1	8	8	—	—	—	—	—	8
Others ⁽¹⁾	1	17	17	—	—	—	—	—	17
Other Current Assets									
U.S. Dollar	1	22	22	—	—	—	—	—	22
Others ⁽¹⁾	3	12	12	—	—	—	—	—	12
Long-term Investment in Financial Instruments									
U.S. Dollar	377	5,802	5,802	—	—	—	—	—	5,802
Japanese Yen	—	—	—	—	—	—	—	—	—
Others ⁽¹⁾	6	100	100	—	—	—	—	—	100
Other Non-current Assets									
U.S. Dollar	0	5	5	—	—	—	—	—	5
Others ⁽¹⁾	0	9	9	—	—	—	—	—	9
LIABILITIES									
Trade Payables									
Related Parties									
U.S. Dollar	0	2	2	—	—	—	—	—	2
Others ⁽¹⁾	—	—	—	—	—	—	—	—	—
Third Parties									
U.S. Dollar	164	2,532	2,532	—	—	—	—	—	2,532
Japanese Yen	27	3	3	—	—	—	—	—	3
Others ⁽¹⁾	10	142	142	—	—	—	—	—	142
Other Payables									
U.S. Dollar	2	36	36	—	—	—	—	—	36
Others ⁽¹⁾	8	19	19	—	—	—	—	—	19
Accrued Expenses									
U.S. Dollar	32	497	497	—	—	—	—	—	497
Japanese Yen	3	0	0	—	—	—	—	—	0
Others ⁽¹⁾	5	52	52	—	—	—	—	—	52
Advances from Customers									
U.S. Dollar	3	45	45	—	—	—	—	—	45
Others ⁽¹⁾	0	2	2	—	—	—	—	—	2
Short-term Bank Loans									
U.S. Dollar	—	—	—	—	—	—	—	—	—
Current Maturities of Long-term Liabilities									

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Foreign Exchange Risk	Outstanding Balance as of December 31, 2023		Expected Maturity Date					Fair Value	
	Foreign Currency (million)	Rp Equivalent (Rp billion)	2024	2025	2026	2027	2028		Thereafter
U.S. Dollar	11	174	174	—	—	—	—	—	174
Japanese Yen	768	84	84	—	—	—	—	—	84
Others ⁽¹⁾	0	5	5	—	—	—	—	—	5
Other Liabilities									
U.S. Dollar	0	1	1	—	—	—	—	—	1
Others ⁽¹⁾	—	—	—	—	—	—	—	—	—
Long-term Liabilities⁽²⁾									
U.S. Dollar	32	491	—	52	109	183	147	—	491
Japanese Yen	—	—	—	—	—	—	—	—	—
Others ⁽¹⁾	2	25	—	—	—	—	—	—	25

Notes:

- (1) Assets and liabilities denominated in other foreign currencies are presented as U.S. Dollar equivalents 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 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, 2023, approximately 43.7% (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.

In this 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 fiscal year ended December 31, 2023, 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, 2023, 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 Rp74 billion (compared with a Rp88.2 billion increase as of December 31, 2022); 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 Rp74 billion (compared with a Rp88.2 billion decrease as of December 31, 2022). 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, 2023, there were no significant concentrations of credit risk. Since early 2020, due to the COVID-19 pandemic, 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 agreements in place to postpone payments of fees due by 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.

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accrued and unpaid. As of December 31, 2023, 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, 2023, please refer to Note 34b.iv to our Consolidated Financial Statements.

Financial 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 periodically monitor 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, 2023, 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 34b.v to our Consolidated Financial Statements.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. DEBT SECURITIES

Not applicable.

B. WARRANTS AND RIGHTS

Not applicable.

C. OTHER SECURITIES

Not applicable.

D. 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.

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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 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.

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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 received 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 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 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.

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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 or 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.

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Depository Payments

In addition to the Deposit Agreement we entered into with the Depository on November 21, 1995, we entered into a new agreement with the Depository in 2016, as amended on November 25, 2022, pursuant to which the Depository 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 Depository's collection of dividend fees and the number of ADSs outstanding falls below a stipulated minimum.

The Depository did not waive, or pay directly to third parties on our behalf, any expenses relating to the year ended December 31, 2023.

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 Depository 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 Depository to registered ADS shareholders.
US\$0.02 (or less) per ADS per calendar year.	Depository services.
Registration or transfer fees.	Transfer or registration of shares on the share register to or from the name of the Depository or its agent when shareholders deposit or withdraw ordinary shares.
Depository 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 Depository 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 Depository or its agent for servicing the securities deposited.	As necessary.

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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 presenter 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 or delinquencies to which this Item applies.

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ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Not applicable.

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, 2023, as required by Rule 13a-15(b) under the Exchange Act.

Our management has concluded that, as of December 31, 2023, 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. It should be noted that a control system, no matter how well conceived or operated, can only provide reasonable, not absolute, assurance of achieving the desired objectives of the control system.

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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of our Company, (ii) 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 (iii) 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. Furthermore, 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, 2023. 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, 2023, 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, 2023, has been audited by KAP Purwanto, Sungkoro & Surja, an independent registered public accounting firm, as stated in their report which is included in the Consolidated Financial Statements.

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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.

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 16. [RESERVED]

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

As of December 31, 2023, the Board of Commissioners determined that Mr. Emmanuel Bambang Suyitno and Mr. Edy Sihotang, members of the Audit Committee, each qualify 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 a Chartered Accountant and Indonesia Registered Accountant by the Ministry of Finance of the Republic of Indonesia. He also holds a Certification in Audit Committee Practices (CACP).

Mr. Sihotang has been a member of our Audit Committee since August 2, 2021. Previously Mr. Sihotang served as a VP Investigation & WBS of PT Pertamina (State-Owned Enterprise) (2019-2020), and also various positions in PT Pertamina and its subsidiaries (2009-2012), Head of Internal Audit of Rehabilitation and Reconstruction Agency (BRR) NAD-Nias (2006-2009), Public Accountant of Hadori, Soejatna & Partner Accounting Firm (1997-1998), Government auditor of BPKP (Financial and Development Audit Agency) (1985-1997). Mr. Sihotang is a Chartered Accountant and Indonesia Registered Accountant by the Ministry of Finance of the Republic of Indonesia. He also holds a Certification in Audit Committee Practices (CACP), and he is a Certified Internal Auditor (CIA), Certified Forensic Auditor (CFrA), Certified Fraud Examiner (CFE), Certified Risk Management Assurance (CRMA), and Certified Control Self-Assessment (CCSA).

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 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 30, 2023, we appointed KAP Purwantono, Sungkoro & Surja, a registered KAP with the

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OJK, to perform the audit on our Consolidated Financial Statements for the year ended December 31, 2023, and on the effectiveness of internal control over financial reporting as of December 31, 2023. The fee for the audit and other service, for the fiscal year ended December 31, 2023 was agreed at Rp72.9 billion.

KAP Purwanto, Sungkoro & Surja has been our public accountant since 2012.

KAP Purwanto, Sungkoro & Surja is also assigned to perform an audit of funds utilization of the Partnership and Community Development Program ("PKBL") for the fiscal year ended December 31, 2023.

Fees and Services of the External Auditor

The following table summarizes the fees for audit and other services in 2021, 2022 and 2023:

	For Years Ended on December 31,		
	2021	2022	2023
	(Rp million)	(Rp million)	(Rp million)
Audit Fee	59,050	59,700	68,969
All Other Fees	11,540	5,440	3,964

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.

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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 five members: three Independent Commissioners and two external independent members who are not affiliated with our Company.

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 members are, by principle, 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 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.

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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 (as amended by Law No. 4 of 2023 on Development and Strengthening of the Financial Sector); the Indonesian Law on SOEs; MSOE Regulation No. PER-02/MBU/03/2023 on Corporate Governance Guidelines and Significant Corporate Activities of 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* or "KNKG") was established pursuant to the Decree of the Coordinating Minister of Economic Affairs No. KEP.49/M.EKONOM/1/2004 ("KEP No. 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 policies in Indonesia and advises the Government on governance issues, both in public and corporate sectors. KEP No. 49 was last amended and revoked by the Decree of the Coordinating Minister for Economic Affairs No. 117 of 2016. Pursuant to Decree No. 44 of 2021 of the KNKG, the KNKG will have, among other things, a new organizational structure, and new duties (such as monitoring and evaluating the implementation of good governance policies relating to the new licensing policy introduced by the Job Creation Law 2023).

The KNKG formulated the General Code for Indonesian Corporate Governance 2019 (the *Pedoman Umum Governansi Korporat Indonesia* or "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.

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.

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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."

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.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

ITEM 16J. INSIDER TRADING

Pursuant to applicable SEC transition guidance, the disclosure required by Item 16J will be applicable to the Company from the fiscal year ending December 31, 2024.

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ITEM 16K. CYBERSECURITY

We endeavour to create a cybersecurity framework through continuous monitoring, regular assessments, a skilled workforce, and a dedicated governance structure for data protection and cybersecurity operations.

Regular Monitoring and Audits

Our Cybersecurity Operation Center operates 24/7 to address cybersecurity threats and protect sensitive data. It is responsible for monitoring security threats and incidents, detecting, analyzing and responding to security incident threats, conducting further investigations and forensics on security threats, carrying out security testing and vulnerability management, and managing security threat intelligence. Our Cybersecurity Operation Center is overseen by our Operational Vice President (“OVP”) of Cybersecurity, who reports directly to our Director of Network & IT Solutions.

Our OVP of Cybersecurity is responsible for managing the end-to-end cyber security management function of our Group, including the development and implementation of cybersecurity strategies, operations, and partnerships, and improving cybersecurity engineering and/or development capabilities. Our OVP of Cybersecurity reports to and interacts with various departments such as Corporate Strategic Planning, Security team subsidiaries, Indonesia Security Incident Response Team, Governance & Risk Management, Internal Audit, and other units under the Directorate of Network & IT Solutions.

As part of our IT risk management practices, our Telkom Integrated Management Representative Task Force, together with the management of each unit throughout our Group, ensures that risk assessment is carried out, establishes and executes our Risk Treatment Plan, implements controls, monitors and reviews the effectiveness of our information security system operations, and documents the results. We conduct risk assessments at least once a year, according to rules set out in our Risk Assessment Policy Standards. We also conduct internal and external audits periodically or at least once a year. Discrepancies between implementation and policy identified in the operational process and audit results are followed up with evaluations and necessary corrective steps, which are fully documented.

At the Board of Directors level, the responsibility for cybersecurity falls to the Director of Network and IT Solutions. For oversight purposes, our risk management team provides a quarterly report on our risk profile to the Planning and Risk Evaluation and Monitoring Committee, which is part of our Board of Commissioners.

Incident Management

We have established a Computer Security Incident Response Team (“CSIRT”) to manage and respond to cybersecurity incidents.

- *Composition:* The CSIRT consists of designated personnel with specific roles and responsibilities related to cybersecurity incident management, such as the Coordinator and the Secretary, and multiple specific fields within it, such as Legal, Communications & Public Relations, IT & Infrastructure, among others. These designees each have designated tasks such as coordinating incident response activities, monitoring cybersecurity incident activities, supporting data management and reporting, undergoing post-incident evaluations, and ensuring all actions adhere to specific procedural and security response guidelines;
- *Procedure and coordination:* The CSIRT coordinates with various departments and stakeholders within our Group to ensure a comprehensive and timely response to cybersecurity incidents, such as by allowing coordinators and other key personnel to appoint appropriate deputies for daily operations or during incident handling. This enables inter-unit and even inter-subsidiary coordination for rapid incident response; and
- *Reporting:* The CSIRT is responsible for reporting cybersecurity incidents to the relevant authorities, our management, and affected parties, as per our incident response plan, to ensure compliance with applicable regulatory requirements.

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Policies and Procedures

We implement several policies and procedures designed to protect confidential information and personal data, as part of a comprehensive approach to maintaining confidentiality and preventing unauthorized access or disclosure. These policies and procedures include:

- *Encryption technology:* Such policies specify the design and implementation of adequate encryption technology to secure the transmission of information according to our needs, thus ensuring that sensitive data remains confidential during communication processes. With respect to encryption, we have implemented policies regarding the management of cryptography and security of physical environments that span both digital and physical domains of information security.
- *Access control management:* We have established Access Control Management standards governing physical access management, remote access management, user access management, and controls over system and application access. These standards include obligations not to share user access information (including passwords) with others and to report unauthorized use of access credentials. We adopt a structured approach to restrict and monitor who has access to specific pieces of information, thereby limiting the risk of unauthorized disclosure. Furthermore, we conduct regular review and revision of our Access Control Management standards. These reviews ensure that our access control mechanisms remain effective and in line with evolving security landscapes.
- *Confidentiality agreements:* Generally, we require written permission from the relevant business unit before copying or distributing sensitive data. Additionally, our confidentiality measures extend to controlling how information is shared, both internally and externally, and ensuring that sensitive data is only used for legitimate business purposes.
- *Monitoring and reporting:* Our information security policies include provisions for regular reviews of information security incidents and the effectiveness of information transmission security measures. We also require immediate reporting in cases where sensitive data is damaged, lost, or stolen, so that we can quickly identify and mitigate any breaches in confidentiality.
- *Segregation of duties:* Our emphasis on ensuring segregation of duties to prevent misuse of information is also a critical measure for safeguarding the confidentiality and integrity of sensitive data. By requiring multiple checks or approvals for critical actions, we aim to reduce the risk of unauthorized disclosures or breaches.

Furthermore, we implement and regularly update our cybersecurity policies and regulations to align with evolving needs and industry standards. These updates incorporate changes and improvements in information security management to ensure that our practices remain effective and relevant. In order to keep our information security standards current and effective, we endeavour to adhere to international standards such as ISO/IEC 27001:2013 and ISO/IEC 27002:2013, which are globally recognized frameworks for information security. We attained these certifications on April 12, 2022. In developing and updating our policies and regulations, we also consider the European Commission Information System Security Policy C (2006) 3602, Standard on Access Control and Authentication, which provides guidance on maintaining a framework for information access and identity management, both of which are critical components of effective information security management systems. In addition, with respect to coding, we consider the OWASP Secure Coding Practices Checklist, which provides guidance on best practices in coding to enhance software security. This checklist specifically helps developers avoid common coding pitfalls that could lead to security vulnerabilities.

Overall, our policies and procedures collectively form a framework aimed at preserving the confidentiality of sensitive information and preventing unauthorized disclosure through technical, administrative, and procedural safeguards.

Employee and Third Parties

We endeavor to establish clear guidelines for employee behavior and raise cybersecurity awareness among our workforce in the following ways. In addition to our own employees, we also extend our information security regulations to external parties and work partner employees. This means that individuals or organizations who collaborate with or provide services to us are required to adhere to our information security policies and standards.

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To effectively address potential cybersecurity threats stemming from our engagement with third-party service providers, we carefully identify and assess cybersecurity risks inherent to such engagement on a case-by-case basis. Following such identification of risks and assessment, we may include specific agreements, covenants and representations in our contracts with such third-party service providers to require compliance with cybersecurity standards we deem appropriate. For third-party service providers who assist with the making of applications or software we use or make available to our customers, we also conduct vulnerability and penetration tests to ensure compliance with our cybersecurity standards.

Employee Behavioral Guidelines

We have established clear and detailed guidelines designed to safeguard confidential information and minimize the risk of information leakage or misuse by our employees. These guidelines encompass various aspects of data handling, confidentiality, and the acceptable use of company resources. Specifically, our guidelines cover the following:

- *Employee obligations and prohibitions:* Employees are required to know, understand, and comply with our information security policies, sign an Integrity Pact annually, and responsibly manage and protect information from misuse by unauthorized parties. Our guidelines explicitly prohibit several actions to protect confidential information, including sharing passwords, accessing information unlawfully, misusing company information, storing important company documents without proper security measures, and leaving devices unsecured. Our employees are also responsible for ensuring their actions align with applicable standards.
- *Social media and external communication:* Our guidelines prescribe restrictions on posting or forwarding information classified as Highly Confidential or Confidential on social media, except for specific company programs. Our guidelines also prohibit the posting or forwarding of hoax news, provocative materials, or content related to sensitive social issues, and the unauthorized sharing of company information with unauthorized parties.
- *Use of cloud storage and external software:* Storing classified information in cloud storage or websites not managed by us is forbidden, as is the installation of software on information technology work equipment outside of established procedures or that infringes on intellectual property laws.
- *Handling and transmission of sensitive data:* Our guidelines mandate that transactions of data and information classified as Confidential or Highly Confidential must be conducted through systems managed by us to prevent unauthorized access and ensure data integrity.

These guidelines aim to ensure that our employees act responsibly with regard to the handling and distribution of confidential and sensitive information. The measures are designed to cultivate a security-conscious environment, thereby reducing the likelihood of inadvertent leaks or malicious misuse of company data and resources.

Increasing Cybersecurity Awareness

We conduct programs aimed at improving the cybersecurity awareness of our employees. This includes continuous socialization of our Information Security Governance policies and competency enhancement related to cybersecurity awareness. We also test the level of cybersecurity awareness of our employees periodically or as needed.

We also have a procedure in place for enforcing discipline regarding any violations of our information security regulations, which includes coordination among relevant units, such as the Human Capital Management Unit and Cyber Security Management Unit.

As of the date hereof, we have 28 employees with various globally recognized information security certifications, such as the following:

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- IT Infrastructure Library ("**ITIL**"): ITIL is a set of detailed practices for IT service management that focuses on aligning IT services with the needs of business. It provides a practical framework for identifying, planning, delivering, and supporting IT services to the business;
- Certified Information Security Manager ("**CISM**"): Offered by the Information Systems Audit and Control Association ("**ISACA**"), CISM provides executives with the knowledge to manage and oversee an enterprise's information security program;
- Certified Information Systems Auditor ("**CISA**"): Another certification from ISACA, CISA validates an IT security professional's auditing, control, and assurance of information systems;
- Control Objectives for Information and Related Technologies 2019 ("**COBIT**"): COBIT is a comprehensive framework that helps organizations achieve their goals for the governance and management of enterprise IT. It helps firms create optimal value from IT by maintaining a balance between realizing benefits and optimizing risk levels and resource use;
- Certified Information Systems Security Professional ("**CISSP**"): Offered by the International Information System Security Certification Consortium, CISSP validates an IT security professional's technical skills and experience in designing, engineering, and managing the overall security posture of an organization;
- Certified Ethical Hacker ("**CEH**"): Provided by EC-Council, CEH certifies individuals in the specific network security discipline of Ethical Hacking from a vendor-neutral perspective;
- CompTIA Cybersecurity Analyst (CySA+): This certification from CompTIA allows IT security analysts to apply behavioral analytics to networks and devices to prevent, detect, and combat cybersecurity threats through continuous security monitoring;
- Cisco Certified Network Associate ("**CCNA**"): Cisco's CCNA certification is an associate-level certification that covers a broad range of fundamentals for IT careers, based on the latest networking technologies, software development skills, and job roles. It is designed for network administrators and engineers; and
- Offensive Security Certified Professional ("**OSCP**"): OSCP is a technical certification focused on practical penetration testing skills and methodologies. Provided by Offensive Security, it prepares professionals to conduct ethical hacking in a variety of scenarios and environments.

Our cybersecurity training programs aim to achieve the following:

- *Raising awareness*: The trainings inform employees about potential cyber threats, suspicious activities (such as phishing attempts via suspicious links), and risky behaviors (such as sharing passwords). This heightened awareness helps employees identify and avoid actions that could lead to cyber-attacks;
- *Developing skills*: The certification opportunities included in the trainings equip the workforce with the necessary technical skills to effectively respond to and manage cybersecurity incidents when they occur;
- *Strengthening the human firewall*: Employees are often the first line of defense against cyber intrusions. By training our employees in cybersecurity best practices, we strengthen our overall security posture and reduces the likelihood of successful attacks resulting from human error or lack of awareness; and
- *Enabling proactive risk management*: We hope that the training will enable our employees to proactively identify potential vulnerabilities and threats, allowing us to address risks before they lead to full-blown security incidents. Essentially, the trainings help shift from reactive incident response to proactive risk management.

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Overall, we take a comprehensive approach to cybersecurity, implementing various measures, policies, and regulations to protect sensitive information and maintain the integrity of our systems and data.

As at the date hereof, no risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, have materially affected us, including our business strategy, results of operations, or financial condition. However, we believe that we, as with other telecommunications companies worldwide, face increasing cybersecurity threats that may, if such risks materialize, materially affect our business strategy, results of operations, or financial condition. For a description of such threats, please see *"Item 3D—Risk Factors—Risks Related to Our Business—Our networks and equipment face potential physical and cybersecurity threats such as theft, vandalism and acts intended to disrupt our operations, which could materially and adversely affect our operating results"*

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-119.

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ITEM 19. EXHIBITS

The following exhibits are filed as part of this Form 20-F:

- 1.1 [Articles of Association \(as amended on June 22, 2022\)](#)
- 2.1 [Description of securities.](#)
- 4.1* [Deed of Spin-off of IndiHome Business Segment by Telkom into Telkomsel dated February 9, 2023.](#)
- 4.2* [Fixed Broadband Core Transition Services Agreement between Telkom and Telkomsel dated April 6, 2023.](#)
- 4.3* [IT System Transition Services Agreement between Telkom and Telkomsel dated April 6, 2023.](#)
- 4.4* [Wholesale Agreement between Telkom and Telkomsel dated April 6, 2023.](#)
- 8.1 [List of Significant Subsidiaries](#)
- 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.](#)
- 97.1 [Guidelines for the deferred bonus mechanism of Telkom dated June 22, 2022.](#)
- 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

* Certain portions of this exhibit have been redacted pursuant to Instruction 4(a) of the Instructions as to Exhibits of Form 20-F.

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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 requirements for filing its annual report on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on Form 20-F on its behalf.

**PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA TBK**

Jakarta, April 1, 2024

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, 2022 and 2023
and for each of the three years in the period ended December 31, 2023
with reports of independent registered public accounting firm

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**Statement of the Board of Directors
regarding the Board of Director's Responsibility for
Consolidated Financial Statements as of December 31, 2023
Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia Tbk and its Subsidiaries**

On behalf of the Board of Directors, we the undersigned:

1. Name : Ririek Adriansyah
Business Address : Jl. Japati No.1 Bandung 40133
Address : Jl. Karang Tengah Raya Pertanian I/99 RT 05 RW 04
Kelurahan Lebak Bulus, Kecamatan Cilandak, Jakarta Selatan
Phone : (022) 452 7101
Position : President Director
2. Name : Heri Supriadi
Business Address : Jl. Japati No.1 Bandung 40133
Address : Jl. Rancamayar No. 18 RT 001 RW 008
Kelurahan Gumuruh Kecamatan Batununggal, Bandung
Phone : (022) 452 7201/ 021 520 9824
Position : Director of Finance and Risk Management

We hereby state as follows:

1. We are responsible for the preparation and presentation of the consolidated financial statement of Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia Tbk (the "Company") and its subsidiaries as of December 31, 2023 and for the year ended;
2. The Company and its subsidiaries' consolidated financial statement as of December 31, 2023 and for the year ended have been prepared and presented in accordance with International Financial Reporting Standards;
3. All information has been fully and correctly disclosed in the Company and its subsidiaries' consolidated financial statement;
4. The Company and its subsidiaries' consolidated financial statement do not contain false material information or facts, nor do they omit any material information or facts;
5. We are responsible for the Company and its subsidiaries' internal control system.

This statement is considered to be true and correct.

Jakarta, April 1, 2024

for and behalf of
PT Telkom Indonesia (Persero) Tbk

/s/ Ririek Adriansyah
Ririek Adriansyah
President Director

/s/ Heri Supriadi
Heri Supriadi
Director of Finance and Risk Management

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Purwantono, Sungkoro & Surja

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Fax: +62 21 5289 4100
ey.com/id

Report of Independent Registered Public Accounting Firm

Report No. 00004/2.1032/NS.0/06/0687-2/1/IV/2024

**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") as of December 31, 2023 and 2022, 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, 2023, 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 financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, 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 Company's internal control over financial reporting as of December 31, 2023, 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 1, 2024 expressed an unqualified opinion thereon..

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's 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 Company 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. 00004/2.1032/NS.0/06/0687-2/1/IV/2024 (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 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 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 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..

<i>Description of the matter</i>	<p><i>Evaluation of property and equipment estimated useful lives</i></p> <p>As of December 31, 2023, the balance of consolidated telecommunication infrastructures amounted to Rp158,516 billion which represents 55% of total consolidated assets. As discussed in Notes 2x and 12 to the accompanying consolidated financial statements, the Company reviews the estimated useful lives of its property and equipment, including telecommunication infrastructures, 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.</p> <p>Auditing the Company's estimated useful lives of telecommunication infrastructures 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.</p>
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Report of Independent Registered Public Accounting Firm (continued)

Report No. 00004/2.1032/NS.0/06/0687-2/1/IV/2024 (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 Company's process of estimating the useful lives of its telecommunication infrastructures. This included, among others, testing of management's review control on checking the completeness and accuracy of the assets classification data and assessing the appropriateness of the judgments regarding the most relevant data to be considered in determining its useful lives. We also tested management's control on benchmarking analysis, including the selection criteria, on the estimated useful lives of telecommunication infrastructures.

To test whether the estimated useful lives of telecommunication infrastructures used by management was reasonable, our audit procedures included, among others, obtaining an understanding of management's strategy related to assets replacements 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 the benchmarking analysis on the estimated useful lives of telecommunication infrastructures used by management was complete and consistent with the selection criteria through comparison with a sample portfolio of public companies within the telecommunication industry.

/s/ Purwantono, Sungkoro & Surja

We have served as the Company's independent auditor since 2012
Jakarta, Indonesia

April 1, 2024

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Purwanto, Sungkoro & Surja

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Report of Independent Registered Public Accounting Firm

Report No. 00005/2.1032/NS.0/06/0687-2/1/IV/2024

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. (the "Company") internal control over financial reporting as of December 31, 2023, 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, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, 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 Company as of December 31, 2023 and 2022, 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, 2023, and the related notes, and our report dated April 1, 2024 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 Company'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 Company 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. 00005/2.1032/NS.0/06/0687-1/1/IV/2024

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.

/s/ Purwantono, Sungkoro & Surja

Jakarta, Indonesia
April 1, 2024

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PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022 AND 2023
AND FOR EACH OF THE THREE YEARS IN THE PERIOD ENDED DECEMBER 31, 2023
WITH REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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**PERUSAHAAN PERSEROAN (PERSERO)
 PT TELEKOMUNIKASI INDONESIA Tbk. AND ITS SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
 As of December 31, 2022 and 2023**

(Amounts in the tables are expressed in billions of Rupiah and millions of US Dollar, unless otherwise stated)

	Notes	2022	2023	
		Rp	Rp	US\$ (Note 3)
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	4,31,34	31,947	29,007	1,884
Other current financial assets	5,31,34	1,349	1,661	108
Trade and other receivables	6,31,34	8,895	10,948	711
Contract assets	7,31	2,457	2,704	176
Inventories	8	1,144	997	65
Prepaid income taxes	28a	332	3	0
Prepaid other taxes	28b	1,512	1,925	125
Contract costs	10	671	653	42
Other current assets	9,31	6,766	7,730	502
Total Current Assets		55,073	55,628	3,613
NON-CURRENT ASSETS				
Contract assets	7,31	34	26	2
Long-term investments	11	8,653	8,162	530
Contract costs	10	1,741	1,568	102
Property and equipment	12,31,33	171,491	178,800	11,611
Right-of-use assets	13a	21,531	24,024	1,560
Intangible assets	15	8,302	8,731	567
Deferred tax assets	28h	4,369	4,220	274
Other non-current assets	14,28,31	3,623	5,433	353
Total Non-current Assets		219,744	230,964	14,999
TOTAL ASSETS		274,817	286,592	18,612
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade and other payables	16,31,34	18,920	19,049	1,237
Contract liabilities	18a,31	6,295	6,848	445
Current income tax liabilities	28c	2,807	2,333	151
Other tax liabilities	28d	2,565	2,192	142
Accrued expenses	17,31,34	15,445	13,079	849
Customer deposits	31	2,382	2,566	167
Short-term bank loans and current maturities of long-term loans and other borrowings	19,31,34	17,049	19,926	1,294
Current maturities of lease liabilities	13a,34	4,772	5,458	354
Total Current Liabilities		70,235	71,451	4,639
NON-CURRENT LIABILITIES				
Deferred tax liabilities	28h	1,023	841	55
Contract liabilities	18b,31	1,561	2,591	168
Long service award provisions	30	1,031	1,153	75
Pension benefits and other post-employment benefits obligations	29	10,272	11,414	741
Long-term loans and other borrowings	20,31,34	27,331	27,773	1,804
Lease liabilities	13a,34	13,701	14,844	964
Other liabilities		588	290	19
Total Non-current Liabilities		55,507	58,906	3,826
TOTAL LIABILITIES		125,742	130,357	8,465
EQUITY				
Capital stock	22	4,953	4,953	322
Additional paid-in capital		1,977	1,977	128
Retained earnings		121,730	128,146	8,322
Other reserves		564	500	33
Net equity attributable to owners of the parent company		129,224	135,576	8,805
Non-controlling interests	21	19,851	20,659	1,342
TOTAL EQUITY		149,075	156,235	10,147
TOTAL LIABILITIES AND EQUITY		274,817	286,592	18,612

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, 2023
(Amounts in the tables are expressed in billions of Rupiah and millions of US Dollar, unless otherwise stated)

	Notes	2021	2022	2023	
		Rp	Rp	Rp	US\$ (Note 3)
REVENUES	24,31	143,210	147,306	149,216	9,690
COST AND EXPENSES					
Operation, maintenance, and telecommunication service expenses	26,31	(38,133)	(38,184)	(39,718)	(2,579)
Depreciation and amortization expenses	12, 13, 15	(31,714)	(33,129)	(32,569)	(2,115)
Personnel expenses	25, 31	(15,524)	(14,907)	(15,927)	(1,034)
Interconnection expenses	31	(5,181)	(5,440)	(6,363)	(413)
General and administrative expenses	27,31	(5,016)	(5,854)	(6,099)	(396)
Marketing expenses		(3,633)	(3,929)	(3,530)	(229)
Unrealized gain (loss) on changes in fair value of investments	11	3,432	(6,438)	(748)	(49)
Gain (loss) on foreign exchange - net		50	256	(36)	(2)
Other income - net		162	35	259	15
OPERATING PROFIT		47,653	39,716	44,485	2,888
Finance income	31	558	878	1,061	69
Finance cost	31	(4,394)	(4,077)	(4,692)	(305)
Share of profit (loss) of long-term investment in associates	11	(78)	(87)	1	0
PROFIT BEFORE INCOME TAX		43,739	36,430	40,855	2,652
INCOME TAX (EXPENSE) BENEFIT	28e				
Current		(9,556)	(9,259)	(8,796)	(571)
Deferred		(84)	549	9	1
		(9,640)	(8,710)	(8,787)	(570)
PROFIT FOR THE YEAR		34,099	27,720	32,068	2,082
OTHER COMPREHENSIVE INCOME (LOSS)					
<i>Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:</i>					
Foreign currency translation		28	299	(66)	(4)
Changes in fair value of investments	11	(2)	3	2	0
Share of other comprehensive income of long-term investment in associates	11	(1)	1	(1)	0
<i>Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:</i>					
Defined benefit actuarial gain (loss) - net	29	1,955	1,464	(1,389)	(90)
Other comprehensive income (loss) - net		1,980	1,767	(1,454)	(94)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		36,079	29,487	30,614	1,988
Profit for the year attributable to:					
Owners of the parent company	23	24,877	20,736	24,427	1,586
Non-controlling interests	21	9,222	6,984	7,641	496
		34,099	27,720	32,068	2,082
Total comprehensive income for the year attributable to:					
Owners of the parent company		26,884	22,449	22,949	1,490
Non-controlling interests		9,195	7,038	7,665	498
		36,079	29,487	30,614	1,988
BASIC EARNINGS PER SHARE (in full amount)	23				
Profit per share		251.13	209.32	246.58	0.02
Profit per ADS (100 Series B shares per ADS)		25,112.50	20,932.30	24,658.24	1.60

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, 2023
 (Amounts in the tables are expressed in billions of Rupiah, unless otherwise stated)

Description	Notes	Attributable to owners of the parent company					Non-controlling interests	Total equity
		Capital stock	Additional paid-in capital	Retained earnings	Other reserves	Net		
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	21,23	—	—	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 dividend	22	—	—	(16,643)	—	(16,643)	(13,242)	(29,885)
Changes in non-controlling interests		—	—	(72)	—	(72)	73	1
Changes in non-controlling interests from initial public offering of subsidiary		—	—	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 CHANGES IN EQUITY (continued)
For Each of the Three Years in the Period Ended December 31, 2023
 (Amounts in the tables are expressed in billions of Rupiah, unless otherwise stated)

Description	Notes	Attributable to owners of the parent company					Non-controlling interests	Total equity
		Capital stock	Additional paid-in capital	Retained earnings	Other reserves	Net		
Balance, December 31, 2021		4,953	1,977	114,438	263	121,631	23,541	145,172
Net comprehensive income for the year								
Profit for the year	21,23	—	—	20,736	—	20,736	6,984	27,720
Other comprehensive income		—	—	1,412	301	1,713	54	1,767
Net comprehensive income for the year		—	—	22,148	301	22,449	7,038	29,487
Transaction with owners recorded directly in equity								
Cash dividend	22	—	—	(14,856)	—	(14,856)	(10,103)	(24,959)
Repurchase of non-controlling interest shares		—	—	—	—	—	(681)	(681)
Changes in non-controlling interests		—	—	—	—	—	11	11
Investment from non-controlling interests for newly established indirect subsidiary		—	—	—	—	—	45	45
Net transactions with owners		—	—	(14,856)	—	(14,856)	(10,728)	(25,584)
Balance, December 31, 2022		4,953	1,977	121,730	564	129,224	19,851	149,075

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, 2023
 (Amounts in the tables are expressed in billions of Rupiah, unless otherwise stated)**

Description	Notes	Attributable to owners of the parent company					Non-controlling interests	Total equity
		Capital stock	Additional paid-in capital	Retained earnings	Other reserves	Net		
Balance, December 31, 2022		4,953	1,977	121,730	564	129,224	19,851	149,075
Net comprehensive income for the year								
Profit for the year	21,23	—	—	24,427	—	24,427	7,641	32,068
Other comprehensive income (loss)		—	—	(1,414)	(64)	(1,478)	24	(1,454)
Net comprehensive income (loss) for the year		—	—	23,013	(64)	22,949	7,665	30,614
Transaction with owners recorded directly in equity								
Differences in non-controlling interest ownership acquisition transactions of subsidiary		—	—	6	—	6	—	6
Cash dividend	22	—	—	(16,603)	—	(16,603)	(9,803)	(26,406)
Repurchase of non-controlling interest shares		—	—	—	—	—	(31)	(31)
Changes in non-controlling interests		—	—	—	—	—	22	22
Additional capital contributions from non-controlling interests of subsidiaries	1e,21	—	—	—	—	—	2,955	2,955
Net transactions with owners		—	—	(16,597)	—	(16,597)	(6,857)	(23,454)
Balance, December 31, 2023		4,953	1,977	128,146	500	135,576	20,659	156,235

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, 2023
(Amounts in the tables are expressed in billions of Rupiah and millions of US Dollar,
unless otherwise stated)

	Notes	2021	2022	2023	
		Rp	Rp	Rp	US\$ (Note 3)
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customers and other operators		143,902	146,268	148,458	9,641
Cash receipts from interests		564	865	1,049	68
Cash receipts from tax refund		3,768	2,411	681	44
Cash payments for expenses		(44,811)	(45,559)	(53,410)	(3,468)
Cash payments to employees		(13,262)	(14,052)	(16,116)	(1,047)
Cash payments for corporate and final income taxes		(9,679)	(8,465)	(10,746)	(698)
Cash payments for finance costs		(4,426)	(4,064)	(4,748)	(308)
Cash payments for short-term and low-value lease assets	13a	(5,308)	(3,873)	(3,770)	(245)
Cash payments for value added taxes - net		(2,084)	(515)	(1,410)	(92)
Cash receipts from (payments for) others - net		(311)	338	593	39
Net cash provided by operating activities		68,353	73,354	60,581	3,934
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from insurance claims	12	133	299	199	13
Proceeds from sale of property and equipment	12	756	526	100	6
Dividend received from associated company		—	17	14	1
Purchase of property and equipment	12,36	(29,923)	(35,010)	(33,603)	(2,182)
Purchase of intangible assets	15,36	(2,845)	(3,259)	(2,817)	(183)
Addition of long-term investment in financial instrument		(6,400)	(1,401)	(340)	(22)
Proceeds from (placement in) other current financial assets - net		807	(854)	(315)	(20)
(Increase) decrease of other assets		(442)	560	(149)	(10)
Net cash used in investing activities		(37,914)	(39,122)	(36,911)	(2,397)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from loans and other borrowings	19,20	46,612	35,958	38,834	2,522
Proceeds from initial public offering of subsidiary		18,463	—	—	—
Proceeds from issuance of new shares of subsidiaries		—	45	2,961	192
Repayments of loans and other borrowings	19,20	(43,740)	(44,304)	(35,323)	(2,294)
Cash dividend paid to the Company's stockholders	22	(16,643)	(14,856)	(16,603)	(1,078)
Cash dividend paid to non-controlling interests of subsidiaries		(13,242)	(10,103)	(9,803)	(637)
Repayments of principal portion of lease liabilities	36	(4,225)	(7,024)	(6,600)	(429)
Placement in shares buyback of subsidiary	1e	—	(681)	(31)	(1)
Net cash used in financing activities		(12,775)	(40,965)	(26,565)	(1,725)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		17,664	(6,733)	(2,895)	(188)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		59	370	(44)	(3)
ALLOWANCE FOR EXPECTED CREDIT LOSSES		(1)	(1)	(1)	(0)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	4	20,589	38,311	31,947	2,075
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	4	38,311	31,947	29,007	1,884

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
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2022 and 2023
For Each of the Three Years in Period Ended December 31, 2023
(Amounts in the tables are expressed in billions of Rupiah, unless otherwise stated)**

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").

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 had been amended several times, with the latest amendments made is in relation with adjustments of the Company's business activities in the Articles of Association with the Standard Classification of Indonesian Business Fields in 2020.

Amendments to the Company's Articles of Association as stated in the Notary Deed of Ashoya Ratam, S.H., M.Kn. No. 37 dated June 22, 2022 has been received and approved by the Minister of Law and Human Rights of the Republic of Indonesia ("MoLHR") based on letter No. AHU-0044650.AH.01.02. Year of 2022 dated June 29, 2022 concerning the Acceptance of Notification 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 the Company's 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. To achieve these 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 the prevailing laws and regulations.
- (b) Planning, developing, providing, marketing or selling, and improving telecommunications and information services in a broad sense in accordance with the prevailing laws and regulations.
- (c) Investing, including in the form of equity contribution in other companies, in line with and to achieve the purposes and objectives of the Company.

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- ii. Supporting business:
 - (a) Providing payment transactions and money transfer services through telecommunications and information networks.
 - (b) Performing other activities and undertakings in connection with the optimization of the Company's resources, which includes the utilization of the Company's property and equipment and movable assets, information systems, education and training, and repair and maintenance facilities.
 - (c) Collaborating with other parties in order to optimize the information and communication or technology resources owned by other service provider in information, communication and technology industry to achieve the purposes and objectives of the Company.

The Company is domiciled and headquartered in Bandung, West Java, located at Jalan Japati No.1, Bandung.

The Company was granted several networks and/or services provision licenses by the Government which are valid for an unlimited period of time, given that the Company complies with the 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"), replacing the previously known as Indonesian Directorate General of Post and Telecommunications ("DGPT").

The reports comprise of several informations, such as network development progress, service quality standard achievement, number of customers, license payment, and universal service contribution. Meanwhile, for internet telephone services for public purpose, internet interconnection service, and internet access service, additional information is required, such as operational performance, customer segmentation, traffic, and gross revenue.

Details of these licenses are as follows:

License	License No.	Type of service	Grant date/latest renewal date
License to operate internet telephone services for public purpose	127/KEP/DJPP/ 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	Internet 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 of IPTV service provider	022/KEP/M.KOMINFO/02/2021	Multimedia IPTV service provider	February 25, 2021
License of electronic money issuer and money transfer	Bank Indonesia License 23/587/DKSP/Srt/B	Electronic money and money transfer service	July 1, 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 network	October 8, 2021
License to operate fixed closed network	094/KEP/M.KOMINFO/ 02/2021	Fixed closed network	December 9, 2021
License to operate circuit switched-based local fixed line network	095/KEP/M.KOMINFO/ 02/2021	Circuit switched-based and packet switched-based local fixed line network	December 9, 2021

b. The company's Board of Commissioners, Board of Directors, Audit Committee, Corporate Secretary, and Internal Audit

- i. Boards of Commissioners and Directors

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Based on the resolutions made at Annual General Meeting ("AGM") of Stockholders of the Company as covered by Notarial Deed of Ashoya Ratam, S.H., M.Kn., No. 35 dated June 23, 2023 and No. 34, dated June 18, 2021, the composition of the Company's Boards of Commissioners and Directors as of December 31, 2022 and 2023, respectively, were as follows:

	2022	2023
President Commissioner/ Independent Commissioner	Bambang Permadi Soemantri Brojonegoro	Bambang Permadi Soemantri Brojonegoro
Independent Commissioner	Wawan Iriawan	Wawan Iriawan
Independent Commissioner	Bono Daru Adji	Bono Daru Adji
Independent Commissioner	Abdi Negara Nurdin	Abdi Negara Nurdin*
Commissioner	Arya Mahendra Sinulingga	Arya Mahendra Sinulingga
Commissioner	Marcelino Rumambo Pandin	Marcelino Rumambo Pandin
Commissioner	Ismail	Ismail
Commissioner	Rizal Mallarangeng	Rizal Mallarangeng
Commissioner	Isa Rachmatarwata	Isa Rachmatarwata
Commissioner	-	Silmy Karim
President Director	Ririek Adriansyah	Ririek Adriansyah
Director of Enterprise & Business Service	F.M. Venusiana R.	F.M. Venusiana R.
Director of Digital Business	Muhamad Fajrin Rasyid	Muhamad Fajrin Rasyid
Director of Human Capital Management	Afriwandi	Afriwandi
Director of Finance & Risk Management	Heri Supriadi	Heri Supriadi
Director of Network & IT Solution	Herlan Wijanarko	Herlan Wijanarko
Director of Strategic Portfolio	Budi Setyawan Wijaya	Budi Setyawan Wijaya
Director of Wholesale & International Services	Bogi Witjaksono	Bogi Witjaksono
Director of Group Business Development	-	Honesti Basyir
Director of Consumer Service	F.M. Venusiana R.	-

* Based on Notification Letter of VP Investor Relations No. Tel.03/LP 000/DCI-M0200000/2024 addressed to Indonesian Financial Services Authority regarding the Resignation of the Company's Independent Commissioners, starting from January 19, 2024, Mr. Abdi Negara Nurdin no longer serve as the Company's Independent Commissioner.

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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, 2022 and 2023, respectively, were as follows:

	2022	2023
Chairman	Bono Daru Adji	Bono Daru Adji
Member	Bambang Permadi Soemantri Brojonegoro	Bambang Permadi Soemantri Brojonegoro
Member	Wawan Iriawan	Wawan Iriawan
Member	Abdi Negara Nurdin	Abdi Negara Nurdin*
Member	Emmanuel Bambang Suyitno	Emmanuel Bambang Suyitno
Member	Edy Sihotang	Edy Sihotang
Corporate Secretary	R. Achmad Faisal	Anetta Hasan**
Internal Audit	Daru Mulyawan	Daru Mulyawan

* Based on the Company's Board of Commissioner's Letter No. 04/KEP/DK/2024 dated February 6, 2024 regarding the Composition of the Company's Audit Committee Members, Mr. Abdi Negara Nurdin no longer serve as member of the Company's Audit Committee.

** Based on Notification Letter of VP Investor Relations No. Tel.11/LP 000/DCI-M0000000/2024 addressed to Indonesian Financial Services Authority about Information regarding The Appointment of the Company's Corporate Secretary, starting from March 18, 2024, Ms. Anetta Hasan no longer serve as the Company's Corporate Secretary and Mr.R. Achmad Faisal was appointed as Interim Corporate Secretary.

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 nominal of Rp2,200 billion for Series A with 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, all of which are listed on the IDX (Note 20b).

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d. Subsidiaries

As of December 31, 2022 and 2023, the Company has consolidated the following directly and indirectly owned subsidiaries (Notes 2b and 2d):

i. Direct subsidiaries:

Subsidiary	Nature of business	Start year of operation commencement	Percentage of ownership*		Total assets before elimination	
			2022	2023	2022	2023
PT Telekomunikasi Selular ("Telkomsel")**	Mobile telecommunication, fixed broadband, network service, and IPTV	1995	65	70	100,085	112,326
PT Dayamitra Telekomunikasi Tbk. ("Mitratel")	Leasing of towers and digital support services for mobile infrastructure	1995	72	72	56,050	56,996
PT Multimedia Nusantara ("Metra")	Network telecommunication services and multimedia	1998	100	100	18,740	18,425
PT Telekomunikasi Indonesia International ("Telin")	International telecommunication and information services	1995	100	100	13,949	15,175
PT Telkom Satelit Indonesia ("Telkomsat")	Telecommunication - provides satellite communication system and its related services	1996	100	100	6,463	7,927
PT Sigma Cipta Caraka ("Sigma")	Hardware and software computer consultation service	1988	100	100	8,491	7,603
PT Graha Sarana Duta ("GSD")	Developer, trade, service and transportation	1982	100	100	5,845	5,592
PT Telkom Akses ("Telkom Akses")	Construction, service and trade in the field of telecommunication	2013	100	100	5,308	4,777
PT Telkom Data Ekosistem ("TDE")	Data center	1996	100	100	3,189	4,037
PT Metra-Net ("Metra-Net")	Multimedia portal service	2009	100	100	1,731	1,654
PT Infrastruktur Telekomunikasi Indonesia ("Telkom Infra")	Developer service and trading in the field of telecommunication	2014	100	100	1,360	1,261
PT PINS Indonesia ("PINS")	Trade in telecommunication devices	1995	100	100	797	775
PT Napsindo Primatel Internasional ("Napsindo")	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
PT Telkom Infrastruktur Indonesia ("Infraco")	Network telecommunication and information services	not yet operating***	—	100	—	0

* Percentage of ownership amounting to 99.99% is presented with rounding of 100%.

** Refer to Note 1e for details of the Company's ownership changes in Telkomsel.

***Commencement of commercial operation starts in 2024.

All direct subsidiaries are domiciled in Indonesia.

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ii. **Indirect subsidiaries:**

Subsidiary	Nature of business	Start year of operation commencement	Percentage of ownership*		Total assets before elimination	
			2022	2023	2022	2023
PT Metra Digital Investama ("PDI")	Trading, information and multimedia technology, entertainment and investment services	2013	100	100	9,019	8,556
Telekomunikasi Indonesia International Ltd. ("Telin Hong Kong"), domiciled in Hong Kong	Investment holding and telecommunication services	2010	100	100	2,981	3,842
Telekomunikasi Indonesia International Pte. Ltd. ("Telin Singapore"), domiciled in Singapore	Telecommunication and related services	2008	100	100	3,678	3,499
PT Infomedia Nusantara ("Infomedia")	Information provider services, contact center and content directory	1984	100	100	2,267	2,238
PT Telkom Landmark Tower ("TLT")	Property development and management services	2012	55	55	2,100	1,986
PT Finnet Indonesia ("Finnet")	Information technology services	2006	60	60	1,248	1,761
PT Persada Sokka Tama ("PST")	Leasing of towers and other telecommunication services	2008	100	100	1,401	1,622
PT Nuon Digital Indonesia ("Nuon")	Digital content exchange hub services	2010	100	100	1,199	1,194
Telekomunikasi Indonesia International (TL) S.A. ("Telkomcel"), domiciled in Timor Leste	Telecommunication networks, mobile, internet, and data services	2012	100	100	836	1,082
PT Telkomsel Mitra Inovasi ("TMI")	Business management consulting and investment services	2019	100	100	945	1,030
PT Metra Digital Media ("MD Media")	Telecommunication information and other information services	2013	100	100	986	993
PT Telkomsel Ekosistem Digital ("TED")	Business management consulting services and investment and/or investment in other companies	2021	100	100	807	777
PT Administrasi Medika ("Admedika")	Health insurance administration services	2003	100	100	632	757
PT Teknologi Data Infrastruktur ("TDI")	Telecommunication service and data center	2013	100	60	7	605
TS Global Network Sdn. Bhd. ("TSGN"), domiciled in Malaysia	Satellite services	1996	70	70	566	420
PT Swadharma Sarana Informatika ("SSI")	Cash replenishment services and ATM maintenance	2001	51	51	457	391
PT Digital Aplikasi Solusi ("Digiserve")	Communication system services	2014	100	100	384	341
PT Graha Telkomsigma ("GTS")	Management and consultation services	1999	100	100	191	333
PT Graha Yasa Selaras ("GYS")	Tourism and hospitality services	2012	51	51	285	290
PT Nusantara Sukses Investasi ("NSI")	Service and trading	2014	100	100	289	278
PT Nutech Integrasi ("Nutech")	System integrator service	2001	60	60	273	226
Telekomunikasi Indonesia International (USA) Inc. ("Telin USA"), domiciled in USA	Telecommunication and information services	2014	100	100	294	212
PT Collega Inti Pratama ("CIP")	Trading and services	2001	70	70	173	191
PT Media Nusantara Data Global ("MNDG")	Consultation services of hardware, software, data center, and internet exchange	2012	55	55	116	136
Telekomunikasi Indonesia International (Malaysia) Sdn. Bhd. ("Telin Malaysia"), domiciled in Malaysia	Telecommunication and information services	2013	70	70	125	125
Telekomunikasi Indonesia International (Australia) Pty. Ltd. ("Telin Australia"), domiciled in Australia	Telecommunication and information services	2013	100	100	33	67
PT Metra TV ("Metra TV")	Subscription broadcasting services	2013	100	100	34	50
PT Pojok Celebes Mandiri ("PCM")	Travel agent services	2008	100	100	33	44
PT Bosnet Distribution Indonesia ("BDI")	Trade and consultation services	2012	60	60	36	40
PT Metraplaza ("Metraplaza")	Network and e-commerce services	2014; ceased operations on October, 2020	60	60	30	30
NeutraDC Singapore Pte.Ltd ("NeutraDC Singapore"), domiciled in Singapore	Data center	not yet operating***	—	100	—	—

* Percentage of ownership amounting to 99.99% is presented into rounding of 100%.

*** Commencement of commercial operation starts in 2024.

Other than those specifically stated, indirect subsidiaries are domiciled in Indonesia.

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e. Other important informations

i. Telkomsel

On June 27, 2023, the Company signed the Spin-off Decree of IndiHome Business to Telkomsel No. 140 that has been approved by AGM of Stockholders based on Notarial Deed of Ashoya Ratam, S.H., M.Kn., No. 35 dated June 23, 2023. The value of IndiHome business segment transferred is Rp58,250 billion. In parallel, Singapore Telecom Mobile Pte. Ltd. ("Singtel"), Telkomsel's minority shareholder, also decided to participate in the capital injection in the form of cash to Telkomsel of Rp2,713 billion. As the result of this, starting from July 1, 2023, the Company's effective ownership in Telkomsel increased from 65% to 69.9% and Singtel's ownership is diluted from 35% to 30.1%.

ii. Mitratel

Share buyback

On June 2, 2022, Mitratel announced to buyback its shares with a maximum amount of Rp1,000 billion. The buyback period of Mitratel's shares is for three months starting from June 2, 2022 to September 2, 2022. Mitratel has exercised buyback of 885,200,000 of its shares or equivalent to Rp681 billion. On March 6, 2023, Mitratel announced another share buyback with a maximum amount of Rp1,500 billion. The buyback period for Mitratel's shares starts from April 14, 2023. As of December 31, 2023 Mitratel has conducted share buyback amounting to 47,700,000 shares or equivalent to Rp31 billion.

Towers acquisition

(a) On March 1, 2023, Mitratel and PT Indosat Tbk. ("Indosat") signed a Seller Closing Certificate for the acquisition of 997 Indosat's telecommunications towers amounting to Rp1,648 billion. Mitratel and Indosat also agreed to lease back 983 slots of Indosat's telecommunications towers for 10 years lease period. In addition, Indosat has also agreed to order 3,500 colocations for the next 3 years which will be compensated by Mitratel amounting to Rp473 billion as commitment. As of December 31, 2023, Mitratel has paid Rp406 billion.

(b) On November 24, 2023, Mitratel acquired 803 telecommunication towers belonging to PT Gametraco Tunggal for Rp1,753 billion.

iii. Sigma

Based on Notarial Deed No.120 dated April 19, 2022 of Jimmy Tanal, S.H., M.Kn., the Company acquired Sigma's shares from Metra, resulted in 56.39% ownership by the Company and diluting Metra's ownership into 43.61%.

iv. TDI

Based on Notarial Deed of Jimmy Tanal, SH., MKn No. 201 dated October 25, 2023, the shareholders approved the issuance of 4,825,932 new shares with nominal value per share of Rp104,438, of which TDE took 2,451,319 shares or amounted to Rp256 billion, ST Dynamo ID Pte. Ltd. took 2,077,787 shares or amounted to Rp217 billion, and PT Medco Power Indonesia took 296,826 shares or amounted to Rp31 billion. The additional capital contribution dilutes TDE's ownership into 60.0%. Effect of this dilution was recognized as differences in non-controlling interest ownership acquisition transaction of subsidiary amounted to Rp6 billion.

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v. NeutraDC Singapore

Based on Accounting and Corporate Regulatory Authority Singapore ("ACRA") documents, TDE established NeutraDC Singapore which is domiciled in Singapore on December 7, 2023 by the issuance of 1 share with par value of SGD 1.

vi. Infraco

Based on Notarial Deed No. 26 dated December 8, 2023 of Aulia Taufani, S.H., the Company and Metra established Infraco by the issuance of 125 shares with total nominal value of Rp12.5 million.

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 in accordance with International Financial Reporting Standards, which have been completed and authorized for issuance by the Board of Directors of the Company on April 1, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION

The consolidated financial statements of the Company and its 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.

The reporting currency in the consolidated financial statements is the Indonesian Rupiah ("Rp") which is also the functional currency of the Group, except for subsidiaries whose functional currency is the US Dollar, Australian Dollar, and Malaysian Ringgit.

Figures in the consolidated financial statements containing values under 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 January 1, 2023 are applicable and does not have any material impact to the consolidated financial statements of the Group, unless otherwise stated.

i. Amendments to IAS 1: Disclosure of Accounting Policies

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures.

ii. Amendments to IAS 8: Definition of Accounting Estimates

The amendments introduce a definition of 'accounting estimates' and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction

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of errors. It clarifies how entities use measurement techniques and inputs to develop accounting estimates.

- iii. Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
This amendment regulates initial recognition exemption criteria for deferred tax assets or liabilities arising from a single transaction. It proposes that entities recognize deferred tax assets and liabilities at the time of initial recognition.
- iv. Amendment to IAS 12: International Tax Reform - Pillar Two Model Rules
The amendments to PSAK 46 have been introduced in response to the Pillar Two Rules, issued by Organization for Economic Co-operation and Development (OECD), and include:
 - (a) An exception to the recognition and disclosure of deferred taxes related to the Pillar Two income taxes; and
 - (b) Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception - the use of which is required to be disclosed-applies immediately.

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, revenue and expenses, and cash flow relating to transactions within Group are fully eliminated on consolidation.

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In case of loss of control over a subsidiary, the Group:

- i. derecognizes the assets (including goodwill) and liabilities of the subsidiary at the carrying amounts on the date when it loses control;
- ii. derecognizes the carrying amounts of any non-controlling interests of its former subsidiary on the date when it loses control;
- iii. recognizes the fair value of the consideration received (if any) from the transaction, events, or condition that caused the loss of control;
- iv. recognizes the fair value of any investment retained in the subsidiary at fair value on the date of loss of control; and
- v. recognizes 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.

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 recognized 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 recognized 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 recognized 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

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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 cash equivalents in the consolidated 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.

f. 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 prepaid vouchers which are expensed upon sale.

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.

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g. Prepaid expenses

Prepaid expenses are amortized over their future beneficial periods using the straight-line method. Prepaid expenses are presented in the consolidated statement of financial position as part of other current assets and other non-current assets.

h. Intangible assets

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 amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of the reporting period. 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:

	<u>Years</u>
Software	3-6
License	3-20
Other intangible assets	3-30

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.

i. 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.

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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	2-10
Switching equipment	3-15
Telegraph, telex, and data communication equipment	5-15
Transmission installation and equipment	3-40
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. 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.

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 to related property and equipment account.

Property under construction is stated at cost less impairment (if any), until the construction 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.

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Capitalization of borrowing cost ceases when the construction is completed, and the asset is ready for its intended use or sale.

j. Leases

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 ("ROU") as short-term leases;
- 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
- not to recognize a lease liability and a 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 it is 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	1-50
Buildings	1-30
Transmission installation and equipment	1-25
Vehicles	1-6
Others	1-6

If ownership of the ROU 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.

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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.

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 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 includes 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 consolidated statement of profit or loss and other comprehensive income 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.

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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 2m).

k. 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 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.

i. Foreign currency translations

Transactions in foreign currencies are translated into Indonesian Rupiah at the Reuters' mid 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):

	2022		2023	
	Buy	Sell	Buy	Sell
United States Dollar ("US\$") 1	15,567	15,571	15,396	15,401
Australian Dollar ("AU\$") 1	10,583	10,589	10,499	10,505
Singapore Dollar ("SGD") 1	11,614	11,622	11,666	11,673
New Taiwan Dollar ("TWD") 1	508.15	508.47	501.32	501.53
Euro ("EUR") 1	16,623	16,635	17,025	17,036
Japanese Yen ("JPY") 1	118.12	118.17	108.78	108.82
Malaysian Ringgit ("MYR") 1	3,529	3,539	3,350	3,359
Hong Kong Dollar ("HKD") 1	1,996	1,997	1,971	1,971
Myanmar Kyat ("MMK") 1	7.39	7.44	7.31	7.35
China Yuan ("CNY") 1	2,244	2,246	2,166	2,167

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 2i).

m. 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.

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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 services, initial package sales (also known as SIM cards and initial charging vouchers) and top-up vouchers are initially recognized as contract liabilities. The Group recognizes contract assets for the services from postpaid customers that have not been billed.

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 sold and the points issued, with the consideration allocated to points that are equal to its fair value. The fair value of the points that are issued is deferred and recognized as revenue when the points are redeemed, expired, or when the program is terminated.

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. The Group applies terms and conditions that requires the customer to pay substantive early termination penalty if the customer's contract is ended at the customer's request and/or fault within the first 12 months after the service is activated. After the initial 12-month period, the customer can decide to stop subscribing in accordance with the applicable terms and conditions without incurring any penalties. In accordance with IFRS 15, the contract period is 12 months, which is then followed by a monthly contract.

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 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 customer life. The Group estimates the expected customer life based on the historical information and customer trends and updates the evaluation on an annual basis.

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iii. Enterprise

Revenue from enterprise customers primarily comprises of revenue from providing telephone service, internet and data, information technologies, and other services (e.g. manage service, call center service, e-health, e-payment, and others). Some of the contracts with enterprise customers are bespoke in nature.

Revenues from enterprise customers 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 customers 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 that the estimates of variable consideration are 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.

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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.

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 and cost of fulfilling contract

The incremental costs of obtaining/fulfilling contracts with customers, which principally are comprised of sales commissions and contract fulfillment costs, are initially recognized on the consolidated statements of financial position as contract costs. 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.

At the end of each reporting year, the Group evaluates whether there is an indication that capitalized contract costs may be impaired. An impairment exists when the carrying amount of the contract costs exceeds the amount expected to be received in exchange for goods and services. When impairment exists, an impairment loss is recognized in consolidated statements of profit or loss and other comprehensive income.

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.

n. 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.

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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.

In 2021, the IFRS Interpretations Committee (Committee) finalized an agenda decision regarding attribution of benefits to periods of service in accordance with IAS 19 Employee Benefits. The Group has adopted an agenda decision and accordingly changed its accounting policy regarding attribution of benefits to periods of service previously applied.

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In prior years, the Group attributed benefits under the defined benefit plan's benefit formula to periods of service from the date when employees provide their services until their retirement age. The Group changed the policy for attributing benefits under the plan to the date when employee service first leads to benefits under the plan until the date when further employee service will lead to no material amount of further benefits under the plan.

o. 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.

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 it 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

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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

IFRIC 23: Uncertainty Over Income Tax Treatments 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 filings. If the acceptance of the tax treatment by the Tax Authorities is not probable, the Group measures its tax balances using the method that provides the better prediction of resolution (i.e. most likely amount or expected value).

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-net".

p. 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 9 and IFRS 15.

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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 marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to sell the asset.

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, 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, 2022 and 2023.

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- (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 consolidated statement of profit or loss and other comprehensive income. 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 investments 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 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 consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of profit or loss and other comprehensive income. The Group's financial assets at FVTPL consists of other long-term investments 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 an allowance for expected credit loss methodology that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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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 costs.

The Group's financial liabilities include trade and other payables, accrued expenses, customer deposits, Interest-bearing loans, and lease liabilities. Interest-bearing loans consist of short-term bank loans, two-step loans, bonds and medium-term notes, long-term bank loans, and other borrowings.

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

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category generally applies to interest-bearing loans and other borrowings. For more information, refer to Note 20.

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.

q. 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. Any difference between the carrying amount and consideration from future re-sale of treasury stocks, is recognized as part of additional paid-in-capital in the equity.

r. 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.

s. Basic 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.

t. 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);

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- 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.

u. 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.

v. Impairment of non-financial assets

At the end of each reporting period, the Group assesses whether there is an indication that a non-financial asset may be impaired. These assets include property and equipment, current assets, and other non-current assets, including intangible assets. 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").

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 transaction prices 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 multiple valuations or other available fair value indicators.

Impairment losses of continuing operations are recognized 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 consolidated statement of profit or loss and other comprehensive income.

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

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less than its carrying amount, an impairment loss is recognized. Impairment loss relating to goodwill cannot be reversed in future periods.

w. 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 criteria 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.

Liabilities which do not meet above criteria are classified as long-term liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

x. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reporting amounts of revenue, expenses, assets and liabilities, 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. Judgements

The following judgements 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:

Income taxes

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.

Judgement 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.

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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.

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.

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 29 and 30.

(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.

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In 2021, the Company accelerated the useful lives of Multi-Service Access Node ("MSAN") assets until 2022. In 2022, the Group changed its estimated useful lives of towers as disclosed in Note 12. In 2023, there is no change of estimated useful lives.

(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.

(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 FVTOCI, 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, historical collection experience and adjusted forward-looking information. Such allowances are adjusted periodically to reflect the actual and anticipated experience.

The 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, the Group

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also provides multiple standard products as bundling product in contract with customer. Significant judgement 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 obligation, 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.

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 obligation, 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.

The calculation of future cash flows in determining the fair value of property and equipment and other non-current assets of the acquired entity at the acquisition date involves significant estimation. 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 acquisition 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 for business acquisition method for assets acquired and liabilities assumed which

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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 Rp15,398 to US\$1 as published by Reuters on December 31, 2023. 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:

	Currency	2022		2023	
		Balance		Balance	
		Currency (in million)	Rupiah equivalent	Currency (in million)	Rupiah equivalent
Cash on hand	Rp	—	11	—	14
Cash in bank					
Related parties					
PT Bank Mandiri (Persero) Tbk ("Bank Mandiri")	Rp	—	6,413	—	3,346
	US\$	49	758	37	572
	EUR	2	34	2	38
	JPY	6	1	6	1
	HKD	3	5	1	3
	AUS	0	0	0	0
PT Bank Negara Indonesia (Persero) Tbk ("BNI")	Rp	—	4,298	—	4,228
	US\$	7	111	4	64
	SGD	0	0	0	0
	EUR	0	0	0	0
PT Bank Tabungan Negara (Persero) Tbk ("BTN")	Rp	—	2,713	—	2,597
PT Bank Rakyat Indonesia (Persero) Tbk ("BRI")	Rp	—	2,691	—	1,471
	US\$	11	179	0	6
	TWD	—	—	1	0
Bank Pembangunan Daerah ("BPD")	Rp	—	75	—	140
Others (each below Rp100 billion)	Rp	—	282	—	80
	US\$	0	0	0	0
Sub-total			17,560		12,546
Third parties					
The Hongkong and Shanghai Banking Corporation Ltd. ("HSBC Hongkong")	US\$	55	861	43	661
	HKD	5	10	5	9
Standard Chartered Bank ("SCB")	US\$	16	245	14	215
	SGD	5	53	6	74
PT Bank CIMB Niaga Tbk ("Bank CIMB Niaga")	Rp	—	1,379	—	265
	US\$	0	5	0	2
PT Bank Central Asia Tbk ("BCA")	Rp	—	80	—	144
	US\$	0	3	0	3
DBS Bank (Hong Kong) Ltd. ("DBS Hong Kong")	US\$	0	0	9	138
	HKD	0	0	0	0
Citibank, N.A. ("Citibank")	Rp	—	10	—	6
	US\$	5	80	8	127
	EUR	—	—	0	0
Others (each below Rp100 billion)	Rp	—	600	—	198
	US\$	12	187	10	151
	TWD	58	29	41	21
	MYR	5	17	5	15
	AUS	2	23	0	5
	MMK	386	3	353	3
	SGD	2	29	3	36
	EUR	0	0	—	—
Sub-total			3,614		2,073
Total of cash in bank			21,174		14,619
Time deposit					
Related parties					
BRI	Rp	—	845	—	1,550
	US\$	21	319	22	340
BNI	Rp	—	378	—	1,266
	US\$	9	145	23	353
BPD	Rp	—	25	—	1,569
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk ("SUB")	Rp	—	1,423	—	1,419
PT Bank Syariah Indonesia Tbk. ("BSI")	Rp	—	1,220	—	1,160
BTN	Rp	—	1,655	—	1,065
Mandiri	Rp	—	843	—	513
	US\$	31	489	25	392
Sub-total			7,342		9,627
Time deposits (continued)					
Third parties					
PT Bank Mega Tbk ("Bank Mega")	Rp	—	1,986	—	1,433
	US\$	12	181	20	312
PT Bank Tabungan Pensiunan Nasional Syariah Tbk ("BTPN Syariah")	Rp	—	—	—	137
Bank CIMB Niaga	Rp	—	122	—	928
	US\$	11	168	5	70
PT Bank Maybank Indonesia Tbk ("Maybank")	Rp	—	220	—	658
	US\$	14	224	23	358
	MYR	2	6	—	—
PT Bank Danamon Indonesia Tbk ("Bank Danamon")	Rp	—	40	—	491
	US\$	9	133	9	137
Others (each below Rp100 billion)	Rp	—	341	—	60
	US\$	—	—	10	156
	MYR	—	—	2	8
Sub-total			3,421		4,748
Total of time deposits			10,763		14,375
Allowance for expected credit losses			(1)		(1)
Total			31,947		29,007

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Interest rates per annum on time deposits are as follows:

	2022	2023
Rupiah	1.95% - 6.50%	1.95% - 7.25%
Foreign currencies	0.25% - 4.05%	2.50% - 5.50%

The Group placed the majority of its cash and cash equivalents in state-owned banks (related party) because they have the most extensive branch networks in Indonesia and are considered to be financially sound banks.

5. OTHER CURRENT FINANCIAL ASSETS

The breakdown of other current financial assets is as follows:

	Currency	2022		2023	
		Balance		Balance	
		Foreign currency (in millions)	Rupiah equivalent	Foreign currency (in millions)	Rupiah equivalent
Time deposits					
Related parties					
BRI	Rp	—	50	—	255
BNI	Rp	—	80	—	160
Bank Mandiri	Rp	—	10	—	95
BSI	US\$	5	79	5	77
Others (each below Rp100 billion)	Rp	—	100	—	118
Third parties United Overseas Bank Limited Singapore ("UOB Singapore")	Rp	—	—	—	10
Standard Chartered Bank (Singapore) Limited ("SCB Singapore")	US\$	12	182	12	186
Others (each below Rp100 billion)	US\$	7	102	7	100
	Rp	—	18	—	85
	US\$	2	32	2	32
Total time deposits			653		1,118
Escrow accounts					
	Rp	—	383	—	214
	US\$	2	30	2	24
Total escrow accounts			413		238
Mutual funds					
Related parties					
Others (each below Rp100 billion)	Rp	—	81	—	85
Third parties					
PT Henan Putihrai Asset Management ("HPAM")	Rp	—	200	—	217
Total mutual funds			281		302
Others (each below Rp100 billion)					
	Rp	—	0	—	3
	US\$	0	2	—	—
	MYR	0	0	0	0
Total others			2		3
Allowance for expected credit losses			(0)		(0)
Total			1,349		1,661

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The time deposits have maturities of more than three months but not more than one year, with interest rates as follows:

	2022	2023
Rupiah	2.50% - 5.00%	2.75% - 6.75%
Foreign currencies	1.95% - 5.06%	2.30% - 5.85%

6. TRADE AND OTHER RECEIVABLES

The breakdown of trade and other receivables is as follows:

	2022	2023
Trade receivables	16,202	18,173
Allowance for expected credit losses	(7,568)	(7,506)
Net	8,634	10,667
Other receivables	500	521
Allowance for expected credit losses	(239)	(240)
Net	261	281
Total trade and other receivables	8,895	10,948

Trade receivables arise from services provided to both retail and non-retail customers, with details as follows:

a. By debtor

(i) Related parties

	2022	2023
State-owned enterprises	1,985	1,914
Government agencies	675	587
PT Indonusa Telemedia ("Indonusa")	385	386
Indosat	175	303
Others (each below Rp100 billion)	156	443
Total	3,376	3,633
Allowance for expected credit losses	(1,367)	(1,276)
Net	2,009	2,357

(ii) Third parties

	2022	2023
Individual and business subscribers	11,842	12,999
Overseas international carriers	984	1,541
Total	12,826	14,540
Allowance for expected credit losses	(6,201)	(6,230)
Net	6,625	8,310

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b. By age

	2022			2023		
	Gross	Allowance for expected credit losses	Expected credit loss rate	Gross	Allowance for expected credit losses	Expected credit loss rate
Not past due	6,964	399	5.7 %	7,020	386	5.5 %
Past due up to 3 months	1,674	349	20.8 %	2,758	369	13.4 %
Past due more than 3 to 6 months	664	222	33.4 %	1,215	313	25.8 %
Past due more than 6 months	6,900	6,598	95.6 %	7,180	6,438	89.7 %
Total	16,202	7,568		18,173	7,506	

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, 2022 and 2023, the carrying amounts of trade receivables of the Group considered past due but not impaired amounted to Rp2,069 billion and Rp4,033 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

	2022	2023
Rupiah	14,714	15,646
U.S. Dollar	1,359	2,360
Singapore Dollar	89	143
Others (each below Rp100 billion)	40	24
Total	16,202	18,173
Allowance for expected credit losses	(7,568)	(7,506)
Net	8,634	10,667

d. Movements in the allowance for expected credit losses

	2022	2023
Beginning balance	7,802	7,568
Allowance for expected credit losses	567	513
Receivables written-off	(801)	(575)
Ending balance	7,568	7,506

The receivables written-off relate to both related parties and third parties 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, 2022 and 2023, certain trade receivables of the subsidiaries amounting to Rp1,129 billion and Rp1,248 billion, respectively, have been pledged as collateral under lending agreements (Notes 19a and 20c).

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7. CONTRACT ASSETS

The breakdown of contract assets is as follows:

	2022	2023
Contract assets	2,610	2,877
Allowance for expected credit losses	(119)	(147)
Net	2,491	2,730
Current portion	(2,457)	(2,704)
Non-current portion	34	26

Management believes that the allowance for expected credit losses is adequate to cover losses on uncollectible contract assets.

Refer to Note 31 for details of related party transactions.

8. INVENTORIES

Inventories, all recognized at net realizable value, consist of:

	2022	2023
SIM cards and prepaid vouchers	321	791
Components	588	29
Others (each below Rp100 billion)	294	231
Total	1,203	1,051
Provision for obsolescence	(59)	(54)
Net	1,144	997

Management believes the provision is adequate to cover losses from the decline in inventory value due to obsolescence.

The inventories recognized as expenses included in operations, maintenance, and telecommunication service expenses in 2021, 2022 and 2023 amounted to Rp739 billion, Rp747 billion, and Rp797 billion, respectively (Note 26).

There were no inventories pledged as collateral under lending agreements as of December 31, 2022 and 2023.

As of December 31, 2022 and 2023, modules (part of property and equipment) and components held by the Group with book value amounting to Rp94 billion and Rp96 billion, respectively, have been insured against fire, theft, and other specific risks. The total sum insured as of December 31, 2022 and 2023 amounted to Rp111 billion and Rp94 billion, respectively.

Management believes the insurance coverage is adequate to cover potential losses of inventories arising from the insured risks.

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9. OTHER CURRENT ASSETS

The breakdown of other current assets is as follows:

	2022	2023
Prepaid frequency license fees - current portion (Note 33c.i)	5,289	6,173
Advances	679	768
Prepaid salaries	218	276
Prepaid rental	105	71
Others (each below Rp100 billion)	475	442
Total	6,766	7,730

10. CONTRACT COSTS

Movements of contract costs for the years ended December 31, 2022 and 2023 are as follows:

	2022		
	Cost to obtain	Cost to fulfill	Total
At January 1, 2022	1,532	732	2,264
Addition current year	360	640	1,000
Amortization during the year	(338)	—	(338)
Expense during the year	—	(514)	(514)
At December 31, 2022	1,554	858	2,412
Current	(354)	(317)	(671)
Non-current	1,200	541	1,741
	2023		
	Cost to obtain	Cost to fulfill	Total
At January 1, 2023	1,554	858	2,412
Addition current year	461	610	1,071
Amortization during the year	(374)	—	(374)
Expense during the year	—	(704)	(704)
Impairment	—	(184)	(184)
At December 31, 2023	1,641	580	2,221
Current	(427)	(226)	(653)
Non-current	1,214	354	1,568

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11. LONG-TERM INVESTMENTS

The breakdown of long-term investments are as follows:

	2022	2023
Financial instruments		
At fair value through profit or loss:		
Equity	7,624	7,537
Convertible bonds	884	491
At fair value through other comprehensive income:		
Equity	22	25
	<u>8,530</u>	<u>8,053</u>
Associates		
PT Jalin Pembayaran Nusantara ("Jalin")	115	105
Others (each below Rp100 billion)	8	4
	<u>123</u>	<u>109</u>
Total long-term investments	<u>8,653</u>	<u>8,162</u>

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:

- (i) Telkomsel's investment in PT GoTo Gojek Tokopedia Tbk. ("GOTO"). As of December 31, 2023, Telkomsel assessed the fair value of the investment in GOTO was Rp86 per share. The total unrealized loss from changes in fair value of Telkomsel's investment in GOTO as of December 31, 2023 amounted to Rp119 billion and was presented as unrealized loss arising from change of valuation of investments in the consolidated statements of profit or loss.
- (ii) Investments by MDI in several start-up entities engaged in the information and technology sector. The additional investments during the period by MDI amounted to Rp338 billion. The total unrealized loss from changes in fair value of MDI's investment amounted to Rp514 billion as of December 31, 2023 and was presented as unrealized loss arising from change of valuation of investments in the consolidated statements of profit or loss.

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 unrecognized share in losses in other investment cumulatively as of December 31, 2021, 2022 and 2023 was amounting to Rp341 billion, Rp346 billion and Rp328 billion, respectively.

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12. PROPERTY AND EQUIPMENT

The details of property and equipment are as follows:

	December 31, 2021	Additions	Deductions	Reclassifications/ Translations	December 31, 2022
At cost:					
Directly acquired assets					
Buildings	17,296	778	(1)	874	18,947
Leasehold improvements	1,477	80	(86)	100	1,571
Switching equipment	18,324	1,066	(130)	823	20,083
Telegraph, telex, and data communication equipment	1,583	—	—	—	1,583
Transmission installation and equipment	165,621	4,494	(9,501)	10,492	171,106
Satellite, earth station, and equipment	10,528	155	(5)	126	10,804
Cable network	67,559	7,807	(9)	(662)	74,695
Power supply	22,035	433	(719)	1,527	23,276
Data processing equipment	19,258	877	(390)	1,209	20,954
Other telecommunication peripherals	9,121	1,261	—	20	10,402
Office equipment	2,352	157	(85)	201	2,625
Vehicles	537	100	(165)	133	605
Other equipment	47	2	(3)	5	51
Property under construction	2,950	16,936	—	(15,288)	4,598
Total	338,688	34,146	(11,094)	(440)	361,300
Accumulated depreciation:					
Directly acquired assets					
Buildings	5,537	632	(1)	60	6,228
Leasehold improvements	1,163	130	(86)	—	1,207
Switching equipment	12,225	1,985	(127)	17	14,100
Telegraph, telex, and data communication equipment	1,582	—	—	—	1,582
Transmission installation and equipment	94,532	12,087	(9,362)	78	97,335
Satellite, earth station, and equipment	5,199	830	(5)	17	6,041
Cable network	18,735	4,388	(9)	(604)	22,510
Power supply	15,874	1,699	(712)	29	16,890
Data processing equipment	14,130	1,806	(388)	(58)	15,490
Other telecommunication peripherals	4,330	1,717	—	20	6,067
Office equipment	1,866	261	(79)	25	2,073
Vehicles	270	38	(135)	69	242
Other equipment	40	3	(2)	3	44
Total	175,483	25,576	(10,906)	(344)	189,809
Net book value	163,205				171,491

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	December 31, 2022	Additions	Deductions	Reclassifications/ Translations	December 31, 2023
At cost:					
Directly acquired assets					
Buildings	18,947	569	(34)	114	19,596
Leasehold improvements	1,571	28	(14)	90	1,675
Switching equipment	20,083	582	(309)	(720)	19,636
Telegraph, telex, and data communication equipment	1,583	—	—	—	1,583
Transmission installation and equipment	171,106	5,839	(3,562)	7,281	180,664
Satellite, earth station, and equipment	10,804	137	—	—	10,941
Cable network	74,695	5,762	(6)	(3,682)	76,769
Power supply	23,276	722	(768)	1,118	24,348
Data processing equipment	20,954	557	(218)	600	21,893
Other telecommunication peripherals	10,402	468	—	217	11,087
Office equipment	2,625	96	(18)	(7)	2,696
Vehicles	605	48	(56)	(4)	593
Other equipment	51	1	—	1	53
Property under construction	4,598	18,049	—	(16,407)	6,240
Total	361,300	32,858	(4,985)	(11,399)	377,774
Accumulated depreciation:					
Directly acquired assets					
Buildings	6,228	649	(11)	(48)	6,818
Leasehold improvements	1,207	141	(6)	(30)	1,312
Switching equipment	14,100	1,967	(309)	(1,637)	14,121
Telegraph, telex, and data communication equipment	1,582	—	—	—	1,582
Transmission installation and equipment	97,335	12,171	(3,372)	(1,787)	104,347
Satellite, earth station, and equipment	6,041	746	—	(61)	6,726
Cable network	22,510	3,215	(6)	(5,326)	20,393
Power supply	16,890	1,861	(758)	(606)	17,387
Data processing equipment	15,490	2,093	(217)	(1,217)	16,149
Other telecommunication peripherals	6,067	1,659	—	(26)	7,700
Office equipment	2,073	285	(18)	(204)	2,136
Vehicles	242	48	(31)	(3)	256
Other equipment	44	3	—	—	47
Total	189,809	24,838	(4,728)	(10,945)	198,974
Net book value	171,491				178,800

The property and equipment group consists of (1) switching equipment; (2) telegraph, telex, and data communication equipment; (3) transmission installation and equipment; (4) satellite, earth station, and equipment; (5) cable network; (6) power supply; (7) data processing equipment; and (8) other telecommunication peripherals are the main telecommunication infrastructure of the Group.

a. Gain on sale of property and equipment

	2021	2022	2023
Proceeds from sale of property and equipment	756	526	100
Net book value	(36)	(129)	(16)
Gain on sale of property and equipment	720	397	84

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b. Others

- (i) During 2022 and 2023, 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, 2022 and 2023.
- (ii) Interest capitalized to property under construction amounted to Rp52 billion, Rp79 billion, and Rp124 billion for the years ended December 31, 2021, 2022, and 2023, respectively. The capitalization rate used to determine the number of borrowing costs eligible for capitalization ranged from 5.63% to 8.70%, 5.63% to 7.90%, and 2.50% to 8.24% for the years ended December 31, 2021, 2022, and 2023, respectively.
- (iii) No foreign exchange loss was capitalized as part of property under construction for the years ended December 31, 2021, 2022, and 2023.
- (iv) In 2021, 2022, and 2023, the Group obtained proceeds from the insurance claim on lost and damaged property and equipment, with a total value of Rp133 billion, Rp299 billion, and Rp199 billion, respectively, and were recorded as part of "Other income - net" in the consolidated statements of profit or loss and other comprehensive income. In 2021, 2022, and 2023, the net carrying values of these assets, amounted to Rp103 billion, Rp270 billion, and Rp185 billion, respectively, were charged to the consolidated statements of profit or loss and other comprehensive income.
- (v) In 2022, the estimated useful lives of towers owned by the Group were changed from 30 to 40 years. The impact of reduction in the depreciation expense for the year ended December 31, 2022 amounted to Rp93 billion. Towers are presented as part of transmission installation and equipment.
- (vi) In 2022, the equipment units of Telkomsel with the net carrying amount of Rp909 billion had been exchanged with equipment units of PT ZTE Indonesia.
- (vii) In 2021, the Company decided to discontinue the use of MSAN assets and accelerate the depreciation of the MSAN assets, which were fully depreciated in 2022. The impact of accelerated depreciation of MSAN assets for the year ended December 31, 2022 amounted to Rp1,494 billion. MSAN assets are presented as part of cable network.
- (viii) As of December 31, 2022 and 2023, the Group's property and equipment with a net carrying amount of Rp172,112 billion and Rp175,519 billion, respectively, were insured against fire, theft, earthquake and other specified risks, including business interruption. The total blanket policies as of December 31, 2022 and 2023, amounted to Rp36,319 billion and Rp41,045 billion, HK\$10 million, SG\$373 million, and MYR54 million and MYRNil, respectively, and first loss basis amounted to 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, 2022 and 2023, the percentage of completion of property under construction was approximately 55.91% and 74.09%, respectively, of the total contract value, Rp3,934 billion and Rp5,836 billion are recorded as expenditures in property under construction, respectively. The estimated completion dates are until August 2025 and December 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, 2022 and 2023, all assets owned by the Company have been pledged as collateral for bonds (Note 20b) while certain property and equipment of the Company's

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subsidiaries with gross carrying value amounting to Rp18,370 billion and Rp3,076 billion, respectively, have been pledged as collaterals under lending agreements (Notes 19a and 20c).

- (xi) As of December 31, 2022 and 2023, the cost of fully depreciated property and equipment of the Group that are still used in operations amounted to Rp67,979 billion and Rp85,564 billion, respectively. The Group is currently conducting modernization of network assets to replace the fully depreciated property and equipment.
- (xii) In 2022 and 2023, the total fair values of land rights and buildings of the Group amounted to Rp49,014 billion and Rp51,373 billion, respectively.

13. LEASES

a. The Group as a lessee

The Group leases several assets including land rights, building, transmission installation and equipment, vehicles, and others which used in operations, which generally have lease term between 1 and 50 years.

The carrying amounts of right-of-use assets recognized and the movement during the year are as follows:

	Land rights	Buildings	Transmission installation and equipment	Vehicles	Others	Total
As at January 1, 2022	5,338	630	12,739	408	138	19,253
Additions	1,179	121	8,205	488	23	10,016
Deductions and reclassifications	(178)	(22)	(2,122)	(198)	8	(2,512)
Depreciation expense	(891)	(187)	(3,935)	(178)	(35)	(5,226)
As at December 31, 2022	5,448	542	14,887	520	134	21,531
Additions	1,764	156	7,477	227	893	10,517
Deductions and reclassifications	(42)	(88)	(2,837)	8	1	(2,958)
Depreciation expense	(1,036)	(148)	(3,469)	(236)	(177)	(5,066)
As at December 31, 2023	6,134	462	16,058	519	851	24,024

The carrying amounts of the lease liabilities and the movements during the year are as follows:

	2022	2023
As at January 1	15,888	18,473
Accretion of interest	975	1,015
Additions (Note 36a)	10,006	10,407
Deductions	(8,396)	(9,593)
As at December 31	18,473	20,302
Current	(4,772)	(5,458)
Non-current	13,701	14,844

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The maturity analysis of lease payments are as follows:

	2022	2023
No later than a year	5,741	6,513
Later than 1 year and no later than 5 years	11,278	11,460
Later than 5 years	4,889	6,429
Total lease payments	21,908	24,402
Interest	(3,435)	(4,100)
Net present value of lease payments	18,473	20,302
Current	(4,772)	(5,458)
Non-current	13,701	14,844

The Group also has certain leases with lease terms of twelve months or less and low-value 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.

The following are the amounts recognized in profit or loss:

	2022	2023
Depreciation expense of right-of-use assets	5,226	5,066
Expense relating to short-term leases	3,821	3,743
Interest expense on lease liabilities	975	1,015
Expense relating to leases of low-value assets	52	27

b. The Group as a lessor

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 32 years and with expiry dates between 2024 and 2051. Periods may be extended based on the agreement by both parties.

The minimum amount of future lease payments and receipts for operating lease agreements are as follows:

	2022	2023
Less than 1 year	2,582	5,099
1-5 years	8,354	9,412
More than 5 years	5,107	5,098
Total	16,043	19,609

14. OTHER NON-CURRENT ASSETS

The breakdown of other non-current assets is as follows:

	2022	2023
Prepaid frequency license fees - net of current portion (Note 33c.i)	1,291	1,987
Prepaid expenses	446	984
Prepaid taxes - net of current portion (Note 28a)	268	967
Claims for tax refund - net of current portion (Note 28b)	353	639
Advances	781	368
Security deposits	144	159
Others (each below Rp100 billion)	340	329
Total	3,623	5,433

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15. INTANGIBLE ASSETS

The details of intangible assets are as follows:

	Goodwill	Software	License	Other intangible assets	Total
Gross carrying amount:					
Balance, December 31, 2021	1,492	17,458	174	1,512	20,636
Additions	—	2,527	440	49	3,016
Deductions	—	(175)	—	(70)	(245)
Reclassifications/translations	—	(31)	6	—	(25)
Balance, December 31, 2022	1,492	19,779	620	1,491	23,382
Accumulated amortization:					
Balance, December 31, 2021	(394)	(11,714)	(125)	(897)	(13,130)
Amortization	—	(2,063)	(26)	(91)	(2,180)
Deductions	—	175	—	70	245
Reclassifications/translations	—	(14)	(1)	—	(15)
Balance, December 31, 2022	(394)	(13,616)	(152)	(918)	(15,080)
Net book value	1,098	6,163	468	573	8,302

	Goodwill	Software	License	Other intangible assets	Total
Gross carrying amount:					
Balance, December 31, 2022	1,492	19,779	620	1,491	23,382
Additions	—	2,763	69	206	3,038
Deductions	—	(890)	(130)	—	(1,020)
Reclassifications/translations	—	(10)	(9)	(3)	(22)
Balance, December 31, 2023	1,492	21,642	550	1,694	25,378
Accumulated amortization and impairment losses:					
Balance, December 31, 2022	(394)	(13,616)	(152)	(918)	(15,080)
Amortization	—	(2,321)	(58)	(94)	(2,473)
Impairment	(11)	—	—	—	(11)
Deductions	—	890	2	—	892
Reclassifications/translations	—	13	8	4	25
Balance, December 31, 2023	(405)	(15,034)	(200)	(1,008)	(16,647)
Net book value	1,087	6,608	350	686	8,731

- (i) Goodwill resulted from the acquisition by Mitratel, Metranet, Metra, Sigma, TDE, and Telkomsat amounted to Rp467 billion, Rp220 billion, Rp164 billion, Rp91 billion, Rp77 billion, and Rp68 billion, respectively.
- (ii) The remaining amortization periods of software for the year ended December 2021, 2022, and 2023 are from 1 to 6 years, respectively. The amortization expense is presented as part of "Depreciation and amortization expenses" in the consolidated statements of profit or loss and other comprehensive income.
- (iii) As of December 31, 2022 and 2023, the cost of fully amortized intangible assets that are still utilized in operations amounted to Rp9,640 billion and Rp10,604 billion, respectively.

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16. TRADE AND OTHER PAYABLES

This account consists of the following:

	2022	2023
Trade payables	18,457	18,608
Other payables	463	441
Total trade and other payables	18,920	19,049

The breakdown of trade payables is as follows:

	2022	2023
Related parties		
Radio frequency usage charges, concession fees, and Universal Service Obligation ("USO") charges	1,342	2,399
Purchases of equipments, materials, and services	264	430
Payables to other telecommunication providers	169	161
Sub-total	1,775	2,990
Third parties		
Purchases of equipments, materials, and services	14,451	12,742
Payables to other telecommunication providers	2,231	2,876
Sub-total	16,682	15,618
Total	18,457	18,608

Trade payables by currency are as follows:

	2022	2023
Rupiah	16,727	15,929
US Dollar	1,636	2,537
Others	94	142
Total	18,457	18,608

Terms and conditions of the trade and other payables:

- a. The Group's trade payables and other payables are non-interest bearing and normally settled within 1 year term.
- b. Refer to Note 31c for details on related party transactions.
- c. Refer to Note 34b.v for the Group's liquidity risk management.

17. ACCRUED EXPENSES

The breakdown of accrued expenses is as follows:

	2022	2023
Operation, maintenance, and telecommunication service	8,183	5,813
Salaries and benefits	4,014	3,909
General, administrative, and marketing expenses	3,067	3,114
Interest and bank charges	181	243
Total	15,445	13,079

Refer to Note 31 for details of related party transactions.

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18. CONTRACT LIABILITIES

The breakdown of contract liabilities is as follows:

a. Current

	<u>2022</u>	<u>2023</u>
Advances from customers for Mobile	3,577	3,267
Advances from customers for Enterprise	1,126	1,587
Advances from customers for WIB	1,188	1,291
Advances from customers for Consumer	233	244
Advances from customers for others	171	459
Total	<u>6,295</u>	<u>6,848</u>

b. Non-Current

	<u>2022</u>	<u>2023</u>
Advances from customers for WIB	700	795
Advances from customers for Consumer	844	705
Advances from customers for Enterprise	17	251
Advances from customers for others	—	840
Total	<u>1,561</u>	<u>2,591</u>

Contract liabilities at the beginning period which were recognized as revenue in 2022 and 2023 amounted to Rp6,795 billion and Rp6,295 billion, respectively.

Refer to Note 31 for details of related party transactions.

19. SHORT-TERM BANK LOANS AND CURRENT MATURITIES OF LONG-TERM LOANS AND OTHER BORROWINGS

This account consists of the following:

	<u>2022</u>	<u>2023</u>
Short-term bank loans	8,191	9,650
Current maturities of long-term borrowings	8,858	10,276
Total	<u>17,049</u>	<u>19,926</u>

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a. Short-term bank loans

Lenders	Outstanding	
	2022	2023
Related parties		
Bank Mandiri	3,483	4,013
BNI	979	903
Sub-total	4,462	4,916
Third parties		
PT Bank HSBC Indonesia ("HSBC")	1,836	2,547
MUFG Bank ("MUFG")	1,349	1,155
UOB Indonesia	—	500
PT Bank DBS Indonesia ("DBS")	475	440
Others (each below Rp100 billion)	69	92
Sub-total	3,729	4,734
Total	8,191	9,650

Other significant information relating to short-term bank loans as of December 31, 2023 is as follows:

	Borrower	Currency	Total facility (in billions)*	Maturity date	Interest rate	Interest rate per annum	Security**
Mandiri 2020	Finnet	Rp	500	October 31, 2024	Monthly	1 month JIBOR + 1.30%	None
2021 - 2022	Nutech, Mitratel	Rp	3,550	July 26, 2024 - September 27, 2024	Monthly	5.85% - 9.00%	Trade receivables and property and equipment
BNI 2014 - 2017	GSD, Sigma	Rp	350	January 9, 2024 - November 7, 2024	Monthly	7.90% - 8.50%	Trade receivables and property and equipment
2017 - 2021	Metranet, Telkom Infra, Infomedia	Rp	1,135	February 18, 2024 - June 6, 2024	Monthly	1 month JIBOR + 1.75% - 2.50%	Trade receivables
HSBC 2014	Sigma ^a	Rp	400	November 6, 2024	Monthly	Under BLR 7.40%	Trade receivables
2018 - 2023	Sigma, Metra, PINS, Metranet, Telkomsat, GSD, TDE	Rp	2,613	June 4, 2024 - December 31, 2024	Monthly, Quarterly	1 month JIBOR + 0.35% - 0.80% 3 months JIBOR + 2.00%	None
MUFG Bank 2018 - 2019	Infomedia, Metra, GSD, Telkom Infra, Telkomsat	Rp	1,616	October 31, 2024	Monthly, Quarterly	1 month JIBOR + 0.70% - 0.80% 3 months JIBOR + 0.25%	None
UOB Indonesia 2016	Finnet	Rp	500	October 31, 2024	Monthly	1 month JIBOR + 1.75%	None
DBS 2018	Telkom Infra, Infomedia	Rp	475	July 31, 2024	Monthly	1 month JIBOR + 1.20%	None

* In original currency

** Refer to Note 6 and Note 12 for details of trade receivables and property and equipment pledged as collateral.

^a Unsettled loan will be automatically extended.

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 must maintain certain level of financial ratios. On December 11, 2023, December 18, 2023, and December 22, 2023, the Group obtained waiver from BNI, Bank DBS, and HSBC, respectively, related to the non-fulfillment financial ratios in Sigma. As of December 31, 2023, the Group has complied with all covenants regarding these financial ratios.

The credit facilities were obtained by the Group for working capital purposes.

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b. Current maturities of long-term loans and other borrowings

	Notes	2022	2023
Two-step loans	20a	118	84
Bonds and medium-term notes ("MTN")	20b	—	548
Bank loans	20c	7,788	9,282
Other borrowings	20d	952	362
Total		8,858	10,276

20. LONG-TERM LOANS AND OTHER BORROWINGS

Long-term loans and other borrowings consist of the following:

	Notes	2022	2023
Two-step loans	20a	91	—
Bonds and MTN	20b	4,793	4,795
Bank loans	20c	22,085	22,978
Other borrowings	20d	362	—
Total		27,331	27,773

Scheduled principal payments as of December 31, 2023 are as follows:

	Notes	Total	Year				Thereafter
			2025	2026	2027	2028	
Bonds and MTN	20b	4,795	2,099	—	—	—	2,696
Bank loans	20c	22,978	6,512	5,801	3,858	3,019	3,788
Total		27,773	8,611	5,801	3,858	3,019	6,484

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 after July 1994 are payable in their original currencies and any resulting foreign exchange gain or loss is borne by the Company.

Lenders	Currency	2022		2023	
		Outstanding		Outstanding	
		Foreign currency (in millions)	Rupiah equivalent	Foreign currency (in millions)	Rupiah equivalent
Overseas banks	Yen	1,536	181	768	84
	Rp	—	28	—	—
Total			209		84
Current maturities (Note 19b)			(118)		(84)
Long-term portion			91		—

Lenders	Currency	Principal payment schedule	Interest payment period	Interest rate per annum
Overseas banks	Yen	Semi-annually	Semi-annually	2.95 %
	Rp	Semi-annually	Semi-annually	7.125 %

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.

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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.

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, 2023, the Company has complied with the above-mentioned ratios.

b. Bonds and MTN

Bonds and MTN	Outstanding	
	2022	2023
Bonds		
2015		
Series B	2,100	2,100
Series C	1,200	1,200
Series D	1,500	1,500
MTN		
MTN Mitratel 2023	—	550
Total	4,800	5,350
Unamortized debt issuance cost	(7)	(7)
Long-term portion	4,793	5,343
Current maturities (Note 19b)	—	(548)
Long-term portion	4,793	4,795

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 12b.x). The underwriters of the bonds are PT Bahana, TCW Management Investment (“Bahana TCW”), 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, 2023, 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, 2023, the Company has complied with the above-mentioned ratio.

ii. MTN

On September 26, 2023, Mitratel issued MTN amounting to Rp550 billion which will be used to support the provision of funds for credit refinancing.

MTN Mitratel 2023 with annual interest rate 6.20% will mature on October 26, 2024.

Bank Mandiri was appointed as trustee for the issuance of MTN Mitratel 2023. The rating of the MTN issued by Pefindo is idAAA (Triple A).

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c. Bank loans

Lenders	Currency	2022		2023	
		Outstanding		Outstanding	
		Foreign currency (in millions)	Rupiah equivalent	Foreign currency (in millions)	Rupiah equivalent
Related parties					
BNI	Rp	—	5,472	—	6,182
Bank Mandiri	Rp	—	4,381	—	3,453
BRI	Rp	—	1,409	—	955
BSI	Rp	—	22	—	509
Sub-total			11,284		11,099
Third parties					
BCA	Rp	—	9,757	—	10,170
Syndication of banks	Rp	—	680	—	2,500
	USD	17	265	10	160
Bank CIMB Niaga	Rp	—	2,221	—	2,110
	USD	4	61	4	60
DBS	Rp	—	1,500	—	1,500
Bank Permata	Rp	—	1,021	—	1,313
Bank of China	Rp	—	1,000	—	1,400
HSBC	Rp	—	750	—	625
BJB	Rp	—	—	—	500
MUFG Bank	Rp	—	500	—	500
Bank Danamon	Rp	—	455	—	273
PT Bank ANZ Indonesia ("Bank ANZ")	Rp	—	198	—	110
UOB Singapore	USD	13	205	—	—
Others (each below Rp100 billion)	Rp	—	60	—	13
	MYR	10	34	9	29
Sub-total			18,707		21,263
Total			29,991		32,362
Unamortized debt issuance cost			(118)		(102)
			29,873		32,260
Current maturities (Note 19b)			(7,788)		(9,282)
Long-term portion			22,085		22,978

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Other significant information relating to bank loans as of December 31, 2023 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								
2013 - 2022	The Company, GSD, TLT, Sigma, Mitratel	Rp	10,175	1,281	2018 - 2033	Monthly, Quarterly	1 month JIBOR + 2.25%; 3 months JIBOR + 0.50% - 1.85%	Trade receivables and property and equipment
2018	GSD	Rp	182	10	2021 - 2024	Quarterly	8.50%	Trade receivables
Bank Mandiri								
2017 - 2023	The Company, GSD, Mitratel, PST	Rp	6,893	1,128	2019 - 2029	Quarterly	3 months JIBOR + 1.00% - 1.85%	None
BRI								
2017 - 2019	The Company	Rp	2,500	455	2019 - 2026	Quarterly	3 months JIBOR + 0.75% - 1.35%	None
BSI								
2018 - 2021	SSI, Telkomsel	Rp	1,055	509	2019 - 2025	Monthly	5.50% - 7.50%	None
BCA								
2020 - 2023	The Company, Mitratel	Rp	4,500	—	2024 - 2030	Quarterly	6.75% - 6.80%	None
2020 - 2023	The Company, PST, GSD	Rp	9,186	1,359	2020 - 2031	Quarterly	3 months JIBOR + 1.00% - 1.50%	None
Syndication of banks								
2018	Telin	USD	0	0	2020 - 2025	Semi-annually	6 months SOFR + 1.55%	None
2022	Mitratel	Rp	2,500	0	2024 - 2030	Quarterly	7.68%	None
Bank CIMB Niaga								
2019 - 2022	PINS, Mitratel	Rp	2,300	70	2021 - 2029	Quarterly	3 months JIBOR + 1.30% - 1.95%	None
2021 - 2022	Telin	USD	0	—	2024 - 2030	Semi-annually	6 months SOFR + 1.82%	None
DBS								
2021	Mitratel	Rp	3,500	—	2023 - 2028	Quarterly	3 months JIBOR + 1.20%	None
Bank Permata								
2020 - 2022	Mitratel	Rp	2,000	208	2021 - 2029	Quarterly	3 months JIBOR + 1.30%	None
Bank of China								
2019	Telkomsel	Rp	1,400	2,000	2021 - 2025	Monthly	4.90%	None
HSBC								
2021	Mitratel	Rp	750	125	2023 - 2028	Quarterly	3 months JIBOR + 1.85%	None
BJB								
2023	Telkomsel	Rp	1,000	2,000	2023 - 2025	Monthly	5.85%	None
MUFG Bank								
2021	Mitratel	Rp	500	—	2022 - 2028	Quarterly	3 months JIBOR + 1.15%	None
Bank Danamon								
2022	Mitratel	Rp	636	181	2022 - 2025	Quarterly	3 months JIBOR + 1.50%	None
ANZ								
2015	GSD, PINS	Rp	440	88	2020 - 2025	Quarterly	3 months JIBOR + 1.40% - 2.00%	None

* In original currency

** Refer to Notes 6 and Notes 12 for details of trade receivables and property and equipment pledged as collaterals.

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. On December 11, 2023, December 13, 2023, and December 22, 2023, the Group obtained waiver from BNI, Bank Mandiri, and BCA, respectively, related to the non-fulfillment financial ratios in Sigma and GSD. As of December 31, 2023, the Group has complied with all covenants regarding these financial ratios.

The credit facilities were obtained by the Group for working capital purposes and investment purposes.

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As of December 31, 2023, the Group had Rp28,995 billion and USD96 million of undrawn committed borrowing facilities available .

d. Other borrowings

Lenders	Outstanding	
	2022	2023
PT Sarana Multi Infrastruktur (Persero) ("Sarana Multi Infrastruktur")	1,315	362
Unamortized debt issuance cost	(1)	0
Total	1,314	362
Current maturities (Note 19b)	(952)	(362)
Long-term portion	362	—

Other significant information relating to other borrowings as of December 31, 2023 is as follows:

	Borrower	Currency	Total facility (in billions)	Current period payment (in billions)	Principal payment schedule	Interest rate per annum	Security
Sarana Multi Infrastruktur							
March 29, 2019*	The Company	Rp	2,836	700	Semi-annually (2020 - 2024)	3 months JIBOR + 1.75%	None
March 29, 2019*	Telkomsat	Rp	164	24	Semi-annually (2020 - 2024)	3 months JIBOR + 1.75%	None

* Based on the latest amendment on June 15, 2020

Under the agreement, the Company 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
- (b) Net debt EBITDA to interest ratio should not be less than 4:1
- (c) Debt service coverage is at least 125%

As of December 31, 2023, the Company and Telkomsat has complied with the above-mentioned ratios.

21. NON-CONTROLLING INTERESTS

The details of non-controlling interests are as follows:

	2022	2023	
Non-controlling interests in net assets of subsidiaries:			
Telkomsel	10,450	11,016	
Mitratel	9,031	9,101	
Others	370	542	
Total	19,851	20,659	
	2021	2022	2023
Non-controlling interests in profit (loss) of subsidiaries:			
Telkomsel	9,183	6,476	7,096
Mitratel	79	504	568
Others	(40)	4	(23)
Total	9,222	6,984	7,641

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Material partly-owned subsidiaries

The non-controlling interest which are considered material to the Company are the non-controlling interest in Telkomsel and Mitratel.

On December 31, 2022 and 2023, non-controlling interest ownership in Telkomsel is 35.00% and 30.10%, respectively. The change in ownership of non-controlling interests in Telkomsel is the result of transfer of the Company's IndiHome business to Telkomsel and capital injection from Singtel to Telkomsel, which became effective from July 1, 2023 (Note 1e).

On December 31, 2022 and 2023, non-controlling interest ownership in Mitratel is 28.15% and 28.16%, respectively. The change in ownership of non-controlling interests in Mitratel is the result of the execution of the Management and Employee Stock Option Program ("MESOP").

The summarized financial informations of Telkomsel and Mitratel are provided below. These informations are based on amounts before intercompany eliminations and adjustments.

Summarized statements of financial position:

	Telkomsel		Mitratel	
	2022	2023	2022	2023
Current assets	16,290	20,505	7,886	3,420
Non-current assets	83,795	91,871	48,163	53,576
Current liabilities	(31,921)	(39,743)	(10,206)	(11,077)
Non-current liabilities	(38,365)	(42,251)	(12,061)	(11,900)
Total equity	29,799	30,382	33,782	34,019
Attributable to:				
Owners of the parent company	19,349	19,366	24,751	24,918
Non-controlling interests	10,450	11,016	9,031	9,101

Summarized statements of profit or loss and other comprehensive income:

	Telkomsel			Mitratel		
	2021	2022	2023	2021	2022	2023
Revenues	87,506	89,039	102,372	6,870	7,729	8,595
Operation expenses	(52,356)	(59,332)	(71,819)	(4,123)	(4,567)	(4,949)
Other expenses – net	(1,980)	(5,375)	(2,280)	(820)	(1,195)	(1,501)
Profit before income tax	33,170	24,332	28,273	1,927	1,967	2,145
Income tax expense – net	(6,931)	(5,805)	(6,418)	(494)	(175)	(128)
Profit for the year	26,239	18,527	21,855	1,433	1,792	2,017
Other comprehensive income (loss) – net	(75)	145	78	8	(1)	2
Total comprehensive income for the year	26,164	18,672	21,933	1,441	1,791	2,019
Attributable to non-controlling interests	9,183	6,476	7,096	79	504	568
Dividends paid to non-controlling interests	13,204	9,784	9,267	—	272	484

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Summarized statements of cash flows:

	Telkomsel			Mitratel		
	2021	2022	2023	2021	2022	2023
Operating	40,789	42,970	41,693	5,363	6,020	5,162
Investing	(12,943)	(8,652)	(14,302)	(12,597)	(10,893)	(6,504)
Financing	(34,239)	(30,783)	(28,601)	25,851	(7,921)	(4,118)
Net increase (decrease) in cash and cash equivalents	(6,393)	3,535	(1,210)	18,617	(12,794)	(5,460)

22. CAPITAL STOCK

The details of capital stock are as follows:

Description	2022		
	Number of shares	Percentage of ownership	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*	3,889,668,580	3.93	194
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
Commissioner (Note 1b):			
Arya Mahendra Sinulingga	87,500	0	0
Public (individually less than 5%)	43,568,550,005	43.98	2,179
Total	99,062,216,600	100.00	4,953

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Description	2023		
	Number of shares	Percentage of ownership	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*	3,973,451,980	4.02	199
Directors (Note 1b):			
Ririek Adriansyah	6,016,355	0	0
Bogi Witjaksono	4,130,400	0	0
Afriwandi	4,172,900	0	0
Heri Supriadi	4,170,400	0	0
F.M. Venusiana R.	7,806,900	0	0
Herlan Wijanarko	4,172,900	0	0
Muhamad Fajrin Rasyid	4,130,400	0	0
Budi Setyawan Wijaya	4,585,400	0	0
Honesti Basyir	370,544	0	0
Commissioners (Note 1b):			
Isa Rachmatarwata	1,968,000	0	0
Marcelino Rumambo Pandin	1,968,000	0	0
Ismail	1,968,000	0	0
Arya Mahendra Sinulingga	2,014,800	0	0
Rizal Mallarangeng	1,968,000	0	0
Public (individually less than 5%)	43,436,968,061	43.89	2,174
Total	99,062,216,600	100.00	4,953

* The Bank of New York Mellon Corporation serves as the Depository 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 of the Republic of Indonesia and cannot be transferred to any party, and has a veto right in the General Meeting of Stockholders of the Company with respect to the election and removal of the Boards of Commissioners and Directors, issuance of new shares, and amendments of the Company's Articles of Association.

The Company's authorized capital stock consists of 1 Series A Dwiwarna and 389,999,999,999 Series B shares. 1 Series A Dwiwarna share has a par value of Rp50 per share and Series B shares has a par value of Rp50 per share. The Company's share structure consists of 1 Series A Dwiwarna share and 99,062,216,559 Series B shares (common stock) with total issued and fully paid-up capital of 99,062,216,600 shares.

Pursuant to the AGM of Stockholders of the Company stated in Notarial Deed No. 37 dated May 28, 2021 of Utiek R. Abdurachman, S.H., M.Li., M.Kn., 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.

Pursuant to the AGM of Stockholders of the Company stated in Notarial Deed No. 29 dated May 27, 2022 of Ashoya Ratam, S.H., M.Kn., the Company's stockholders approved the distribution of cash dividend for 2021 amounting to Rp14,856 billion (Rp149.97 per share). The Company paid cash dividend on June 30, 2022.

Pursuant to the AGM of Stockholders of the Company as stated in Notarial Deed No. 73 dated May 30, 2023 of Ashoya Ratam, S.H., M.Kn., the Company's stockholders approved the distribution of cash

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dividend for 2022 amounting to Rp16,603 billion (Rp167.59 per share). The Company paid cash dividend on July 5, 2023.

As of December 31, 2023, all of the Company's Series B shares have been listed on the IDX and 39,734,520 ADS or equivalent to 3,973,451,980 Series B have been listed on the NYSE.

23. BASIC EARNINGS PER SHARE

Basic earnings per share is computed by dividing profit for the year attributable to owners of the parent company amounting to Rp24,877 billion, Rp20,736 billion, and Rp24,427 billion by the weighted average number of shares outstanding during the year totaling to 99,062,216,600 shares for the years ended December 31, 2021, 2022 and 2023, respectively.

Basic earnings per share amounted to Rp251.13, Rp209.32 and Rp246.58 for the years ended December 31, 2021, 2022 and 2023, respectively. The Company does not have potentially dilutive financial instruments for the years ended December 31, 2021, 2022 and 2023.

24. REVENUES

The Group derives revenues in the following major product lines:

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						
Call center service	—	—	1,012	69	—	1,081
Manage service and terminal	—	—	2,047	1	—	2,048
E-health	—	—	640	—	—	640
E-payment	3	—	459	—	25	487
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	

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2022	Mobile	Consumer	Enterprise	WIB	Others	Consolidated revenue
Telephone revenues						
Cellular	11,905	—	—	147	—	12,052
Fixed lines	—	757	604	175	—	1,536
Total telephone revenues	11,905	757	604	322	—	13,588
Interconnection revenues	285	—	—	8,187	—	8,472
Data, internet, and information technology service revenues						
Cellular data and internet	69,006	—	—	—	—	69,006
Internet, data communication, and information technology services	—	308	7,750	2,228	—	10,286
SMS	4,260	—	49	—	—	4,309
Others	9	—	1,733	860	207	2,809
Total data, internet, and information technology service revenues	73,275	308	9,532	3,088	207	86,410
Network revenues	3	—	1,438	937	—	2,378
IndiHome revenues	—	25,232	2,788	—	—	28,020
Other services						
Call center service	—	—	1,139	25	—	1,164
Manage service and terminal	—	—	1,156	1	—	1,157
E-health	—	—	729	—	—	729
E-payment	20	—	454	—	—	474
Others	5	52	1,309	280	664	2,310
Total other services	25	52	4,787	306	664	5,834
Total revenues from contract with customer	85,493	26,349	19,149	12,840	871	144,702
Revenues from lessor transactions	—	—	—	2,604	—	2,604
Total revenues	85,493	26,349	19,149	15,444	871	147,306
Adjustments and eliminations	—	5	12	(2)	(632)	
Total external revenues as reported in note operating segment	85,493	26,354	19,161	15,442	239	

2023	Mobile	Consumer	Enterprise	WIB	Others	Consolidated revenue
Telephone revenues						
Cellular	8,022	—	—	172	—	8,194
Fixed lines	—	332	450	117	—	899
Total telephone revenues	8,022	332	450	289	—	9,093
Interconnection revenues	293	—	—	8,774	—	9,067
Data, internet, and information technology service revenues						
Cellular data and internet	73,187	—	—	—	—	73,187
Internet, data communication, and information technology services	268	85	8,167	2,379	—	10,899
SMS	3,345	—	35	—	—	3,380
Others	34	—	2,010	1,098	212	3,354
Total data, internet, and information technology service revenues	76,834	85	10,212	3,477	212	90,820
Network revenues	4	—	1,212	1,266	—	2,482
IndiHome revenues	—	27,263	1,522	—	—	28,785
Other services						
Call center service	—	—	1,264	—	—	1,264
Manage service and terminal	—	—	908	12	—	920
E-health	—	—	761	—	—	761
E-payment	—	—	496	—	—	496
Others	138	27	1,401	318	858	2,742
Total other services	138	27	4,830	330	858	6,183
Total revenues from contract with customer	85,291	27,707	18,226	14,136	1,070	146,430
Revenues from lessor transactions	—	—	—	2,786	—	2,786
Total revenues	85,291	27,707	18,226	16,922	1,070	149,216
Adjustments and eliminations	—	6	11	6	(668)	
Total external revenues as reported in note operating segment	85,291	27,713	18,237	16,928	402	

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Management expects that most of the transaction price allocated to the unsatisfied contracts as of December 31, 2023 will be recognized as revenue during the next reporting periods. Unsatisfied performance obligations as of December 31, 2023, which management expects to be realised within one year is Rp9,421 billion, and more than one year is Rp5,441 billion.

The Group entered into non-cancellable 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 32 years and with expiry dates between 2024 and 2051. Periods may be extended based on the agreement by both parties.

Refer to Note 31 for details of related party transactions.

25. PERSONNEL EXPENSES

The breakdown of personnel expenses is as follows:

	2021	2022	2023
Salaries and related benefits	8,661	9,360	9,674
Vacation pay, incentives, and other benefits	4,999	3,835	4,159
Pension and other post-employment benefits (Note 29)	1,680	1,585	1,764
LSA expense (Note 30)	153	92	289
Others	31	35	41
Total	15,524	14,907	15,927

Refer to Note 31 for details of related parties transactions.

26. OPERATION, MAINTENANCE, AND TELECOMMUNICATION SERVICE EXPENSES

The breakdown of operation, maintenance, and telecommunication service expenses is as follows:

	2021	2022	2023
Operation and maintenance	21,467	22,746	23,057
Radio frequency usage charges (Note 33c.i)	6,097	6,510	7,412
Leased lines and Customer Premises Equipment("CPE")	5,003	3,530	3,462
Concession fees and USO charges (Note 16)	2,472	2,601	2,836
Electricity, gas, and water	898	904	877
Cost of SIM cards, vouchers, and sales of peripherals (Note 8)	739	747	797
Project management	519	400	489
Vehicles rental and supporting facilities	305	343	308
Insurance	432	230	269
Others (each below Rp100 billion)	201	173	211
Total	38,133	38,184	39,718

Refer to Note 31 for details of related parties transactions.

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27. GENERAL AND ADMINISTRATIVE EXPENSES

The breakdown of general and administrative expenses is as follows:

	2021	2022	2023
General expenses	2,043	2,259	2,446
Professional fees	789	1,097	996
Allowance for expected credit losses trade receivables (Note 6)	474	567	513
Training, education, and recruitment	284	371	461
Traveling	321	421	443
Meeting	249	312	334
Social contribution	213	218	232
Collection expenses	212	173	195
Others (each below Rp100 billion)	431	436	479
Total	5,016	5,854	6,099

Refer to Note 31 for details of related parties transactions.

28. TAXATION

a. Prepaid income taxes

	2022	2023
The Company - Corporate income tax	19	271
Subsidiaries - Corporate income tax	581	699
Total	600	970
Current portion	(332)	(3)
Non-current portion (Note 14)	268	967

b. Prepaid other taxes

The breakdown of prepaid other taxes is as follows:

	2022	2023
The Company:		
VAT	155	164
Article 21 - Individual income tax	3	2
Article 22 - Withholding tax on goods delivery and imports	1	0
Article 23 - Withholding tax on service delivery	97	238
Subsidiaries:		
VAT	1,561	2,145
Article 4(2) - Final tax	24	1
Article 23 - Withholding tax on service delivery	24	14
Total	1,865	2,564
Current portion	(1,512)	(1,925)
Non-current portion (Note 14)	353	639

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c. Current income tax liabilities

The breakdown of current income tax liabilities is as follows:

	2022	2023
The Company:		
Article 25 - Installment of corporate income tax	190	122
Article 29 - Corporate income tax	575	—
Subsidiaries:		
Article 25 - Installment of corporate income tax	260	539
Article 29 - Corporate income tax	1,782	1,672
Total	<u>2,807</u>	<u>2,333</u>

d. Other tax liabilities

The breakdown of other tax liabilities is as follows:

	2022	2023
The Company:		
Income taxes		
Article 4(2) - Final tax	50	33
Article 21 - Individual income tax	79	102
Article 22 - Withholding tax on goods delivery and imports	7	2
Article 23 - Withholding tax on services	48	24
Article 26 - Withholding tax on non-resident income	5	0
VAT	244	170
VAT - Tax collector	286	163
Sub-total	<u>719</u>	<u>494</u>
Subsidiaries:		
Income taxes		
Article 4(2) - Final tax	287	317
Article 21 - Individual income tax	206	182
Article 22 - Withholding tax on goods delivery and imports	5	9
Article 23 - Withholding tax on services	68	152
Article 26 - Withholding tax on non-resident income	262	10
VAT	493	399
VAT - Tax collector	525	629
Sub-total	<u>1,846</u>	<u>1,698</u>
Total	<u>2,565</u>	<u>2,192</u>

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e. The components of consolidated income tax expense (benefit) are as follows:

	2021	2022	2023
Current			
The Company	2,236	2,134	1,271
Subsidiaries	7,320	7,125	7,525
Sub-total	9,556	9,259	8,796
Deferred			
The Company	(614)	(102)	504
Subsidiaries	698	(447)	(513)
Sub-total	84	(549)	(9)
Net income tax expense	9,640	8,710	8,787

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f. Reconciliation of income tax expense

The details of the net income tax expense for the years ended December 31, 2021, 2022 and 2023 are as follows:

	2021	2022	2023
Estimated taxable income of the Company	11,593	11,039	6,340
Corporate Income Tax:			
Current corporate income tax expense:			
The Company	2,202	2,098	1,205
Subsidiaries	7,318	7,125	7,524
Current income tax expense of previous year:			
Final tax expense			
The Company	34	36	66
Subsidiaries	2	—	1
Total income tax expense - current	9,556	9,259	8,796
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	(134)	25	196
Contract Cost	(17)	(24)	(12)
Leases	(1)	(1)	0
Realization of accrual of expenses and inventory write-off (provision for inventory obsolescence)	—	(13)	(5)
Amortization of (addition to) deferred installation fee	(64)	(20)	(1)
Allowance for expected credit losses	(71)	10	54
Provision for employee benefits	(111)	96	(7)
Amortization of intangible assets, land rights and others	1	(1)	(6)
Depreciation and gain on disposal or sale of property and equipment	(217)	(174)	285
Net	(614)	(102)	504
Telkomsel			
Fair value measurement of other financial instruments	549	(542)	(7)
Leases	(84)	58	200
Allowance for expected credit losses	103	35	(61)
Amortization of license	28	(6)	25
Provision for employee benefits	(128)	(33)	(168)
Contract liabilities	(9)	—	(217)
Contract cost	27	—	(5)
Other financial instruments	1	234	(41)
Depreciation and gain on disposal or sale of property and equipment	100	(178)	(122)
Net	587	(432)	(396)
Subsidiaries - other - net	111	(15)	(117)
Net income tax benefit - deferred	84	(549)	(9)
Income tax expense - net	9,640	8,710	8,787

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The reconciliation between the income tax expense calculated by applying the applicable tax rate of 19% to the profit before income tax less income subject to final tax, and the net income tax expense as shown in the consolidated statements of profit or loss and other comprehensive income is as follows:

	2021	2022	2023
Profit before income tax consolidation	43,739	36,430	40,855
Less consolidated income subject to final tax - net	(2,378)	(5,807)	(11,010)
	<u>41,361</u>	<u>30,623</u>	<u>29,845</u>
Income tax expense calculated at the Company's applicable statutory tax rate	7,859	5,818	5,671
Difference in applicable statutory tax rate for subsidiaries	1,067	699	626
Non-deductible expenses	(24)	1,994	2,183
Final income tax expense	36	36	67
Deferred tax adjustment	(230)	(508)	(203)
Unrecognized deferred tax	17	(61)	177
Others	915	732	266
Net income tax expense	<u>9,640</u>	<u>8,710</u>	<u>8,787</u>

In Law No. 7 of 1983 concerning Income Tax as amended several times, most recently by Law No. 6 of 2023 concerning Stipulation of Government Regulations in Lieu of Law no. 2 of 2022 concerning Job Creation becomes Law, Article 17 paragraph (1) letter b which 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 fiscal year, and in article 17 paragraph (2b) stipulates that 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, 2021, 2022 and 2023. The subsidiaries applied the tax rate of 22% for the years ended December 31, 2021, 2022 and 2023.

The Company has submitted its Annual Corporate Income Tax Return for the 2022 fiscal year on April 28, 2023, to the Tax Authority in accordance with the applicable tax regulations.

g. Tax assessments

(i) The Company

Income tax fiscal year 2015

On April 25, 2017, the Tax Authorities issued Tax Overpayment Assessment Letter ("SKPLB") for corporate income tax amounting to Rp147 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 Corporate Income Tax Return fiscal year 2015 to Annual Corporate Income Tax Return fiscal year 2016. The accepted portion was charged to the 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.

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.

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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 the response of Tax Authorities judicial review.

The entire file of the Judicial Review Memorandum submitted by the Judicial Review Applicant (DGT) and the Judicial Review Counter Memorandum file sent by the Respondent (Telkom) have been forwarded by the Secretariat of the Tax Court to the Supreme Court on December 13, 2022, with a letter of introduction number PKMA-1594/XII/ PAN.Wk/2022.

On May 25, 2023, the Supreme Court issued Decision number 1365/B/PK/Pjk/2023 which rejected the DGT's request for review. Thus, all tax obligations for 2015 have permanent legal force through the Issuance of the Supreme Court Decision and have passed the tax determination expiration period as stipulated in the tax law.

Income Tax and VAT fiscal year 2019

On May 12, 2022, the Company received a notice of field audit for overpayment of domestic VAT for period January to December 2019. On November 30, 2022, the Company received VAT Collector ("WAPU") Underpayment Assessment Letter ("SKPKB") and Tax Collection Letter ("STP") for the period January to December 2019 amounting to Rp6.3 billion (including a fine of Rp3.1 billion) and domestic VAT SKPLB for January to December 2019 amounting to Rp60.8 billion. The Company agrees to accept the auditor's tax correction and has charged fines and audit corrections to the 2022 income statement. Thus, for the 2019 VAT tax type, the Company has received a decision that is final and has permanent legal force.

On April 12, 2023, the Company received a Field Audit Notification Letter to test compliance with tax obligations on Corporate Income Tax and Income Tax Withholding/Collection for the 2019 Fiscal Year. As of the issuance date of these financial statements, the tax audit process is still ongoing.

Income Tax and VAT fiscal year 2020

On September 1, 2022, the Company received a notice of field audit for overpayment of domestic VAT for period May 2020. On March 10, 2023, the Company received SKPKB and STP VAT for May 2020 WAPU in the amount of Rp0.6 billion (including a fine of Rp0.3 billion), Nil Tax Assessment Letter ("SKPN") and Offshore VAT STP in the amount of Rp0.1 billion, and SKPLB VAT for May 2020 period amounting to Rp0.3 billion. The Company agreed to accept the auditor's tax correction and has charged fines and correctional sanctions to the 2023 income statement.

On March 13, 2023, the Company received a Field Audit Notification Letter for Overpayment of VAT Tax Return for January to April, July, September and November to December 2020. On April 6, 2023, the Company received a Field Audit Notification Letter regarding the overpayment of VAT Tax Return for June, August and October 2020. On June 20, 2023, the Company received Audit Notification Letter to test compliance with tax obligations regarding Corporate Income Tax, VAT and Income Tax Withholding/Collection for the 2020 Fiscal Year.

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As of the issuance date of these financial statements, the Company has received Tax Assessment Letters and STP for the period of January, February, April and July 2020, consisting of Domestic VAT SKPLB amounting to Rp39.7 billion, VAT SKPKB and Offshore VAT STP amounting to Rp0.6 billion and SKPKB and STP VAT WAPU amounting to Rp0.6 billion. Meanwhile, the audit process for Corporate Income Tax and Withholding/Collection Tax is still ongoing.

Income tax and VAT fiscal year 2021

On June 20, 2023, the Company received a Tax Audit Notification Letter for Corporate Income Tax, VAT and Withholding Income Tax for the 2021 Fiscal Year. As of the issuance date of these financial statements, the audit process for all types of taxes is still ongoing.

(ii) Telkomsel

Income tax and VAT fiscal year 2014

In May 2019, Telkomsel received tax underpayment assessment letters for the 2014 CIT, VAT and WHT in total amount of Rp151 billion (including penalty of Rp55 billion). Telkomsel partially accepted the portion of Rp16 billion and charged it as expense in 2019 consolidated statement of profit or loss. Telkomsel also paid a portion of Rp99 billion out of the remaining underpayment and recorded it as claim for tax refund. In August 2019, Telkomsel filed an objection to the Tax Authorities for full amount of Rp134 billion.

In July 2020, Telkomsel received an objection decision letter which accepted Telkomsel's objection of Rp27 billion and rejected the remaining Rp107 billion. Telkomsel received the tax refund of Rp27 billion in August 2020.

In September 2020, Telkomsel filed an appeal to the Tax Court for the 2014 CIT, WHT and VAT assessments amounting to Rp107 billion.

In April 2022, Telkomsel received the Tax Court's Verdict for the 2014 underpayment of WHT and VAT, which partially accepted Telkomsel's appeal amounting to Rp66 billion. Telkomsel received the refund in April, May and June 2022, and charged the rejected portion of Rp4 billion in the 2022 consolidated statement of profit or loss.

In August 2022, Telkomsel received notifications that the Tax Authorities had filed a judicial review to the Supreme Court ("SC") for the 2014 VAT amounting to Rp8 billion. Telkomsel had since submitted its contra memorandums for the Judicial Review in September 2022.

In February and March 2023, the SC fully rejected the judicial review claimed by the Tax Authorities on tax periods of 2014 VAT amounting to Rp8 billion. Thus, these cases have been legally enforced (*in-kracht*) and no additional tax payables for fiscal year 2014.

As at the authorization date of these consolidated financial statements, the result of appeal for CIT have not yet been received.

Income tax and VAT fiscal year 2015

In August 2019, Telkomsel received the tax underpayment assessment letters for the 2015 CIT, VAT and WHT in total amount of Rp385 billion (including penalty of Rp129 billion). Telkomsel accepted the portion of Rp35 billion, which was paid and charged as expense in the 2019 consolidated statement of profit or loss. Telkomsel also paid the remaining amount of underpayment and recorded it as claim for tax refund. In September 2019, Telkomsel filed an objection to the Tax Authorities for Rp350 billion.

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In July 2020, Telkomsel received an objection decision letter from Tax Authorities that rejected all Telkomsel's objection.

In September 2020, Telkomsel filed an appeal to the Tax Court for the 2015 CIT, WHT and VAT assessments amounting to Rp350 billion.

In April and May 2022, Telkomsel received the Tax Court's Verdict for the 2015 underpayment of WHT and VAT which partially accepted the Telkomsel's appeal amounting to Rp53 billion. Telkomsel received the refund in April and May 2022, and charged the rejected portion of Rp3 billion in the 2022 consolidated statement of profit or loss.

In August 2022, Telkomsel received notifications that the Tax Authorities had filed a judicial review to the SC for the 2015 VAT amounting to Rp24 billion. Telkomsel had submitted its contra memorandums for the Judicial Review in August 2022.

During February to May 2023, Telkomsel received decision letters from SC, which fully rejected the Judicial Review claimed by the Tax Authorities for the tax periods of 2015 fiscal year VAT amounting to Rp24 billion. Telkomsel has received all final decisions, which are legally enforced (*in-kracht*) and thus, there are no additional tax payables for 2015 fiscal year VAT.

As at the authorization date of these consolidated financial statements, the results of appeal for CIT have not yet been received.

Income tax and VAT fiscal year 2018

In September 2022, Telkomsel received tax underpayment assessment letters for the 2018 CIT, VAT and WHT amounting to Rp160 billion (including penalty of Rp49 billion) in total. At the same time, Telkomsel also received tax assessment letters for 2018 VAT confirming tax overpayments in the amount of Rp40 billion.

On October 14, 2022, Telkomsel paid and accepted a portion of the CIT tax assessment of Rp165 million, and charged it as expense in the 2022 consolidated statements of profit or loss. Telkomsel also paid the remaining amount of tax assessment for CIT and VAT amounting to Rp57 billion, after netting-off with overpayment of Rp40 billion. Telkomsel recorded it as claim for tax refund in the consolidated statements of financial position.

On December 13, 2022, Telkomsel filed an objection to the Tax Authorities amounting to Rp120 billion for CIT, VAT and WHT.

In October 2023, Telkomsel received objection decision letters from Tax Authorities, which partially accepted Telkomsel's objection for WHT and VAT as well as rejected the entire Telkomsel's objection for CIT.

Telkomsel has fully received tax refunds amounting to Rp22 billion for WHT and VAT in October 2023 and charged the rejected portion of WHT and VAT amounting to Rp0.2 billion in total as expense in 2023 consolidated statement of profit or loss. Telkomsel has submitted an appeal for entire portion of CIT in January 2024.

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h. Deferred tax assets and liabilities

The details of the Group's deferred tax assets and liabilities are as follows:

	Deferred tax asset and liabilities in financial position		(Charged) credited to profit or loss	
	2022	2023	2022	2023
The Company				
Allowance for expected credit losses	885	831	(10)	(54)
Net periodic pension and other post-employment benefit costs	981	822	(25)	(196)
Difference between accounting and tax bases of property and equipment	805	430	174	(285)
Provision for employee benefits	293	299	(96)	7
Deferred installation fee	204	21	20	1
Land rights, intangible assets and others	23	29	1	6
Accrued expenses and provision for inventory obsolescence	85	86	13	5
Leases	(3)	—	—	1
Capitalization of contract cost	(48)	14	24	12
Total deferred tax assets	3,225	2,532	102	(503)
Telkomsel				
Provision for employee benefits	1,220	1,385	33	168
Allowance for expected credit losses	144	205	(35)	61
Contract liabilities	—	400	—	217
Fair value measurement of financial instruments	(7)	—	542	7
Difference between accounting and tax bases of property and equipment	(155)	62	178	122
Leases	(774)	(976)	(58)	(201)
License amortization	(146)	(171)	6	(25)
Contract cost	—	(46)	—	5
Other financial instruments	85	125	(234)	41
Deferred tax assets of Telkomsel - net	367	984	432	395
Deferred tax assets of the other subsidiaries - net	777	704	171	(70)
Deferred tax liabilities of the other subsidiaries - net	(1,023)	(841)	(156)	187
Deferred tax expense			549	9
Total deferred tax assets - net	4,369	4,220		
Total deferred tax liabilities - net	(1,023)	(841)		

As of December 31, 2021, 2022 and 2023, the aggregate amounts of temporary differences associated with investments in subsidiaries and associated companies, for which deferred tax liabilities are not recognized were Rp25,480 billion, Rp23,652 billion and Rp79,511 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

In October 2021, the Government also issued Law No.7/2021 on the Harmonization of Tax Regulations, which, among other things, regulates the rates of income tax and VAT. Starting January 1, 2022, the Group applies the income tax rate on employee taxable income in accordance with paragraph (1) letter a of Article 17 Chapter III, and starting April 1, 2022 the VAT rate changes to 11%. The Company ensures the readiness of the surrounding billing system, administrative and legal aspects of transactions, and builds intensive coordination between related units. concerned to prepare for the implementation of these rules.

In February 2022, the Government issued Government Regulation No. 9/2022 concerning the Second Amendment to Government Regulation No. 51/2008 concerning Income Tax on Income from Construction Services Business. The Company ensures administrative and legal aspects of transactions and builds solid coordination between related units to prepare for the application of the

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income tax rate rule for construction service businesses as stipulated in article 3 paragraph (1) of the regulation.

In June 2023, the Government issued Minister of Finance Regulation No. 66/PMK.03/2023 concerning Income Tax Treatment of Reimbursement or Compensation in Relation to Work or Services Received or Obtained in Kind and/or Enjoyment. The Company ensures administrative and legal aspects of transactions, and builds intensive coordination between related units to implement these rules.

In December 2023, the Government issued Government Regulation No. 58 of 2023 concerning Income Tax Withholding Rates Article 21 on Income in Connection with Work, Services or Activities of Individual Taxpayers as well as Regulation of the Minister of Finance No. 168 of 2023 concerning Guidelines for Implementing Tax Deductions on Income in Connection with Work, Services or Individual Activities which will come into effect from January 1, 2024. With this provision, there is a change in the mechanism for calculating Income Tax Article 21 for Employees which previously used progressive rates in accordance with Article 17 of the Law -The Income Tax Law uses the average effective rate (TER) for Article 21 Income Tax deductions as regulated in the government regulation. The Company ensures that there is intensive coordination between related units to implement these regulations.

29. PENSION AND OTHER POST-EMPLOYMENT BENEFITS

The details of pension and other post-employment benefit liabilities are as follows:

	Notes	2022	2023
Pension benefit and other post-employment benefit obligations			
Pension benefit			
The Company - funded			
Defined pension benefit obligation	29a.i.a.i	4,234	3,666
Additional pension benefit obligation	29a.i.a.ii	44	44
The Company - unfunded			
Telkomsel	29a.ii	522	258
Projected pension benefit obligations		4,275	4,726
Net periodic post-employment health care benefit	29b	9,075	8,694
Other post-employment benefit	29c	—	1,470
Long service employee benefit	29d	268	244
Obligation under the Labor Law	29e	1	1
Total		10,272	11,414

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The details of net pension benefit expense recognized in the consolidated statements of profit or loss and other comprehensive income is as follows:

	Notes	2021	2022	2023
Pension benefit cost				
The Company - funded	29a.i.a			
Defined pension benefit obligation	29a.i.a.i	732	577	629
Additional pension benefit obligation	29a.i.a.ii	—	37	3
The Company - unfunded	29a.i.b	74	58	54
Telkomsel	29a.ii	331	596	633
Total periodic pension benefit cost		1,137	1,268	1,319
Net periodic post-employment health care benefit cost	25,29b	263	213	205
Other post-employment benefit cost	25,29c	23	25	22
Long service employee benefit cost	25,29d	3	1	1
Obligation under the Labor Law	25,29e	254	78	217
Total		1,680	1,585	1,764

The amounts recognized in OCI are as follows:

	Notes	2021	2022	2023
Defined benefit plan actuarial gain (loss)				
The Company - funded	29a.i.a			
Defined pension benefit obligation	29a.i.a.i	1,123	467	(524)
Additional pension benefit obligation	29a.i.a.ii	0	(7)	1
The Company - unfunded	29a.i.b	82	55	246
Telkomsel	29a.ii	(110)	218	91
Others		(3)	1	0
Post-employment health care benefit cost	29b	1,032	851	(1,265)
Other post-employment benefit	29c	2	14	(2)
Obligation under the Labor Law	29e	42	13	41
Sub-total		2,168	1,612	(1,412)
Deferred tax effect at the applicable tax rates	28h	(213)	(148)	23
Defined benefit plan actuarial gain (loss) - net of tax		1,955	1,464	(1,389)

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The following table presents the changes in projected pension benefit obligation and post-employment health care benefit obligations, changes in pension benefit and post-employment health care benefit plan assets, funded status of the pension plan and post-employment health care benefit plan, and net amount recognized in the consolidated statements of financial position as of December 31, 2022 and 2023, under the defined benefit pension plan:

	Funded				Post-employment health care benefit		Total
	Defined pension benefit obligation				The Company		
	The Company		Telkomsel		The Company		
	Projected pension benefit obligations	Pension benefit plan assets	Projected pension benefit obligations	Pension benefit plan assets	Projected post-employment health care benefit obligation	Post-employment health care benefit plan assets	
Balance, January 1, 2022	23,838	(18,947)	5,020	(832)	13,416	(12,778)	9,717
Service costs	178	—	326	—	—	—	504
Interest costs (income)	1,635	(1,347)	328	(58)	982	(933)	607
Plan administration cost	—	63	—	—	—	164	227
Additional welfare benefits	65	—	—	—	—	—	65
Cost recognized in the consolidated statement of profit or loss	1,878	(1,284)	654	(58)	982	(769)	1,403
Actuarial (gain) loss on:							
Experience adjustments	(737)	—	(1)	—	(730)	—	(1,468)
Changes in demographic assumptions	—	—	(1)	—	—	—	(1)
Changes in financial assumptions	(30)	—	(67)	—	(136)	—	(233)
Return on plan assets (excluding amount included in net interest expense)	—	300	(186)	37	—	(69)	82
Changes in asset ceiling	—	—	—	—	—	84	84
Cost recognized in OCI	(767)	300	(255)	37	(866)	15	(1,536)
Employer's contributions	—	(719)	—	—	—	—	(719)
Pension plan participants' contributions	19	(19)	—	—	—	—	—
Benefits paid from plan assets	(1,767)	1,767	(291)	—	—	—	(291)
Benefits paid by employer	(65)	—	—	—	(654)	654	(65)
Balance, December 31, 2022	23,136	(18,902)	5,128	(853)	12,878	(12,878)	8,509
Projected pension benefit obligation at end of year	4,234		4,275				8,509
	Funded				Post-employment health care benefit		Total
	Defined pension benefit obligation				The Company		
	The Company		Telkomsel		The Company		
	Projected pension benefit obligations	Pension benefit plan assets	Projected pension benefit obligations	Pension benefit plan assets	Projected post-employment health care benefit obligation	Post-employment health care benefit plan assets	
Balance, January 1, 2023	23,136	(18,902)	5,128	(853)	12,878	(12,878)	8,509
Service costs	326	—	331	—	—	—	657
Settlement costs	(2)	2	—	—	—	—	—
Interest costs (income)	1,573	(1,295)	369	(67)	913	(898)	595
Plan administration cost	(126)	126	—	0	—	187	187
Interest expense on effect of asset ceiling	—	—	—	—	—	3	3
Additional welfare benefits	50	—	—	—	—	—	50
Cost recognized in the consolidated statement of profit or loss	1,821	(1,167)	700	(67)	913	(708)	1,492
Actuarial (gain) loss on:							
Experience adjustments	91	—	(76)	—	(907)	—	(892)
Changes in demographic assumptions	—	—	—	—	—	—	—
Changes in financial assumptions	906	—	(40)	—	2,349	—	3,215
Return on plan assets (excluding amount included in net interest expense)	—	(473)	—	25	—	(89)	(537)
Changes in asset ceiling	—	—	—	—	—	(88)	(88)
Cost recognized in OCI	997	(473)	(116)	25	1,442	(177)	1,639
Employer's contributions	—	(1,635)	—	(4)	—	—	(1,639)
Pension plan participants' contributions	17	(17)	—	—	—	—	—
Benefits paid from plan assets	(1,972)	1,972	(149)	—	(586)	586	(149)
Benefits paid by employer	(50)	—	—	—	—	—	(50)
Benefit obligation from transferred employees	—	—	233	(171)	—	—	62
Effect on transfer of IndiHome business to Telkomsel	(231)	170	—	—	(23)	23	(61)
Balance, December 31, 2023	23,718	(20,052)	5,796	(1,070)	14,624	(13,154)	9,862
Projected pension benefit obligation at end of year	3,666		4,726		1,470		9,862

The following table presents the changes in unfunded projected pension benefit obligations, additional pension benefit obligations, other post-employment benefit obligations and obligations under the Labor

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Law, changes in additional pension benefit plan assets, and net amount recognized in the consolidated statements of financial position as of December 31, 2022 and 2023, under the defined benefit pension plan:

	The Company				The Company and its subsidiaries	
	Unfunded	Additional pension benefit obligations	Other post-employment benefit obligations	Long service employee benefit	Obligations under the Labor Law	Total
Balance, January 1, 2022	613	—	300	4	926	1,843
Service costs	24	37	8	1	78	148
Interest costs	34	—	17	—	—	51
Cost recognized in the consolidated statement of profit or loss	58	37	25	1	78	199
Actuarial gain recognized in OCI	(55)	7	(14)	—	(13)	(75)
Benefits paid by employer	(94)	—	(43)	(4)	(63)	(204)
Balance, December 31, 2022	522	44	268	1	928	1,763

	The Company				The Company and its subsidiaries	
	Unfunded	Additional pension benefit obligations	Other post-employment benefit obligations	Long service employee benefit	Obligations under the Labor Law	Total
Balance, January 1, 2023	522	44	268	1	928	1,763
Service costs	22	—	7	1	152	182
Interest costs	32	3	15	—	65	115
Cost recognized in the consolidated statement of profit or loss	54	3	22	1	217	297
Actuarial (gain) loss recognized in OCI	(246)	(1)	2	—	(41)	(286)
Benefits paid by employer	(53)	(2)	(38)	(1)	(102)	(196)
Effect on transfer of IndiHome business to Telkomsel	(19)	0	(10)	—	3	(26)
Balance, December 31, 2023	258	44	244	1	1,005	1,552

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

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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 Rp719 billion and Rp1,635 billion, for the years ended December 31, 2022 and 2023, 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.

As of December 31, 2022 and 2023, plan assets consist of:

	2022		2023	
	Quoted in active market	Unquoted	Quoted in active market	Unquoted
Cash and cash equivalents	1,320	—	559	—
Equity instruments:				
Financials	1,638	—	1,799	—
Consumer non-cyclicals	505	—	98	—
Basic material	271	—	276	—
Infrastructures	639	—	741	—
Energy	141	—	161	—
Technology	89	—	41	—
Industrials	315	—	267	—
Consumer Cyclical	115	—	516	—
Properties and real estate	98	—	112	—
Healthcare	208	—	209	—
Transportation and logistic	8	—	7	—
Equity-based mutual fund	410	—	376	—
Fixed income instruments:				
Corporate bonds	—	3,117	—	2,447
Government bonds	7,884	—	10,257	—
Fixed income mutual funds ("RDPT")	—	122	—	100
Midterm notes ("MTN")	—	100	—	99
Asset-backed securities ("EBA")	—	30	—	13
Sukuk	—	1,090	—	1,054
Non-public equity:				
Direct placement	—	368	—	371
Property	—	187	—	186
Others	—	247	—	363
Total	13,641	5,261	15,419	4,633

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Pension plan assets include Series B shares issued by the Company with fair values totalling Rp336 billion and Rp457 billion, representing 1.78% and 2.28% of total plan assets as of December 31, 2022 and 2023, respectively, and bonds issued by the Company with fair value totalling Rp348 billion and Rp345 billion, representing 1.84% and 1.72% of total plan assets as of December 31, 2022 and 2023, 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 Rp984 billion and Rp1,768 billion for the years ended December 31, 2022 and 2023, 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, 2023, Dapen's FSR is below 105%. Therefore, the Company will contribute to the defined benefit pension plan.

Based on the Company regulations issued on September 30, 2022, regarding the Pension Fund Regulations from the Telkom Pension Fund, the Company stipulates that retirees who quit other than because of Disciplinary Punishment, Early Retirement, and at their own request and receive Pension Benefits of less than Rp1 million per month are given increase in monthly Pension Benefits to Rp1 million. In 2022 and 2023, the Company provided employee welfare benefit to pensioners and pension beneficiaries who entered their retirement period before June 30, 2002 amounting to Rp65 billion and Rp50 billion, respectively.

The actuarial valuation for the defined benefit pension plan was performed based on the measurement date as of December 31, 2021, with reports dated March 24, 2022 by KKA Santhi Devi and Ardianto Handoyo and, an independent actuary in association with Willis Towers Watson ("WTW") and as of December 31, 2022 and 2023 with report dated March 18, 2023 and March 1, 2024, respectively, by KKA I Gde Eka Sarmaja, FSAI and Partner. The principal actuarial assumptions used by the independent actuary as of December 31, 2021, 2022 and 2023 are as follows:

	2021	2022	2023
Discount rate	7.00 %	7.25 %	6.75 %
Rate of compensation increases	8.00 %	8.00 %	8.00 %
Indonesian mortality table	2019	2019	2019

(ii) Additional pension benefit obligation

Based on the Company Regulations issued on September 30, 2022, regarding the Regulations on Pension Funds from Telkom Pension Funds, the Company organizes a Defined Contribution Other Benefit Program ("PMLIP") in the form of Additional Benefits. PMLIP participants are entitled to receive Periodic Pension Benefits every month in accordance with the provisions in the Pension Fund Regulations. Additional Benefit Funds are sourced from Employer Additional Benefit contributions and provision for investment development proceeds if the FSR is achieved above 102% and the rate of Return on Investment ("ROI") is above the actuarial interest rate for funding. The employer's additional benefit contribution for each PMLIP participant is set at Rp120 thousand for a 12-month contribution period which is calculated proportionally according to the amount received.

The actuarial valuation for additional pension benefit was performed based on the measurement date as of December 31, 2021, with reports dated March 24, 2022 by KKA Santhi Devi and Ardianto Handoyo and, an independent actuary in association with WTW and as of December 31, 2022 and 2023 with report dated March 18, 2023 and March 1,

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2024, respectively, by KKA I Gde Eka Sarmaja, FSAI and Partner. The principal actuarial assumptions used by the independent actuary as of December 31, 2021, 2022 and 2023 are as follows:

	2021	2022	2023
Discount rate	7.00 %	7.25 %	6.75 %
Indonesian mortality table	2019	2019	2019

Additional pension benefit obligation has been set aside since 2018 according to the approval by the Oversight Board. As of December 31, 2023, there are no additional obligations set aside because the requirements for recognizing additional benefits as mentioned above have not been fulfilled.

(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 Rp48 billion and Rp50 billion for the years ended December 31, 2022 and 2023, 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 actuarial valuation for the defined benefit pension plan was performed based on the measurement date as of December 31, 2021, with reports dated March 24, 2022 by KKA Santhi Devi and Ardianto Handoyo and, an independent actuary in association with WTW and as of December 31, 2022 and 2023 with report dated March 8, 2023 and March 1, 2024, respectively, by KKA I Gde Eka Sarmaja, FSAI and Partner. The principal actuarial assumptions used by the independent actuary as of December 31, 2021, 2022 and 2023 are as follows:

	2021	2022	2023
Discount rate	5.75% - 7.00%	7.00% - 7.25%	6.75%
Rate of compensation increases	6.10% - 8.00%	6.10% - 8.00%	6.10% - 8.00%
Indonesian mortality table	2019	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

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Asuransi Jiwasraya (Persero) ("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 responsibility for the full amount of the contributions.

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 determine the Cash Value ("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% cut 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 PT Asuransi Jiwa IFG ("IFG Life") when the agreement with IFG Life become effective and accordingly, the restructuring agreement will be terminated. As of November 30, 2023, the cash fund had been completely taken over by IFG Life with no changes was applied to the terms of the plan and cash value being transferred at the transfer date, and accordingly, the restructuring agreement was terminated.

On June 27, 2023, the Company and Telkomsel signed an agreement regarding Dapen to appoint Telkomsel as a Partner of the Company as the sole Founder, which resulted in rights and obligations to Telkomsel as governed in the Pension Fund Agreement effective from the business transfer of IndiHome consumer business segment to Telkomsel.

Effective from the business transfer of IndiHome consumer business segment to Telkomsel, Telkomsel sponsors a defined benefit pension plan for transferring employees hired prior to July 1, 2002. The plan is governed by the pension laws in Indonesia and managed by Dapen. Dapen is managed in accordance with the Pension Fund and Investment Directives Regulations, which is determined by the Company as the Founder and is carried out by the Board of Management. The Board of Management is monitored by the Oversight Board, appointed by the Founder.

The pension benefits are paid based on the participating employee's latest basic salary at retirement and the number of years of their service. The participating employees contribute 18% of their basic salaries to the pension fund. Telkomsel's contribution to the pension fund for the year ended December 31, 2023 was amounting to Rp20.50 billion.

The actuarial valuation for the defined benefit pension plan was performed based on the measurement date as of December 31, 2021 with reports dated March 24, 2022 by KKA Santhi Devi and Ardianto Handoyo, an independent actuary in association with WTW, and as of December 31, 2022 and 2023 with report dated February 28, 2023 and March 5, 2024, respectively, by KKA Halim and Partner, an independent actuary in association with Milliman. The principal actuarial assumptions used by the independent actuary as of December 31, 2021, 2022 and 2023, are as follows:

	2021	2022	2023
Discount rate	7.00%	6.75% - 7.25%	6.70%
Rate of compensation increases	8.00%	6.10% - 8.00%	7.50% - 8.00%
Indonesian mortality table	2019	2019	2019

b. Post-employment health care benefit cost

The Company provides post-employment health care benefits to all 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

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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, 2022 and 2023. As of December 31, 2022 and 2023, plan assets consist of:

	2022		2023	
	Quoted in active market	Unquoted	Quoted in active market	Unquoted
Cash and cash equivalents	1,085	—	391	—
Equity instruments:				
Financials	1,368	—	1,465	—
Consumer Non-Cyclicals	114	—	115	—
Basic material	264	—	260	—
Infrastructures	598	—	617	—
Energy	221	—	156	—
Technology	63	—	24	—
Industrials	185	—	261	—
Consumer Cyclicals	457	—	394	—
Properties and real estate	95	—	110	—
Healthcare	233	—	147	—
Transportation and logistic	3	—	5	—
Equity-based mutual funds	1,035	—	434	—
Fixed income instruments:				
Government obligations	82	—	1,269	—
Corporate obligations	—	—	6	—
Fixed income mutual funds	6,761	—	7,053	—
Unlisted shares:				
Private placement	—	398	—	447
Total	12,564	398	12,707	447

Yakes Telkom plan assets also include Series B shares issued by the Company with fair value totaling Rp228 billion and Rp321 billion, representing 1.76% and 2.45% of total plan assets as of December 31, 2022 and 2023, respectively. Bonds issued by The Company with a fair value of Rp6 billion each represent 0.04% of total assets as of December 31, 2023. 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 Rp839 billion and Rp987 billion for the years ended December 31, 2022 and 2023, respectively.

The actuarial valuation for post-employment health care benefit was performed based on the measurement date as of December 31, 2021, with reports dated March 24, 2022 by KKA Santhi Devi and Ardianto Handoyo and, an independent actuary in association with WTW and as of December 31, 2022 and 2023 with report dated March 8, 2023 and March 1, 2024, respectively, by

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KKA I Gde Eka Sarmaja, FSAI and Partner. The principal actuarial assumptions used by the independent actuary as of December 31, 2021, 2022 and 2023 are as follows:

	2021	2022	2023
Discount rate	7.50 %	7.25 %	6.75 %
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	2021	2022	2023
Indonesian mortality table	2019	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 actuarial valuation for other post-employment benefit was performed based on the measurement date as of December 31, 2021, with reports dated March 24, 2022 by KKA Santhi Devi and Ardianto Handoyo and, an independent actuary in association with WTW and as of December 31, 2022 and 2023 with report dated March 8, 2023 and March 1, 2024, respectively, by KKA I Gde Eka Sarmaja, FSAI and Partner. The principal actuarial assumptions used by the independent actuary as of December 31, 2021, 2022 and 2023 are as follows:

	2021	2022	2023
Discount rate	6.25 %	6.75 %	6.50 %
Indonesian mortality table	2019	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, 2022 and 2023 amounted to Rp1 billion, respectively. The related long service employee benefits cost charged to expense amounted to Rp1 billion for the years ended December 31, 2022 and 2023, respectively.

e. Obligation under the Labor Law

Under Law No. 11 Year 2020, 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, 2022 and 2023 amounted to Rp928 billion and Rp1,005 billion, respectively. The related pension employee benefits cost charged to expense amounted to Rp254 billion, Rp78 billion, and Rp217 billion for the years ended December 31, 2021, 2022 and 2023, respectively (Note 25). The actuarial (gain) losses recognized in OCI amounted to Rp(42) billion, Rp13 billion and Rp41 billion for the years ended December 31, 2021, 2022 and 2023, 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 2022 and 2023 are as follows:

Time Period	Expected Benefits Payment						
	The Company		Unfunded	Telkomsel	Post-employment health care benefits	Other post-employment benefits	Post-employment benefits UUCK (Telkom)
	Defined pension benefit obligation	Additional pension benefit obligation					
2022							
Within next 10 years	21,232	40	705	5,111	8,092	324	59
Within 10-20 years	16,485	31	229	11,178	12,746	123	414
Within 20-30 years	10,414	18	430	7,827	12,019	83	497
Within 30-40 years	4,209	6	96	473	5,491	6	80
Within 40-50 years	882	1	—	—	970	—	—
Within 50-60 years	77	—	—	—	59	—	—
Within 60-70 years	2	—	—	—	6	—	—
Within 70-80 years	—	—	—	—	1	—	—
Weighted average duration of DBO	8.48 years	8.48 years	5.52 years	9.45 years	12.40 years	4.62 years	11.69 years
2023							
Within next 10 years	21,044	39	340	8,833	8,929	281	83
Within 10-20 years	15,850	30	79	13,778	13,651	116	426
Within 20-30 years	9,623	16	139	9,184	12,126	70	485
Within 30-40 years	3,630	5	21	439	5,114	3	49
Within 40-50 years	693	1	—	—	819	—	—
Within 50-60 years	53	—	—	—	48	—	—
Within 60-70 years	1	—	—	—	5	—	—
Within 70-80 years	—	—	—	—	1	—	—
Weighted average duration of DBO	8.42 years	8.42 years	5.45 years	9.18 years	12.39 years	4.51 years	11.18 years

g. Sensitivity Analysis

As of December 31, 2022, and 2023, 1% change in discount rate and rate of compensation would have effect on DBO, as follows:

Sensitivity	Discount Rate		Rate of Compensation	
	1% Increase	1% Decrease	1% Increase	1% Decrease
	Increase (decrease) in amounts		Increase (decrease) in amounts	
2022				
Funded:				
Defined pension benefit obligation	(1,948)	2,291	268	(255)
Unfunded	(24)	27	29	(27)
Telkomsel	(430)	491	536	(477)
Post-employment health care benefits	(1,413)	1,703	1,629	(1,380)
Other post-employment benefits	(12)	13	—	—
Post-employment benefits UUCK (Telkom)	(8)	10	27	(24)
2023				
Funded:				
Defined pension benefit obligation	(2,030)	2,387	235	(224)
Unfunded	(10)	12	13	(12)
Telkomsel	(529)	602	651	(582)
Post-employment health care benefits	(1,609)	1,939	1,845	(1,565)
Other post-employment benefits	(11)	12	3	(3)
Post-employment benefits UUCK (Telkom)	(10)	12	33	(28)

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The sensitivity analysis was 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.

30. 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 Rp1,031 billion and Rp1,153 billion as of December 31, 2022 and 2023, respectively. The related benefit costs charged to expense amounted to Rp153 billion, Rp92 billion and Rp289 billion for the years ended December 31, 2021, 2022, and 2023, respectively (Note 25).

31. 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	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
State-owned enterprises 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 Bank Mandiri	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, finance costs, cash in bank, time deposits, loan, and consultant expenses
BNI	Entity under common control	Internet and data service revenues, other telecommunication service revenues, finance income, finance costs, cash in bank, time deposits, loan, consultant expenses, and financing
BRI	Entity under common control	Internet and data service revenues, other telecommunication service revenues, finance income, finance costs, cash in bank, time deposits, and loan
PT Taspen (Persero) ("Taspen")	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 electrical utility expenses

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Related parties	Nature of relationships	Nature of accounts/ transactions
PT Asuransi Jasa Indonesia ("Jasindo")	Entity under common control	Property and equipment insurance expenses and personal insurance expenses
PT BNI Life Insurance ("BNI Life Insurance")	Entity under common control	Medical expenses
Bahana TCW	Entity under common control	Mutual funds
Sarana Multi Infrastruktur	Entity under common control	Other borrowings and finance costs
BTN	Entity under common control	Cash in bank and time deposits
BSI	Entity under common control	Cash in bank, time deposits, and loan
PT Omni Inovasi Indonesia Tbk. ("Omni Inovasi Indonesia")	Associated company	Distribution of SIM cards and pulse reload voucher
PT Fintek Karya Nusantara ("Finarya")	Associated company	Marketing expenses and distribution of SIM cards and pulse reload voucher
Indonusa	Associated company	Internet and data service revenues and other telecommunication service revenues
PT Kereta Cepat Indonesia China ("KCIC")	Other related entity	Other telecommunication service revenues
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

The outstanding balances of trade receivables and payables as of December 31, 2022 and 2023 are unsecured and interest-free and the settlement is expected to occur in cash. There have been no guarantees provided or received for any related party receivables or payables. The Group recorded a decrease in impairment loss from trade receivables of related party amounted to Rp152 billion, Rp33 billion, and Rp91 billion for the years ended December 31, 2021, 2022, and 2023, respectively.

b. Significant transactions with related parties

The following are significant transactions with related parties:

	2021		2022		2023	
	Amount	% of total revenues	Amount	% of total revenues	Amount	% of total revenues
Revenues						
Majority stockholder						
Ministry of Finance	212	0.15	199	0.14	174	0.12
Entities under common control						
Government agencies	5,598	3.91	3,029	2.06	3,235	2.17
Indosat	1,056	0.74	1,923	1.31	2,195	1.47
Pertamina	631	0.44	752	0.51	755	0.51
MoCI	284	0.20	791	0.54	516	0.35
BNI	404	0.28	493	0.33	509	0.34
BRI	341	0.24	104	0.07	190	0.13
Bank Mandiri	212	0.15	180	0.12	156	0.10
Taspen	53	0.04	56	0.04	106	0.07
Others (each below Rp100 billion)	1,495	1.04	1,370	0.94	900	0.60
Sub-total	10,074	7.04	8,698	5.92	8,562	5.74
Associated companies	16	0.01	6	0.00	8	0.01
Other related entities	33	0.02	52	0.04	130	0.09
Total	10,335	7.22	8,955	6.10	8,874	5.96

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	2021		2022		2023	
	Amount	% of total expenses	Amount	% of total expenses	Amount	% of total expenses
Expenses						
Entities under common control						
MoCI	8,570	8.64	9,965	9.82	10,300	9.88
PLN	2,349	2.37	2,473	2.44	2,602	2.50
Indosat	467	0.47	537	0.53	566	0.54
Jasindo	385	0.39	296	0.29	198	0.19
Government agencies	114	0.11	179	0.18	144	0.14
BNI Life Insurance	—	—	—	—	143	0.14
Bank Mandiri	8	0.01	—	—	109	0.10
Others (each below Rp100 billion)	200	0.20	229	0.23	272	0.26
Sub-total	12,093	12.19	13,679	13.49	14,334	13.75
Associated companies						
Finarya	125	0.13	110	0.11	126	0.12
Others (each below Rp100 billion)	344	0.35	37	0.04	0	0.00
Sub-total	469	0.48	147	0.15	126	0.12
Other related entities						
Padi UMKM	269	0.27	626	0.62	561	0.54
Others (each below Rp100 billion)	115	0.12	98	0.10	94	0.09
Sub-total	384	0.39	724	0.72	655	0.63
Total	12,946	13.06	14,550	14.36	15,115	14.50

	2021		2022		2023	
	Amount	% of total finance income	Amount	% of total finance income	Amount	% of total finance income
Finance income						
Entities under common control						
State-owned banks	348	62.37	459	52.28	312	29.41
Government agencies	14	2.51	16	1.82	56	5.28
Total	362	64.88	475	54.10	368	34.69

	2021		2022		2023	
	Amount	% of total finance cost	Amount	% of total finance cost	Amount	% of total finance cost
Finance cost						
Majority stockholder						
Ministry of Finance	17	0.39	10	0.25	5	0.11
Entities under common control						
State-owned banks	1,247	28.38	1,004	24.63	1,111	23.68
Sarana Multi Infrastruktur	192	4.37	109	2.67	74	1.58
Sub-total	1,439	32.75	1,113	27.30	1,185	25.26
Total	1,456	33.14	1,123	27.55	1,190	25.37

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	2021		2022		2023	
	Amount	% of total revenues	Amount	% of total revenues	Amount	% of total revenue
Distribution of SIM card and voucher						
Associated companies						
Omni Inovasi Indonesia	959	0.67	981	0.67	467	0.31
Finarya	—	—	141	0.10	159	0.11
Total	959	0.67	1,122	0.77	626	0.42

	2022		2023	
	Amount	% of total property and equipment purchased	Amount	% of total property and equipment purchased
Purchase of property and equipment				
Entities under common control	122	0.35	64	0.19
Total	122	0.35	64	0.19

c. Balance of accounts with related parties

	2022		2023	
	Amount	% of total assets	Amount	% of total assets
Cash and cash equivalents (Note 4)	24,902	9.06	22,173	7.74
Other current financial assets (Note 5)	400	0.15	800	0.28
Trade receivables (Note 6)	2,009	0.73	2,357	0.82
Contract assets				
Majority stockholder				
Ministry of Finance	24	0.01	36	0.01
Entities under common control				
Government agencies	295	0.11	293	0.10
Others (each below Rp100 billion)	273	0.10	288	0.10
Sub-total	568	0.21	581	0.20
Associated companies	1	0.00	1	0.00
Other related entities	1	0.00	1	0.00
Total	594	0.22	619	0.21
Other current assets				
Entities under common control				
MoCI	5,093	1.85	5,971	2.08
Others	96	0.03	35	0.01
Sub-total	5,189	1.88	6,006	2.09
Associated companies	2	0.00	2	0.00
Other related entities	—	—	16	0.01
Total	5,191	1.88	6,024	2.10
Other non-current assets				
Entities under common control				
MoCI	1,291	0.47	1,987	0.69
Others	16	0.01	6	0.00
Total	1,307	0.48	1,993	0.69

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	2022		2023	
	Amount	% of total liabilities	Amount	% of total liabilities
Trade payables (Note 16)				
Majority stockholder				
Ministry of Finance	0	0.00	17	0.01
Entities under common control				
MoCI	1,342	1.07	2,400	1.84
Indosat	140	0.11	129	0.10
BNI	85	0.07	120	0.09
Bank Mandiri	14	0.01	105	0.08
Others (each below Rp100 billion)	138	0.11	95	0.07
Sub-total	1,719	1.37	2,849	2.18
Associated companies	13	0.01	40	0.03
Other related entities	43	0.03	84	0.06
Total	1,775	1.41	2,990	2.28
Accrued expenses				
Majority stockholder				
Ministry of Finance	1	0.00	1	0.00
Entities under common control				
PLN	57	0.05	100	0.08
Others	76	0.06	76	0.06
Sub-total	133	0.11	176	0.14
Total	134	0.11	177	0.14
	2022		2023	
	Amount	% of total liabilities	Amount	% of total liabilities
Contract liabilities				
Majority stockholder				
Ministry of Finance	34	0.03	18	0.01
Entities under common control				
Government agencies	328	0.26	498	0.38
MoCI	62	0.05	137	0.11
Others (each below Rp100 billion)	171	0.14	313	0.24
Sub-total	561	0.45	948	0.73
Associated companies	2	0.00	14	0.01
Other related entities				
KCIC	—	—	1,133	0.87
Others	3	0.00	2	0.00
Sub-total	3	0.00	1,135	0.87
Total	600	0.48	2,115	1.62
Short-term bank loans (Note 19a)	4,462	3.55	4,916	3.77
Two-step loans (Note 20a)	209	0.17	84	0.06
Long-term bank loans (Note 20c)	11,284	8.97	11,099	8.51
Other borrowings (Note 20d)	1,314	1.04	362	0.28

d. Significant agreements with related parties

i. The Government

The Company obtained two-step loans from the Government (Note 20a).

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ii. Indosat

The Company has an agreement with Indosat to provide international telecommunication 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 telecommunication 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 telecommunication 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 enabling Indosat's mobile customers to access the Company's International Direct Dialing ("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 is subsequently applicable up 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, Sambungan Langsung Jarak Jauh ("SLJJ"), and international) and mobile network for the implementation of cost-based tariff obligations under MoCI Regulation No. 8/Year 2006. These amendments took effect starting from January 1, 2018.

Telkomsel also entered into an agreement with Indosat for the provision of international telecommunication services to its GSM mobile cellular customers.

The Company also provides leased lines to Indosat and its subsidiaries, namely PT Aplikasi 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 the 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 along with the leadership and management duties of the Directors. Total of such remuneration is as follows:

	2021		2022		2023	
	Amount	% of total expenses	Amount	% of total expenses	Amount	% of total expenses
Board of Directors	347	0.35	401	0.39	475	0.46
Board of Commissioners	140	0.14	164	0.16	179	0.17

The amounts disclosed in the table are amounts recognized as general and administration expense during the reporting periods.

32. OPERATING SEGMENTS

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 services (bundled service of fixed wireline, pay TV, and internet) and other telecommunication services to residential customers. The enterprise segment provides end-to-end solution to corporate and institutional customers. The WIB segment provides interconnection services, broadband access, information technology services, data, and internet services to other licensed telecommunication operator and international customers. Other segment provides digital content products (music and game), big data, Business to Business ("B2B") Commerce, and financial services to individual and corporate customers. There are 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 decision-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 differs from IFRS primarily in the accounting for land rights. However, the financing activities and income taxes are managed on group basis and are not separately monitored and allocated to operating segments.

Segment revenues and expenses include inter-segment transactions and are accounted at prices that management believes represent market prices.

	2021					Total segment	Adjustment and elimination	Total consolidated
	Mobile	Consumer	Enterprise	WIB	Others			
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 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 year	(99)	(285)	(13)	5	(33)	(425)	(49)	(474)

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	2022					Total segment	Adjustment and elimination	Total consolidated
	Mobile	Consumer	Enterprise	WIB	Others			
Segment results								
Revenues								
External revenues	85,493	26,354	19,161	15,442	239	146,689	617	147,306
Inter-segment revenues	3,344	195	24,646	19,658	2,486	50,329	(50,329)	—
Total segment revenues	88,837	26,549	43,807	35,100	2,725	197,018	(49,712)	147,306
Segment results	26,122	7,579	831	8,925	(1,063)	42,394	(5,964)	36,430
Other information								
Capital expenditures	(12,343)	(9,038)	(5,983)	(6,612)	(5)	(33,981)	(165)	(34,146)
Depreciation and amortization	(21,028)	(6,738)	(3,999)	(5,805)	(19)	(37,589)	4,460	(33,129)
Provision recognized in current year	(128)	(434)	(45)	34	(5)	(578)	11	(567)
	2023					Total segment	Adjustment and elimination	Total consolidated
	Mobile	Consumer	Enterprise	WIB	Others			
Segment results								
Revenues								
External revenues	85,291	27,713	18,237	16,928	402	148,571	645	149,216
Inter-segment revenues	3,628	(1,106)	26,505	20,333	2,014	51,374	(51,374)	—
Total segment revenues	88,919	26,607	44,742	37,261	2,416	199,945	(50,729)	149,216
Segment results	28,693	7,971	602	9,386	(1,188)	45,464	(4,609)	40,855
Other information								
Capital expenditures	(12,370)	(6,434)	(5,073)	(8,964)	(11)	(32,852)	(6)	(32,858)
Depreciation and amortization	(21,248)	(5,828)	(3,884)	(6,135)	(18)	(37,113)	4,544	(32,569)
Provision recognized in current year	(231)	(463)	173	(11)	(5)	(537)	24	(513)

Adjustments and eliminations:

a. Revenue reconciliation

	2021	2022	2023
Total segment revenues	188,944	197,018	199,945
Revenue from other non-operating segments	412	617	645
Adjustment and inter-segment elimination	(46,146)	(50,329)	(51,374)
Consolidated revenues	143,210	147,306	149,216

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b. Segment results reconciliation

	2021	2022	2023
Total segment results	49,413	42,394	45,464
Loss from other non-operating segments	(1,237)	(1,772)	(2,679)
Adjustment and inter-segment elimination	(613)	(1,041)	1,599
Finance income	558	878	1,061
Finance cost	(4,365)	(4,033)	(4,652)
Share of profit (loss) of long-term investment in associates	(78)	(87)	1
IFRS reconciliation	61	91	61
Consolidated profit before income tax	43,739	36,430	40,855

c. Capital expenditure reconciliation

	2021	2022	2023
Total segment capital expenditure	(30,275)	(33,981)	(32,852)
Capital expenditure from other non-operating segments	(66)	(175)	(116)
IFRS reconciliation	20	10	110
Consolidated capital expenditure	(30,321)	(34,146)	(32,858)

d. Depreciation and amortization reconciliation

	2021	2022	2023
Total segment depreciation and amortization	(35,530)	(37,589)	(37,113)
Depreciation and amortization from other non-operating segments	(280)	(263)	(250)
Adjustment and inter-segment elimination	3,994	4,597	4,700
IFRS reconciliation	102	126	94
Consolidated depreciation and amortization	(31,714)	(33,129)	(32,569)

e. Provision recognized in current year reconciliation

	2021	2022	2023
Total segment provision	(425)	(578)	(537)
Provision recognized from other non-operating segments	(3)	(7)	(5)
Adjustment and inter-segment elimination	(46)	18	29
Consolidated provision recognized in current year	(474)	(567)	(513)

Geographic information:

	2021	2022	2023
External revenues			
Indonesia	136,482	139,983	141,157
Abroad	6,728	7,323	8,059
Total	143,210	147,306	149,216

The revenue information above is based on the location of the customers.

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There are no revenue from major customer which exceeds 10% of total revenues for the year ended December 31, 2021, 2022, and 2023.

	2022	2023
Non-current operating assets		
Indonesia	176,586	184,599
Abroad	3,207	2,932
Total	179,793	187,531

Non-current operating assets for segment reporting purpose consist of property and equipment and intangible assets.

33. SIGNIFICANT COMMITMENTS AND AGREEMENTS

a. Capital expenditures

As of December 31, 2023, capital expenditures committed under the contractual arrangements are Rp8,596 billion, US\$235 million, and CNY33 million.

The above balance includes the following significant agreements:

Contracting parties	Date of agreement	Significant part of the agreement
Telkomsel and PT Phincon	September 12, 2019 - September 12, 2024	Development and Rollout Agreement ("DRA") and Technical Support Agreement ("TSA") Customer Relationship Management ("CRM") Solution System Integrator
Telkomsel, PT Ericsson Indonesia, PT Huawei Tech Investment, and PT ZTE Indonesia	February 1, 2021 - January 31, 2027	Procurement Agreement for Radio Ultimate Solution ("ROA") and TSA
Telkomsel, PT Sempurna Global Pratama, PT Lintas Teknologi Indonesia, and PT Ericsson Indonesia	September 1, 2021 - September 1, 2024	Procurement Agreement of Next Generation of Gateway GPRS Support Node ("GGSN") (Virtualized EPC)
Telkomsel, Amdocs Software Solutions Limited Liability Company, and PT Application Solutions	October 8, 2021 - October 8, 2024	Agreement Online Charging System ("OCS") and Service Control Points ("SCP") System Solution Development
Telkomsel and PT Application Solutions	October 8, 2021 - October 8, 2024	TSA for OCS and SCP
Telkomsat and Thales Alenia Space France ("TAS")	October 28, 2021 - October 27, 2037	Procurement and Installation Agreement of HTS 113BT Satellite System
Telkomsel and PT Ericsson Indonesia	February 13, 2022 - February 12, 2025	Procurement Agreement for CS Core Solution ROA and TSA
Telkomsel and PT Lintas Teknologi Indonesia	February 13, 2022 - February 12, 2025	Procurement Agreement for CS Core Solution ROA and TSA
Telkomsel and PT Huawei Tech Investment	March 24, 2022 - March 24, 2025	Procurement Agreement for GGSN
Telkomsat and Space Exploration Technologies Corporation ("SpaceX")	April 19, 2022 - June 30, 2025	Procurement Agreement for Launch Service of HTS 113BT Satellite

b. Borrowings and other credit facilities

(i) As of December 31, 2023, 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, 2024	Rp	23
BNI	500	March 31, 2024	Rp	105
Bank Mandiri	500	June 21, 2025	Rp	127
Total	1,500			255

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The Company has sufficient bank facilities to meet their current obligations (Note 34b.v).

(ii) As of December 31, 2023, Telkomsel has bank guarantee facilities for various projects, as follows:

<u>Lenders</u>	<u>Total facility</u>	<u>Maturity</u>	<u>Currency</u>	<u>Facility utilized</u>
BRI	1,000	September 25, 2028	Rp	621
BNI	2,100	December 11, 2024	Rp	1,453
Total	3,100			2,074

Bank guarantee facility with BRI and BNI are mainly for performance bond and surety bond of radio frequency (Note 33c.i)

(iii) Telin has a bank guarantee facilities from Bank Mandiri with a maximum credit limit of US\$25 million or equal to Rp385 billion will expire on December 23, 2024. As of December 31, 2023, there is no bank guarantee facility used.

c. Others

(i) Radio frequency usage

With reference to Law No. 36 of 1999, the use of radio frequency spectrum and the cost of using radio frequency are determined by the government. With reference to the Decision Letter No. 025/TEL.01.02/2022 Year 2022 dated January 28, 2022 of the MoCI, the MoCI granted Telkomsel the rights to provide mobile telecommunication services with radio frequency bandwidth in the 800 MHz, 900 MHz, 1,800 MHz, 2.1 GHz and 2.3 GHz; and basic telecommunication services.

With reference to Decision Letters No. 509 Year 2016, No. 1896 year 2017, No. 806 Year 2019, No.620 Year 2020, No. 178 Year 2021, No. 479 Year 2022, No. 90 Year 2023, and No. 188 Year 2023 of the MoCI, Telkomsel is required, among other things, to:

1. Issue a surety bond each year amounting Rp1.03 trillion for spectrum 2.3 GHz.
2. Issue a surety bond each year amounting Rp360 billion for both spectrum 2.3 GHz Block A and C.
3. Issue a surety bond amounting Rp617.15 billion for spectrum 2.1 GHz.
4. Pay an annual right of usage ("BHP") 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.

The following are radio frequency band licenses owned by Telkomsel along with the BHP fees paid during current year:

1. Radio frequency for band 800 MHz, 900 MHz, and 1,800 MHz

Based on Decree No. 620 Year 2020 of the MoCI, concerning the extension of the determination of radio frequency bands 800 MHz, 900 MHz and 1,800 MHz, Telkomsel should pay annual frequency usage fees from 2020 to 2030.

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2. Radio frequency for band up to 2.1 GHz

License No.	Description
Decree No. 90 Year 2023 of the MoCI amd. Decree No. 76 Year 2023 of the MoCI	On February 27, 2023, Telkomsel was granted to utilize the annual radio frequency license for band 1,975 – 1,980 MHz paired with 2,165 – 2,170 MHz until March 18, 2033.
Decree No. 509 Year 2016 of the MoCI amd. Decree No. 76 Year 2023 of the MoCI	MoCI granted the extension of the radio frequency license for band 1,970 – 1,975 MHz paired with 2,160 – 2,165 MHz until March 28, 2026.
Decree No. 806 Year 2019 of the MoCI amd. Decree No. 76 Year 2023 of the MoCI	MoCI granted the extension of the radio frequency license for band 1,965 – 1,970 MHz paired with 2,155 – 2,160 MHz until September 30, 2029.
Decree No. 479 Year 2022 of the MoCI amd. Decree No. 76 Year 2023 of the MoCI	Telkomsel as the winner of auction and was granted to utilize the radio frequency license for band 1,960-1,965 MHz paired with 2,150-2,155 MHz effective from January 11, 2023.

3. Radio frequency for band up to 2.3 GHz

License No.	Description
Decree No. 1896 Year 2017 of the MoCI	Telkomsel was appointed to use the radio frequency license for band 2,300 – 2,330 Mhz until 2026.
Decree No. 178 Year 2021 of the MoCI	Telkomsel as the winner to utilize the radio frequency license for band 2,330 – 2,340 MHz paired with 2,340 – 2,350 MHz for Block A and Block C, respectively until 2030.
Decree No. 487 Year 2022 of the MoCI amd. Decree No. 92 Year 2023 of the MoCI	On November 18, 2022, Telkomsel received a right to use reallocated radio frequency license for band 2,340 – 2,355 MHz paired with 2,330 – 2,360 MHz.
Decree No. 188 Year 2023 of the MoCI	On April, 2023, Telkomsel was granted an approval to allocate part of the rights-of-use of 2.3 GHz radio frequency spectrum to PT Smart Telecom.

(ii) Radio frequency spectrum cooperation agreement

The MoCI has given approval to Telkomsel for a cooperation on the use of radio frequency spectrum with KCIC through a letter No. B-171/M.KOMINFO/SP.01.01/03/2023 dated March 17, 2023, regarding the Cooperation Agreement on the Use of Radio Frequency Spectrum in the range of 891 – 895 MHz paired with 936 – 940 MHz, with a period up to December 14, 2030.

As result from this agreement, KCIC shall pay to the Company several compensations, which are annual utilization fees totaling Rp878 billion, network recovery fee of Rp1,250 billion, as well as incremental operational and maintenance costs.

(iii) Supplier of Google product cooperation agreement

On November 10, 2022, Sigma and PT Google Cloud Indonesia (“Google”) signed a cooperation agreement authorizing Sigma as a supplier of Google products. This Agreement requires Sigma to meet the minimum commitment to purchase Google products and is obligated to pay the difference between the realized value of the purchase of Google products and the minimum commitment. The minimum commitment values from November 2023 up to November 2024 and November 2024 up to November 2025 are US\$4,500 million and US\$9,000 million, respectively.

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(iv) USO

On December 27, 2011, Telkomsel (on behalf of Konsorsium Telkomsel, a consortium which was established with Mitratel on December 9, 2011) was selected by *Balai Penyedia dan Pengelola Pembiayaan Telekomunikasi dan Informatika* ("BPPPTI"), now has been renamed as *Badan Aksesibilitas Telekomunikasi dan Informasi* ("BAKTI") as a provider of the USO Program in the border areas with a total price of Rp261 billion.

In 2015, the Program was ceased. In January 2016, Telkomsel filed an arbitration claim to BANI for the settlement of the outstanding receivables of USO Programs.

On June 22, 2017, Telkomsel received a decision letter from BANI No. 792/1/ARB-BANI/2016 requesting BAKTI to pay compensation to Telkomsel amounting to Rp218 billion, and as of the date of the issuance of these consolidated financial statements Telkomsel has received the payment from BAKTI amounting to Rp91 billion (before tax) and no additional payment.

The MoCI issued Regulation No. 5 Year 2021 dated March 31, 2021 which replaced 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.

Based on Decree No. 827/KOMINFO/BAKTI.31/KS.1/10/2021 dated October 4, 2021 of BAKTI granted Telkomsel as operating cooperation partners ("KSO") for eight packages KSO, which cover Nusa Tenggara, Kalimantan, Sulawesi, Maluku, West Papua, West Central Papua, North Central Papua and South East Papua for period from 2021 until 2031.

34. FINANCIAL INSTRUMENTS

a. Financial assets and financial liabilities

i. Classification

(a) Financial assets

	2022	2023
Amortized cost		
Cash and cash equivalents	31,947	29,007
Other current financial assets	1,268	1,359
Trade and other receivables	8,895	10,948
Other non-current assets	186	155
FVTPL		
Long-term investment in financial instruments	8,508	8,028
Other current financial assets	81	302
FVTOCI		
Long-term investment in financial instruments	22	25
Total financial assets	50,907	49,824

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(b) Financial liabilities

	2022	2023
Financial liabilities measured at amortized cost		
Trade and other payables	18,920	19,049
Accrued expenses	15,445	13,079
Customers deposits	44	42
Short-term bank loans	8,191	9,650
Two-step loans	209	84
Bonds and MTN	4,793	5,343
Long-term bank loans	29,873	32,260
Other borrowings	1,314	362
Lease liabilities	18,473	20,302
Other liabilities	170	141
Total financial liabilities	97,432	100,312

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:

2022	Carrying value	Fair value	Fair value measurement at reporting date using		
			Quoted prices in active markets for identical assets or liabilities (level 1)	Significant other observable inputs (level 2)	Significant unobservable inputs (level 3)
FVTPL					
Other current financial assets	81	81	81	—	—
Long-term investment in financial instruments	8,508	8,508	2,172	—	6,336
FVTOCI					
Long-term investment in financial instruments	22	22	—	—	22
Financial liabilities at amortized cost					
Interest-bearing loans and other borrowings:					
Two-step loans	209	207	—	—	207
Bonds and MTN	4,793	5,614	5,614	—	—
Long-term bank loans	29,873	29,860	—	—	29,860
Other borrowings	1,314	1,311	—	—	1,311
Lease liabilities	18,473	18,473	—	—	18,473
Other liabilities	170	170	—	—	170
Total	63,443	64,246	7,867	—	56,379

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2023	Carrying value	Fair value	Fair value measurement at reporting date using		
			Quoted prices in active markets for identical assets or liabilities (level 1)	Significant other observable inputs (level 2)	Significant unobservable inputs (level 3)
FVTPL					
Other current financial assets	302	302	302	—	—
Long-term investment in financial instruments	8,028	8,028	2,056	—	5,972
FVTOCI					
Long-term investment in financial instruments	25	25	—	—	25
Financial liabilities at amortized cost					
Interest-bearing loans and other borrowings:					
Two-step loans	84	83	—	—	83
Bonds and MTN	5,343	6,120	5,586	—	534
Long-term bank loans	32,260	31,473	—	—	31,473
Other borrowings	362	362	—	—	362
Lease liabilities	20,302	20,302	—	—	20,302
Other liabilities	141	141	—	—	141
Total	66,847	66,836	7,944	—	58,892

As of December 31, 2022, there was a transfer of the fair value hierarchy of financial assets from level 2 and level 3 to level 1 with the consideration that there was a quoted price in an active market condition for identical assets that could be accessed on the measurement date. Therefore, these financial assets can be categorized as level 1. These financial assets are long-term investments in shares in GOTO of Rp2,159 billion and in PT Global Sukses Solusi of Rp13 billion.

Loss on fair value recognized in consolidated statements of profit or loss for 2023 amounting to Rp687 billion.

Reconciliations of the beginning and ending balances for items measured at fair value using significant unobservable inputs (level 3) as of December 31, 2022 and 2023 are as follows:

	2022	2023
Beginning balance	4,762	6,358
Gain (loss) recognized in consolidated statement of:		
Profit or loss	313	(617)
Other comprehensive income	(31)	(70)
Purchase/addition	1,338	330
Settlement/deduction	(24)	(4)
Ending balance	6,358	5,997

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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
Investment in equity				
Non-listed equity investment - technology	OPM Backsolve method	Volatility	40% - 70%	10% increase (decrease) in the percentage of volatility would result in an increase (decrease) Rp36 billion of the Investment value
		Exit timing	1 - 4 Years	Increase (decrease) in 1 year exit timing would result in an increase (decrease) Rp54 billion of the Investment value
		Probability of IPO	50%	50% increase (decrease) in IPO probability would result in an increase (decrease) Rp0 billion of the Investment value
	CoCos Equity	Volatility	20% - 100%	10% increase (decrease) in the percentage of volatility would result in an increase (decrease) Rp36 billion of the Investment value
		Exit timing	1 - 6 Years	Increase (decrease) in 1 year exit timing would result in an increase (decrease) Rp61 billion of the Investment value
	Probability-weighted Method	Volatility	60% - 80%	10% increase (decrease) in the percentage of volatility would result in an increase (decrease) Rp15 billion of the Investment value
		Exit timing	1.25 - 3.25 Years	Increase (decrease) in 1 year exit timing would result in an increase (decrease) Rp34 billion of the Investment value
	Recent Transaction	Volatility	53.66% - 73.66%	10% increase (decrease) in the percentage of volatility would result in an increase (decrease) Rp1 billion of the Investment value
		Exit timing	2 - 4 Years	Increase (decrease) in 1 year exit timing would result in an increase (decrease) Rp0 billion of the Investment value
	Market movement	Volatility	45% - 68%	10% increase (decrease) in the percentage of volatility would result in an increase (decrease) Rp1 billion of the Investment value
Time to liquidity		2.3 - 3.3 Years	Increase (decrease) in 1 year time to liquidity would result in an increase (decrease) Rp2 billion of the Investment value	
Non-listed equity investment - credit rating agency	Discounted cash flow	Weighted Average Cost of Capital ("WACC")	11% - 22%	1% increase (decrease) in the percentage of WACC would result in an increase (decrease) Rp10 billion of the Investment value
		Terminal growth rate	1% - 5%	1% increase (decrease) in terminal growth rate would result in an increase (decrease) Rp7 billion of the Investment value
Non-listed equity investment - telecommunication	Discounted cash flow	WACC	3.85% - 16.5%	0.5% increase (decrease) in WACC would result in an increase (decrease) Rp0 billion of the Investment value
		Terminal growth rate	2% - 3.2%	1% increase (decrease) in terminal growth rate would result in an increase (decrease) Rp0 billion of the Investment value
Convertible bonds				
Non-listed equity investment - technology	OPM Backsolve method	Volatility	10%	10% increase (decrease) in the percentage of volatility would result in an increase (decrease) Rp0 billion of the Investment value
		Exit timing	1 Year	Increase (decrease) in 1 year exit timing would result in an increase (decrease) Rp0 billion of the Investment value
	Market movement	Volatility	50.80%	10% increase (decrease) in the percentage of volatility would result in an increase (decrease) Rp0 billion of the Investment value
		Time to liquidity	3.3 Years	Increase (decrease) in 1 year time to liquidity would result in an increase (decrease) Rp0 billion of the Investment value
	Conversion discount	Probability of qualified financing	50%	50% increase (decrease) in probability of qualified financing would result in an increase (decrease) Rp1 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.

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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 (other non-current assets (long-term trade receivables and restricted cash)) approximate their carrying amounts as the impact of discounting is not significant.

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. 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 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.

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The following table present the Group's financial assets and financial liabilities exposure to foreign currency risk:

	2022		2023	
	US Dollar (in billions)	Japanese Yen (in billions)	US Dollar (in billions)	Japanese Yen (in billions)
Financial assets	0.78	0.01	0.83	0.01
Financial liabilities	(0.19)	(1.57)	(0.24)	(0.80)
Net exposure	0.59	(1.56)	0.59	(0.79)

Sensitivity analysis

A strengthening of the U.S. Dollar and Japanese Yen, as indicated below, against the Rupiah at December 31, 2023 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, 2023	
U.S. Dollar (1% strengthening)	91
Japanese Yen (5% strengthening)	(4)

A weakening of the U.S. Dollar and Japanese Yen against the Rupiah at December 31, 2023 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, 2023, 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 19 and 20). To measure market risk pertaining to fluctuations in interest rates, the Group primarily uses interest margin and maturity profile of the financial assets and liabilities based on changing schedule of the interest rate.

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At reporting date, the interest rate profile of the Group's interest-bearing borrowings was as follows:

	2022	2023
Fixed rate borrowings	27,579	38,263
Variable rate borrowings	35,274	29,738

Sensitivity analysis for variable rate borrowings

As of December 31, 2023, a decrease (increase) by 25 basis points in interest rates of variable rate borrowings would have increased (decreased) equity and profit or loss by Rp74 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:

	2022	2023
Cash and cash equivalents	31,947	29,007
Other current financial assets	1,349	1,661
Trade and other receivable, net	8,895	10,948
Other non-current assets	186	155
Total	42,377	41,771

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 3.53% of trade receivables as of December 31, 2023 (2022: 4.32%).

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. The Group has a net current liabilities position as of December 31, 2023, and is expected to meet its current obligations by having access to sufficient undrawn bank facilities amounted to Rp28,995 billion and USD96 (Note 20c).

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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	2023	2024	2025	2026	2027 and thereafter
2022							
Trade and other payables	18,920	(18,920)	(18,920)	—	—	—	—
Accrued expenses	15,445	(15,445)	(15,445)	—	—	—	—
Customer deposits	44	(44)	(44)	—	—	—	—
Short-term bank loans	8,191	(8,191)	(8,191)	—	—	—	—
Interest bearing loans:							
Two-step loans	209	(216)	(123)	(93)	—	—	—
Bonds and MTN	4,793	(10,096)	(509)	(510)	(2,574)	(293)	(6,210)
Long-term bank loans	29,873	(36,301)	(10,020)	(8,346)	(6,871)	(4,874)	(6,190)
Other borrowings	1,314	(1,394)	(1,027)	(367)	—	—	—
Lease liabilities	18,473	(21,908)	(5,741)	(4,551)	(2,766)	(2,258)	(6,592)
Other liabilities	170	(196)	(20)	(44)	(44)	(44)	(44)
Total	97,432	(112,711)	(60,040)	(13,911)	(12,255)	(7,469)	(19,036)
	Carrying amount	Contractual cash flows	2024	2025	2026	2027	2028 and thereafter
2023							
Trade and other payables	19,049	(19,049)	(19,049)	—	—	—	—
Accrued expenses	13,079	(13,079)	(13,079)	—	—	—	—
Customer deposits	42	(42)	(42)	—	—	—	—
Short-term bank loans	9,650	(9,650)	(9,650)	—	—	—	—
Interest bearing loans:							
Two-step loans	84	(85)	(85)	—	—	—	—
Bonds and MTN	5,343	(10,163)	(1,086)	(2,574)	(293)	(293)	(5,917)
Long-term bank loans	32,260	(38,386)	(11,194)	(8,090)	(6,901)	(4,569)	(7,632)
Other borrowings	362	(370)	(370)	—	—	—	—
Lease liabilities	20,302	(24,402)	(6,513)	(3,566)	(3,074)	(2,574)	(8,675)
Other liabilities	141	(146)	(4)	(36)	(36)	(35)	(35)
Total	100,312	(115,372)	(61,072)	(14,266)	(10,304)	(7,471)	(22,259)

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.

35. CAPITAL MANAGEMENT

The capital structure of the Group is as follows:

	2022		2023	
	Amount	Portion	Amount	Portion
Short-term debts	8,191	4.26 %	9,650	4.74 %
Long-term debts	54,662	28.46 %	58,351	28.66 %
Total debts	62,853	32.72 %	68,001	33.40 %
Equity attributable to owners of the parent company	129,224	67.28 %	135,576	66.60 %
Total	192,077	100 %	203,577	100 %

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.

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Periodically, the Group conducts debt valuation to assess possibilities of refinancing existing debts with new ones with 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, 2022 and 2023 is as follows:

	2022	2023
Total interest-bearing debts	62,853	68,001
Less: cash and cash equivalents	(31,947)	(29,007)
Net debts	30,906	38,994
Total equity attributable to owners of the parent company	129,224	135,576
Net debt-to-equity ratio	23.92 %	28.76 %

As stated in Note 20, 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, 2022 and 2023, the Group has complied with the externally imposed capital requirements.

36. SUPPLEMENTAL CASH FLOW INFORMATION

a. The non-cash investing activities for the years ended December 31, 2021, 2022 and 2023 are as follows:

	2021	2022	2023
Acquisition of property and equipment:			
Credited to trade payables	5,723	4,662	3,905
Borrowing cost capitalization	52	79	124
Addition of right-of-uses assets:			
Credited to leases liabilities (Note 13)	4,234	10,006	10,407
Acquisition of intangible assets:			
Credited to trade payables	501	258	479

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b. The changes in liabilities arising from financing activities is as follows:

	January 1, 2022	Cash flows	Non-cash changes			December 31, 2022
			Foreign exchange movement	New leases	Other Changes	
Short-term bank loans	6,682	1,510	(1)	—	—	8,191
Two step loans	355	(144)	(2)	—	—	209
Bonds and notes payable	6,993	(2,200)	—	—	—	4,793
Long-term bank loans	36,056	(6,218)	55	—	(20)	29,873
Other borrowings	2,605	(1,294)	—	—	3	1,314
Lease liabilities	15,887	(7,024)	60	10,006	(455)	18,474
Total liabilities from financing activities	68,578	(15,370)	112	10,006	(472)	62,854

	January 1, 2023	Cash flows	Non-cash changes			December 31, 2023
			Foreign exchange movement	New leases	Other Changes	
Short-term bank loans	8,191	1,459	—	—	—	9,650
Two step loans	209	(128)	3	—	—	84
Bonds	4,793	550	—	—	—	5,343
Long-term bank loans	29,873	2,584	(213)	—	16	32,260
Other borrowings	1,314	(954)	—	—	2	362
Lease liabilities	18,474	(6,600)	(15)	10,407	(1,964)	20,302
Total liabilities from financing activities	62,854	(3,089)	(225)	10,407	(1,946)	68,001

37. SUBSEQUENT EVENTS

- In January 2024, Telkomsel has paid the entire outstanding loans to BSI, Bank of China, and BJB amounting to Rp500 billion, Rp1,400 billion, and Rp500 billion, respectively.
- On March 27, 2024, the Company entered into credit agreement with Bank DBS amounting to Rp5,000 billion.

38. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Effective for annual periods beginning on or after January 1, 2024

- Amendments to IAS 1, Classification of Liabilities as Current or Non-current and Non-Current Liabilities with Covenants

The amendments clarify the criteria for determining whether to classify a liability as current or non-current. 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.

An entity's right to defer settlement of a liability arising from a loan arrangement for at least twelve months after the reporting period may be subject to the entity complying with conditions specified in that loan arrangement ('covenants'). If an entity is required to comply with the covenant on or before the end of the reporting period. Such a covenant:

- affects whether the right exists at the end of the reporting period if an entity is required to comply with the covenant on or before the end of the reporting period. Such a covenant affects whether the right exists at the end of the reporting period even if compliance with the covenant is assessed only after the reporting period.
- do not affect whether that right exists at the end of the reporting period if an entity is required to comply with the covenant only after the reporting period.

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Classification of 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. An entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

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 16, Lease liability in a sale and leaseback

The amendment requires a seller-lessee to subsequently measure lease liabilities arising in a sale and leaseback transaction, to ensure the seller- lessee does not recognize any amount of the gain or loss that relates to the right-of-use it retains.

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 7 and IFRS 7, Disclosures: Supplier Finance Arrangements

The amendments clarify the characteristics of supplier finance arrangements. Supplier finance arrangements are characterised by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid.

The amendments require an entity to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk.

An entity shall disclose in aggregate for its supplier finance arrangements including terms and conditions of the arrangements. However, an entity shall disclose separately the terms and conditions of arrangements that have dissimilar terms and conditions. An entity also disclose quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. In the context of quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are included as an example of other factors that might be relevant to disclose.

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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Effective for annual periods beginning on or after January 1, 2025

- Amendments to IAS 21, Lack of exchangeability

The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

A currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable into another currency at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, the entity shall disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

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.

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.

This group 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; commissioning agency for radioactive substances and ionizing radiation generators. Including commodity auction market organizers. Excluding the wholesale trading of cars and motorcycles.

7. Wholesale Trade of Computers and Computer Equipment, includes wholesale trade of computers and computer equipment.
 8. Wholesale Trade of Software. This group includes software wholesale trade.
 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), This group includes 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, This group includes 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. This group does not include film duplication and audio/video reproduction activities from master copies and post-production animation.
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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"), This group includes service businesses to provide content through mobile cellular networks for which the fee is charged through deduction of prepaid deposits or postpaid telephone bills of cellular mobile network subscribers. 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 and premium SMS.
 22. Managed Calling Services (Calling Card). This group includes service businesses to provide telephone call services with additional
 23. Other Telephony Value-Added Services, including other activities of telephony value-added services such as calling cards, and including other telecommunications support services, features that can manage calls and/or billing through additional user authentication processes or access codes prior to telephone calls.
 24. Internet Service Provider, this group 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.
 25. Data Communication System Services, This group includes data communication system service activities that can be used for sending voice, images, data, information and packets. This service is provided with assurance of continuity, quality and security.
 26. Telephony Internet Service for Public Purposes ("ITKP"). This group 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.
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27. 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.
 28. 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.
 29. Other Information Services Activities That Cannot Be Classified. This group includes other information service businesses that cannot be classified elsewhere, such as telephone-based information services, information retrieval services on a fee or contract basis and news clipping services, press clipping services and others. Included in this group are content provider service activities.
 30. Other Multimedia Services, including other multimedia service activities not covered in points 23, 24, 25, and 26 above.
 31. 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.
 32. 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.
 33. Immersive Media Content Programming and Production Activities. This group includes consulting and production related to the analysis, design and programming of immersive media systems such as VR (Virtual Reality)/ AR (Augmented Reality)/ MR(Mixed Reality). This activity usually involves analyzing the needs of users of immersive media systems and their problems, including writing programs according to the needs of immersive media users. Creation of 3D visuals and 360 videos and their modifications specifically for immersive media.
 34. Blockchain Technology Development Activities. This group includes blockchain technology development activities, such as smart contract implementation activities, public blockchain infrastructure design and private blockchain. This group does not include crypto asset commodity futures trading.
 35. Artificial Intelligence Based Programming Activities. This group includes consulting followed by analysis and programming that utilize artificial intelligence (AI) technologies including subsets of AI such as machine learning, natural language processing, expert systems, and other AI subsets.
 36. 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. Similar software customization activities that are carried out as an integral part of the sale of software are included in the subclass of Retailing Software.
 37. Information Security Consulting activities, including information security planning and supervision consulting services, information security inspection or assurance, and information security development and implementation.
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38. Digital Identity Provision Activities. This group includes activities to provide digital identity which is a representation of an entity in an electronic system. Digital identities can be issued in several levels of assurance/trust based on the risk of proof of identity. This activity can be in the form of digital processes in terms of registration, validation, storage, authentication, including management of biometric and biometric attributes associated with credentials for an entity. Credentials are made in digital form, such as unique numbers, user accounts, and electronic certificates.
 39. Electronic Certificate Provision Activities and Services Using Electronic Certificates. This group includes activities for providing electronic certification and providing services using electronic certificates, such as electronic signatures, electronic seals, electronic time markers, electronic registered delivery services, website authentication, and preservation of electronic signatures and/or electronic seals.
 40. Internet of Things (IoT) Consulting and Designing Activities. This group includes consulting service activities, designing and manufacturing integrated system solutions based on orders (not ready to use) by modifying existing hardware, such as sensors, microcontrollers, and other hardware. These modifications are carried out on the IoT hardware and/or software embedded in it. This group does not include chip manufacturing activities and IoT software publishing/development activities.
 41. 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.
 42. 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. This group includes various computer-related businesses that are not included in the computer programming activities and computer consulting and computer facilities management activities.
 43. 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.
 44. 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. This includes cloud computing storage. Included here are Cloud Computing storage.
 45. Web Portals and/or Digital Platforms Without Commercial Purposes, This group includes the operation of noncommercial 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.
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46. Web Portals and/or Digital Platforms for Commercial Purposes, This group includes 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 ordering, payment, delivery of such 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 marketplaces, digital advertising, and on-demand online services. This group does not include financial technology (Fintech). Fintech Peer to Peer (P2P) Lending and Fintech payment services.
 47. Retail Trade on Computers and Their Equipment, including specialized retail trade of various kinds of computers, equipment and supplies.
 48. Retail Trade on Video Game Equipment and the like, including retail trade of video game equipment.
 49. 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.
 50. 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 CD and DVD recording and playing equipment.
 51. 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.
 52. 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, Internet access resale services, including the business of providing internet access reselling services such as Internet Cafes and resale services of other telecommunications services.
 53. 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.
 54. Activities of the Distribution of Film, Video and Television Programs by Private Party. This group 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:
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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 This group includes business of the construction, maintenance, and/or re-construction of buildings used for other uses, such as places of worship (mosques, Catholic churches, Christian churches, Balinese temples, monasteries, temples), terminal/station buildings, railway workshop buildings, monumental buildings, state and central/regional government buildings, airport buildings, aircraft hangar buildings, PKPPK (Airport Fire Department) buildings, historic buildings, prison buildings, meeting hall buildings, warehouses, generator buildings, pump houses, depots, power houses, buildings electrical substations, signal substation buildings, tower buildings, storage buildings including explosives storage and others. Including changes and other building renovation activities.
 5. Construction of electrical buildings, This group includes the construction, maintenance, and/or rebuilding of electrical civil buildings such as civil buildings for power generation, transmission, distribution and installation of electricity utilization, local and long-distance electricity pipelines including the construction of substations and the installation of power poles and towers.
 6. Construction of Telecommunication Civil Buildings for Transportation Infrastructure. This group includes activities for the construction, maintenance, and/or rebuilding of telecommunication facilities for marine navigation aids, air navigation telecommunication buildings, signal, and railway telecommunication buildings, including tower/pole/pipe/ antenna buildings and similar buildings.
 7. Construction of other civil buildings that cannot be classified. This group includes the construction, maintenance, and repair of other civil buildings, such as parking lots and other residential (outside the building) facilities. This group includes the division of land with its development (e.g., the addition of roads, public infrastructure, etc.). This includes the procurement and construction of microelectronics facilities and processing plants, such as those producing microprocessors, silicon chips and wafers, microcircuits, and semiconductors; procurement and construction of textile and clothing processing factories; procurement and implementation of iron and steel processing construction; and/or procurement and implementation of other processing plant construction.
 8. Sea, River, and Air Navigation Construction Installation Services. This group includes the installation and maintenance of construction and equipment related to the marine, river, and air navigation aids, telecommunications-shipping/aviation, hydrography and meteorology, crossing lanes, and scouting, for the benefit of shipping and aviation safety.
 9. Electronic installation, This group includes the installation of electronic installations in buildings for both residential and non-residential purposes, and airport electronics and information technology (including telecommunications and information technology systems), such as the installation of alarm systems, close circuit TV and sound systems, and commercial management systems (pre-paid electricity vouchers). This includes the installation of access control, scoring boards, timing systems, perimeter pixel displays, master clocks, and other electronic facilities.
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10. Installation of Water Channels (Plumbing). This group includes the installation of clean water, wastewater and drainage channels, including piping work in residential and non-residential buildings. Including maintenance and repair activities for water channel installations, clean water distribution pipes, Water Treatment Plant (WTP)/Reverse Osmosis (RO) installations, and dirty water pipes.
 11. Heating and Geothermal Installations, This group includes the installation and maintenance of heating and geothermal equipment in residential and non-residential buildings, electrical and non-electric, including pipework, ducting, and sheet metal; central heating control system, link to area heating system, including domestic boiler burner. Including heat insulation work on pipes or tanks, installation of weather-tight thermal insulation on the outside of the walls, installation of thermal insulation (for hot and cold-water pipes, boilers, and sewers), fire-tight insulation, and installation of fire protection systems.
 12. Mechanical installation, This group includes the installation and maintenance of mechanical installations of conveyances and lifting equipment in residential and non-residential buildings as well as other civil buildings, such as elevators, elevators (escalators), and conveyor belts (travelators), gondolas, and automatic doors including fire safety stair equipment work.
 13. Other Unclassified Construction Installations. This group includes the installation activities of other building installations and the installation, maintenance, and repair activities of other civil building installations. This includes the installation and maintenance of mining and manufacturing facilities such as loading and discharging stations, winding shafts, chemical plants, iron foundations, blast furnaces, and coke ovens; installation of treatment systems and equipment for purifying seawater, brackish water, fresh water into pure water at power plants.
 14. 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 mirrors, and installation of ornaments and other interior art decoration work on the surface of walls, columns, or ceilings with metal, wood, and other materials.
 15. Wholesale trade of Printing and Publishing Goods in Various Forms, including wholesale trading of printing and publishing goods in various forms, such as books, magazine, newspapers, and others.
 16. Wholesale of Laboratory Equipment, Pharmaceutical Equipment, and Medical Equipment for Humans. This group includes the wholesale trading of laboratory equipment, pharmaceutical equipment, and medical equipment for humans.
 17. Wholesale of Laboratory Equipment, Pharmaceutical Equipment, and Medical Equipment for Animals. This group includes wholesale trading of laboratory equipment, pharmaceutical equipment, and veterinary equipment, which includes import, export, and distribution activities.
 18. Retail Trade on Laboratory Equipment, Pharmaceutical Equipment, and Medical Devices for Humans. This group includes retail trades specifically for laboratory equipment, pharmaceutical equipment, and medical devices for humans, 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).
 19. Special Retail Trade on Pharmaceutical Goods and Drugs, Medical Devices, Perfumes, and Other Cosmetics. This group includes other specialized retail trade businesses, such as pharmaceutical drug ingredients and traditional medicinal raw materials (simplicia) for humans and animals; as well as laboratory equipment, pharmaceutical equipment, and medical equipment for animals 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 veterinary profession such as (surgical instruments and aircraft, dental care instruments and aircraft, electro-medical apparatus, thermometers, blood pressure measurements, and others), animal health equipment, and medical diagnostic tools, and others.
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20. Voice Recording Activities. This group includes the business of making original sound recording masters on LPs, tapes, CDs and and the like and sound recording service activities in studios or other places, including recorded (indirect) radio programming results, audio for films, television, and others. The publishing of film and video recordings includes the distribution of films, videos and television programs by the government and the distribution of films, videos, and television programs by the private sector. Computer software publishing belongs to the software publishing group.
 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. Payment Service Provider (PJP). This group includes activities related to providing payment services to end users of Payment System (SP) services on the front end, which includes activities including displaying information on sources of funds; initiating transactions/acquiring (electronic wallets, acquirers, and payment gateways); issue payment instruments/accounts; remittance/fund transfer services.
 25. 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 transportation, both land, sea, and air. Including port security management.
 26. Industrial Management Consulting Activities. This group includes the activities of advisory assistance, guidance, and business operations and organizational problems and management of industrial companies, 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.
 27. Other Management Consulting Activities, This group includes the provision of advisory assistance, guidance and business operations, 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 supervision, management information and others. Including infrastructure investment study services.
 28. Certification services, This group includes 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 and others. Including the activities of assessing the conformity of the quality management system, warehouse receipt system, and green industry certification.
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29. 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 and assessment of the suitability of the warehouse receipt system quality test. Medical testing is included in another group.
 30. Installation Technical Inspection Services, This group includes inspection activities of an installation design and installation process, for example inspection of electrical power installations and other installations.
 31. Advertising, This group includes 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.
 32. Other Reservation Services, Related to It and Cannot Be Classified, 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.
 33. 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.
 34. 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.
 35. 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. Including the activities of the warehouse receipt system registration center.
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36. Special Event Organizing Services, This group includes the activities of special event organizers who organize and organize special events, both based on client requests to realize the expected goals through the events held, as well as special events designed by themselves, starting from the process of concept creation, planning, preparation, execution to a series of events. done. Activities for organizing special events covered by this group are festivals, carnivals, sporting events, music events, cultural events, personal events, and similar events.
37. Meetings, incentive travel, conferences and exhibitions (MICE) Organizing Services. This group includes efforts to organize, promote and/or manage events, such as services for a gathering 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. This activity is also called MICE (meeting, incentive, convention, and exhibition) services.
38. 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.
39. 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 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;
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- 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;
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- 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;
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- 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 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;
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- 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.
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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.
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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:
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- 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.
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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.
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- 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:
 - 1.1. temporary dismissal decision; and
 - 1.2. 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;
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- 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;
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- (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.
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- 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 shall appoint 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.
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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.
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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:
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- 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.
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- 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.
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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.
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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.
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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.
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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 (1) 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
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- 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 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:
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- 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.
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- 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.
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- 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 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 a 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;
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- 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.
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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.
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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, 2023, 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 Series B Shares, par value 50 Rupiah per share*	TLK	New York Stock Exchange

* *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 through an American Depositary Share program established pursuant to a deposit agreement that we entered with BNY Mellon, as depository. 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, 2023 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

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.

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.

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.

Indonesian Law

Under Law No. 40 of 2007 on Limited Liability Companies (as amended by the Job Creation Law 2022, "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 the "summoning" of 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.

Under the 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.

Under the 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

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.

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.

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.

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.

Under the 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 the 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

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.

Indonesian Law

Under the 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

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 or herself 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 or she reasonably believes to be in the best interests of the corporation. He or she must not use his or her 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.

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.

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.

Indonesian Law

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.

Alternatively, voting rights may also be exercised by way of a written resolution provided that such resolution is signed by all of the shareholders of the company.

Under the 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.

Under the Indonesian Company Law, cumulative voting is not permitted for the election of directors.

Delaware 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.

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 within the past three years.

Indonesian Law

Under the 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.

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 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.

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.

Delaware Law

Indonesian Law

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.

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 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

The 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.

With regards to public companies, and under OJK Regulation No. 22/POJK.04/2021 on the Use of Share Classifications with Multiple Voting Rights by Issuers with High Innovation and Growth to Undertake Equity based Public Offerings in the form of Shares, public companies with certain strict requirements (such as utilizing technologies to create innovative products that increase productivity and economic growth as well as having substantial social benefit) may adopt a different class of shares with more than one type of voting right – also known as dual-class shares with multiple voting rights. Such adoption must also be included in the company's articles of association and 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

Delaware 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.

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 Law

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.

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.

The 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

Delaware Law	Indonesian Law
<p><i>Creation and issuance of new shares</i></p> <p>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.</p>	<p>obligations to its creditors, nor disrupt the company's operations.</p> <p>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).</p> <ul style="list-style-type: none">• 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).• In general, the issuance of new shares must also be accompanied by the issuance of pre-emptive rights to existing shareholders. However, in particular for public companies, under OJK Regulation No. 32/POJK.04/2015 on Capital Increases of Public Companies with the Issuance of Pre-emptive Rights, as amended by OJK Regulation No. 14/POJK.04/2019, and under certain conditions, the issuance of shares can be carried out without issuing pre-emptive rights, provided that the issuance of shares must not be in excess of 10% of the issued and paid-up capital of the company, among other things. In addition, unless certain exemptions apply, prior approval by the independent shareholders is generally required for the issuance of new shares without pre-emptive rights.

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 depository (the "Depository") 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 Depository requires, together with a written order directing the Depository 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 Depository or the custodian (the "Deposited Securities") shall be held by the Depository or by a custodian for the account and to the order of the Depository or at such other place or places as the Depository shall determine.

Upon receipt by the custodian of any deposit, together with the other documents required, the custodian shall notify the Depository 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 Depository, and upon the receipt of the payment of applicable fees, taxes and charges, the Depository 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 depository's corporate trust office. Upon such surrender and the payment of applicable fees, taxes and charges, the Depository 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 Depository, if feasible.

Rights of the ADR Holders to Inspect the Books of the Depository and the List of ADR Holders

The Depository 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 Depository 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 Depository 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 Depository, the Depository 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 Depository on or before the date specified by the Depository, the Depository shall deem that such holder of ADRs to have instructed the Depository 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 Depository 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 received 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 or 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.

Depositary Payments

We entered into a new agreement with the Depositary in 2016, as amended on November 25, 2022, 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, 2023.

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.
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 Depository, custodian, registrar or we may require payment by the presenter 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 Depository may establish consistent with the provisions of the Deposit Agreement.

During the period when the transfer books of the Depository are closed or when we or the Depository 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 Depository 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 Depository 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 Depository. We and the Depository 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 Depository 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 Depository, as applicable, have been provided with satisfactory indemnity against all expense and liabilities.

Neither we nor the Depository shall be liable for any of our or the Depository'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 Depository believed in good faith to be competent to give such advice or information.

The Depository shall not be liable for any acts or omissions made by a successor depository arising after the removal or resignation of the Depository, provided that the Depository performed its obligations without negligence or bad faith with respect to the same matter during the period in which it previously acted as Depository. The Depository 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 Depository 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 Depository may likewise terminate the Deposit Agreement if at any time ninety (90) days have passed since the Depository informed us of its election to resign and a successor depository 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 Depository 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 4.1

[Certain portions of this exhibit have been redacted pursuant to Instruction 4(a) of the Instructions as to Exhibits of Form 20-F.]

DEED

Date: 27 June 2023

Number: =140=

[National emblem of the Republic of Indonesia]

NOTARY AULIA TAUFANI, S.H.

DECREE OF THE MINISTER OF LAW AND HUMAN RIGHTS OF THE REPUBLIC OF
INDONESIA NO.: AHU-00081.AH.02.02 TAHUN 2017 DATED: 28 DECEMBER 2017

REGISTERED AS CAPITAL MARKET SUPPORTING PROFESSION

NUMBER: STTD.N-5/PJ-1/PM.02/2023

DATE: 9 FEBRUARY 2023

MENARA SUDIRMAN 18TH FLOOR LOT ABD

JL. JEND SUDIRMAN KAV 60 JAKARTA SELATAN 12190

TEL: 5204778 FAX: 5204780

E-mail: ataufani@ataa.id

DEED OF SPIN-OFF
OF INDIHOME BUSINESS SEGMENT BY PERUSAHAAN
PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA Tbk
INTO
PT TELEKOMUNIKASI SELULAR

T6'23/AP-TI (TS)

M1/AIY/xo/cd

DEED OF SPIN-OFF
OF INDIHOME BUSINESS SEGMENT BY
PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA Tbk
INTO
PT TELEKOMUNIKASI SELULAR

Number 140.

On this day, Tuesday, twenty-seven June two thousand twenty three (27-6-2023), at 17.05 WIB (five minutes past seventeen Western Indonesian Time), appeared before me, AULIA TAUFANI, Bachelor of Law, a Notary in South Jakarta Administrative City, the appearers whose names will be mentioned below, in the presence of witnesses whose names will be mentioned at the end of this deed.

I . Mr. RIRIEK ADRIANSYAH, [REDACTED] President
Director of the limited liability company which will be mentioned below, residing in Jakarta, [REDACTED]
[REDACTED]

an Indonesian citizen;

pursuant to his statement, in this regard acting in his position as stated above and therefore legally representing the Board of Directors of and as such for and on behalf of "PERUSAHAAN PERSEROAN (PERSERO) PT TELEKOMUNIKASI INDONESIA Tbk", a limited liability company established in accordance with and based on the Laws of the Republic of Indonesia, domiciled in Bandung City and having its address at Jalan Japati Nomor 1, Bandung 40133, whose articles of association have been adjusted to conform with Law Number 40 of 2007 on Limited Liability Companies, as amended by Law Number 6 of 2023 on the Stipulation of Government Regulations In Lieu of Law Number 2 of 2022 on Job Creation to become Law ("Company Law"), Law Number 19 of 2003 on State-Owned Enterprises as amended by Law Number 6 of 2023 on the Stipulation of Government Regulations in Lieu of Law Number 2 of 2022 on Job Creation to become Law and Regulation of the Capital Market and Financial Institution Supervisory Agency Number IX.J.1 on the Principles of the Articles of Association of Companies conducting Public Offerings of Equity Securities and Public Companies, as

published in State Gazette of the Republic of Indonesia dated 17 (seventeen) October 2008 (two thousand eight) Number 84, Supplement to the State Gazette Number 20155/2008;

The articles of association were subsequently amended as contained in:

- State Gazette of the Republic of Indonesia dated 9 (nine) August 2011 (two thousand eleven) Number 63, Supplement to the State Gazette Number 23552/2011; State Gazette of the Republic of Indonesia dated 10 (ten) December 2013 (two thousand thirteen) Number 99, Supplement to the State Gazette Number 9063/ L/2013;
 - State Gazette of the Republic of Indonesia dated 1 (one) April 2014 (two thousand fourteen) Number 26, Supplement to the State Gazette Number 2990/L/2014; State Gazette of the Republic of Indonesia dated 14 (fourteen) February 2017 (two thousand seventeen) Number 13, Supplement to the State Gazette Number 2529/2017;
 - State Gazette of the Republic of Indonesia dated 14 (fourteen) August 2018 (two thousand
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- eighteen) Number 65, Supplement to the State Gazette Number 12950/2018;
- State Gazette of the Republic of Indonesia dated 7 (seven) August 2018 (two thousand eighteen) Number 63, Supplement to the State Gazette Number 2241/L/2018;
 - State Gazette of the Republic of Indonesia dated 21 (twenty one) August 2018 (two thousand and eighteen) Number 67, Supplement to the State Gazette Number 13713/20 subsequently the articles of association were amended as contained in deed dated 21 (twenty one) June 2019 (two thousand nineteen) Number 32, made before SHASA ADISA PUTRIANTI, Bachelor of Law, Magister of Notarial Law, substitute to Notary ASHOYA RATAM, Bachelor of Law, Magister of Notarial Law, a Notary in Jakarta, which has received approval from the Minister of Law and Human Rights of the Republic of Indonesia under Decree Letter dated 24 (twenty four) June 2019 (two thousand nineteen) Number AHU-0032595.AH.01.02.Tahun 2019 and notification receipt on the amendment to the articles of association of which have been received and recorded in the Legal Entity Administration
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System of the Ministry of Law and Human Rights of the Republic of Indonesia on 24 (twenty four) June 2019 (two thousand nineteen) Number AHU-AH. 01.03-0289820;

- deed dated 18 (eighteen) June 2021 (two thousand twenty one) Number 35, made before Notary ASHOYA RATAM, Bachelor of Law, Magister of Notarial Law, which has received approval from the Minister of Law and Human Rights of the Republic of Indonesia under Decree Letter dated 9 (nine) July 2021 (two thousand twenty one) Number AHU-0038942.AH.01.02.TAHUN 2021 and notification receipt on the amendment to the articles of association of which have been received and recorded in the Legal Entity Administration System of the Ministry of Law and Human Rights of the Republic of Indonesia on 9 (nine) July 2021 (two thousand twenty one) Number AHU-AH.01.03-0426883;
 - the articles of association were latest amended as contained in deed dated 22 (twenty two) June 2022 (two thousand twenty two) Number 37, made before Notary ASHOYA RATAM, Bachelor of Law, Magister of Notarial Law, which has received approval from the Minister of Law and Human
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Rights of the Republic of Indonesia under Decree Letter dated 29 (twenty nine) June 2022 (two thousand twenty two) Number AHU-0044650.AH.01.02.TAHUN 2022;

- the latest change to the composition of the Board of Directors and Board of Commissioners is as contained in deed dated 23 (twenty three) June 2023 (two thousand twenty three) Number 35, made before YUMNA SHABRINA, Bachelor of Law, Magister of Notarial Law, substitute to Notary ASHOYA RATAM, Bachelor of Law, Magister of Notarial Law, the notification receipt on the data change of which has been received and recorded in the Legal Entity Administration System of the Ministry of Law and Human Rights of the Republic of Indonesia on June 23 (twenty three) 2023 (two thousand twenty three) Number AHU-AH.01.09-0131356 (hereinafter referred to as "TELKOM")

- Mr. HENDRI MULYA SYAM, [REDACTED]
President Director of limited liability company which will be mentioned below, residing in Jakarta,
[REDACTED]
-

an Indonesian citizen;

- pursuant to his statement, in this regard acting in his position as stated above and therefore representing the Board of Directors of and as such for and on behalf of PT TELEKOMUNIKASI SELULAR, a limited liability company established in accordance with and based on the Laws of the Republic of Indonesia, domiciled in South Jakarta and having its address at Gedung Telkom Landmark Tower Menara 1 Lantai 1-23, Jalan Gatot Subroto Kaveling 52, Kelurahan Kuningan Barat, Kecamatan Mampang Barat, South Jakarta Administrative City, the articles of association of which are contained under deed dated 25 (twenty five) May 1995 (nineteen ninety five) Number 181, made before POERBANINGSIH ADI WARSITO, Bachelor of Law, a Notary in Jakarta, which has obtained approval from the Minister of Justice of the Republic of Indonesia under Decree Letter dated 19 (nineteen) June 1995 (nineteen ninety five) Number C2-7735.HT.01.01.TH.95, which has been
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published in the State Gazette of the Republic of Indonesia dated 24 (twenty four) November 1995 (nineteen ninety five) Number 94, Supplement to the State Gazette Number 971;

- The articles of association have been amended several times and subsequently entirely amended to conform with Law Number 40 of 2007 (two thousand seven) on Limited Liability Companies, as contained in deed dated 26 (twenty six) June 2008 (two thousand eight) Number 69, made before MALA MUKTI, Bachelor of Law, Lex Legibus Magister, a Notary in Jakarta, which has obtained approval from the Minister of Law and Human Rights of the Republic of Indonesia under Decree Letter dated 30 (thirty) June 2008 (two thousand eight) Number AHU-36943.AH.01.02. Tahun 2008;
 - The Articles of Association were subsequently amended as contained in:
 - deed dated 3 (three) February 2012 (two thousand twelve) Number 11, made before Notary MALA MUKTI, Bachelor of Law, Lex Legibus Magister, the notification receipt on the amendment to the articles of association of which has been
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received and recorded in the Legal Entity Administration System database of Law of the Ministry of Law and Human Rights of the Republic of Indonesia on 8 (eight) February 2012 (two thousand twelve) Number AHU- AH.01.10-04319;

- deed dated 1 (one) April 2014 (two thousand fourteen) Number 17, made before Notary MALA MUKTI, Bachelor of Law, Lex Legibus Magister, the receipt of notification on the amendment to the articles of association of which has been received and recorded in the Legal Entity Administration System of the Ministry of Law and Human Rights of the Republic of Indonesia on 2 (two) April 2014 (two thousand fourteen) Number AHU-AH.01.10-28143;
 - the latest amendment to the articles of association is as contained in deed dated 30 (thirty) January 2023 (two thousand twenty three) Number 14, made before BONARDO NASUTION, Bachelor of Law, a Notary in Jakarta, which has obtained approval from the Minister of
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Law and Human Rights of the Republic of Indonesia under Decree Letter dated 31 (thirty one) January 2023 (two thousand twenty three) Number AHU-0006614.AH.01.02.TAHUN 2023;

- the latest change to the composition of the Board of Directors and Board of Commissioners is as contained in deed dated 15 (fifteen) June 2022 (two thousand twenty two) Number 54, made before Notary MALA MUKTI, Bachelor of Law, Lex Legibus Magister, the notification receipt on the data change of which has been received and recorded in the Legal Entity Administration System of the Ministry of Law and Human Rights of the Republic of Indonesia on 16 (sixteen) June 2022 (two thousand twenty two) Number AHU-AH.01.09-0022572; (hereinafter referred to as "TELKOMSEL")

(TELKOM and TELKOMSEL are collectively referred to as the "Parties" and each a "Party"). The appearers

acting as stated above first explain the following matters ("PREAMBLE"):

A. WHEREAS, TELKOMSEL is a subsidiary of TELKOM where TELKOM is the holder/owner of 118,677 (one hundred eighteen thousand six hundred seventy-seven) shares which constitute 65% (sixty five percent) of the total issued and fully paid capital of TELKOMSEL. TELKOM plans to carry out corporate restructuring and business transformation for TELKOMSEL to remain competitive and create value for customers and shareholders by expanding its reach and implementing the Fixed Mobile Convergence ("FMC") strategy to outreach to more customers in Indonesia ("Restructuring Plan")

B. [REDACTED]

[REDACTED]

[REDACTED]

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- C. WHEREAS, both TELKOM and TELKOMSEL have fulfilled all the conditions precedent as specified in Article 5.1 in conjunction with Attachment 2 to the Conditional Spin-off Agreement, including obtaining all approvals from the Board of Commissioners and/or the General Meeting of Shareholders of each Party, therefore all forms of agreement and the binding between TELKOM and TELKOMSEL on the Spin-off must be considered valid and binding on each other.
- D. WHEREAS, TELKOM has prepared a Spin-off Plan for the Spin-off and Disclosure of Information
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on the Spin-off of the IndiHome Business Segment on 6 (six) April 2023 (two thousand twenty-three). The summary of the Spin-off Plan and Disclosure of Information on the Spin-off of the IndiHome Business Segment have been announced in 1 (one) newspaper with national circulation, namely Harian Terbit, on 6 (six) April 2023 (two thousand twenty-three), 1 (one) copy of the newspaper is attached to the minutes of this deed. TELKOM has announced the Amendment and/or Supplement to the Disclosure of Information to the Public on 26 (twenty six) May 2023 (two thousand twenty three) published on the Indonesian Stock Exchange website and the TELKOM website, the print-out of which is attached to the minutes of this deed, forming an inseparable part of the announcement on the Spin-off Plan and Disclosure of Information dated 6 (six) April 2023 (two thousand twenty three) and Amendment and/or Supplement to the Disclosure of Information dated 23 (twenty three) May 2023 (two thousand twenty three) ("Spin-off Plan Announcement"), and subsequently it has also been announced to all employees of TELKOM on 6 (six) April 2023 (two

thousand twenty three), the print-out of which is attached to the minutes of this deed

- E. WHEREAS, as specified in Article 127 paragraphs (4) and (5) of the Company Law, it is known that there are no objections raised by TELKOM's creditors within the period of 14 (fourteen) days after the date of the Spin-off Plan Announcement. Therefore, TELKOM's creditors are deemed to have agreed to the Spin-off
- F. WHEREAS, the signing of this Deed is carried out after obtaining all approvals of the Resolutions of the Shareholders of TELKOM (as defined below) and Resolutions of the Shareholders of TELKOMSEL (as defined below), as well as fulfilling all the requirements specified in the applicable laws and regulations and the articles of association of each Party.
- G. WHEREAS, for tax purposes, the Spin-off referred to in this Deed is the transfer of part of the assets and liabilities to a business entity in the context of business expansion as regulated in Minister of Finance Regulation Number 52/PMK.010/2017 on the Use of Book Value in Transfer and Acquisition of
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Assets in the context of Business Merger, Consolidation, Expansion or Acquisition, as lastly amended by Minister of Finance Regulation Number 56/PMK.010/2021

H. WHEREAS, the Parties hereby agree to set out the follow-up to the implementation of the Spin-off and Conditional Spin-off Agreement in the form of this Deed (as defined below).

Based on the matters above, the Parties hereby agree to sign this Deed, and from time to time to always comply with the terms and conditions set forth in the Conditional Spin-off Agreement as follows.

ARTICLE 1

DEFINITIONS

In this Deed, the following terms have the following meanings, respectively:

1. "Deed" means this spin-off deed as required in the Company Law in relation to the Spin-off
 2. "Transferred Assets" means TELKOM's assets in relation to the Transaction Object, assets which are stated in a separate list based on data as of 30 (thirty) June 2023 (two thousand twenty-three) as
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agreed by the Parties [REDACTED]

3. "BANI" has the meaning given to it in Article 13 paragraph 4(b)

4. [REDACTED]

5. "FMC" has the meaning given to it in Introduction A.

6. "Working Day" means a day on which commercial banks in Indonesia carry out their business in Jakarta which is not a Saturday, Sunday or national holiday.

7. "TELKOM's Shareholders Resolutions" means the Resolutions of the General Meeting of Shareholders of TELKOM on the approval of the Spin-off dated 30 (thirty) May 2023 (two thousand twenty three), as contained in Deed of Statement of Resolutions of the Annual General Meeting of Shareholders of Telkom dated 23 (twenty three) June 2023 (two thousand twenty three) Number 36, made before YUMNA SHABRINA, Bachelor

of Law, Master of Notary, a substitute to Notary ASHOYA RATAM, Bachelor of Law, Magister of Notarial Law;

8. "TELKOMSEL's Shareholders Resolutions" means the Resolutions of the General Meeting of Shareholders of TELKOMSEL dated 21 (twenty one) June 2023 (two thousand twenty three), as contained in my deed, the Notary, dated today, which will be numbered after this deed's number;
 9. "Customer" means all individual customers and individuals registered in TELKOM's customer database as TELKOM's micro business customers who subscribe to IndiHome products as follows:
 - a. Internet;
 - b. voice bundling (including voice only 1P) with home wi-fi access;
 - c. internet protocol television (Internet Protocol Television or IPTV);
 - d. over-the-top (OTT); and/or
 - e. digital services, [REDACTED]
[REDACTED]
 10. "Tribunal" has the meaning given to it in Article 13 paragraph 4(b).
-

11. "Transaction Object Value" means the value of the Transaction Object agreed upon by the Parties, in the amount of IDR58,249,920,571,200.00 (fifty eight trillion two hundred forty nine billion nine hundred twenty million five hundred seventy one thousand two hundred Rupiah) taking into account the value determined by the Ruky, Safrudin & Partners Public Appraisal Services Office, based on (i) Appraisal Report Number 00039/2.0095-00/BS/09/0269/1/IV/2023 dated 4 (four) April 2023 (two thousand twenty three) as well as Appraisal Report Number 00047/2.0095-00/BS/09/0269/1/V/2023 dated 19 (nineteen) May 2023 (two thousand twenty three) regarding Business Valuation of PT Telkom Indonesia (Persero) Tbk's IndiHome Business Segment and (ii) Appraisal Report Number 00040/2.0095-00/BS/09/0269/1/IV/2023 dated 5 (five) April 2023 (two thousand twenty three) and Appraisal Report Number 00048/2.0095-00/BS/09/0269/1/V/2023 dated 19 (nineteen) May 2023 (two thousand twenty three) regarding Valuation of 100.00% of the Shares of PT Telekomunikasi Selular and Subsidiaries and the value determined by Rengganis Hamid & Partners Public Appraisal Services Office, based on (i) Appraisal Report Number 00153/2.0012-00/PI/06/0006/1/IV/2023 dated 4 (four) April 2023
-

(two thousand twenty three) regarding Summary Report on PT Telekomunikasi Selular's Equity Valuation and (ii) Appraisal Report Number 00154/2.0012-00/PI/06/0006/1/IV/2023 dated 4 (four) April 2023 (two thousand twenty three) regarding Summary Report on the Valuation of the Transferred Indihome Business Unit, which will then be compensated by TELKOMSEL in the form of the issuance of new shares in the name of TELKOM as set forth in Article 6 of this Deed.

12. "Transaction Object" means the TELKOM IndiHome business segment to Customers which includes the following:
- a) Internet;
 - b) voice bundling (including voice only (1P) with home wi-fi access);
 - c) internet protocol television (Internet Protocol Television or IPTV);
 - d) over-the-top (OTT); and
 - e) digital services, which include: (i) Customers from (a) to (e) above, (ii) Transferred Assets, (iii) Transferred Liabilities and (iv) Vendor Agreements.

13. [REDACTED]

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14. "Spin-off" has the meaning given to it in Preamble B.
 15. "Spin-off Plan Announcement" has the meaning given to it in Preamble D.
 16. "Conditional Spin-off Agreement" has the meaning given to it in Preamble B.
 17. "Vendor Agreement" means a contract with a vendor or TELKOM's partner that is selected in relation to the business pertaining to the Transaction Object jointly agreed by TELKOM and TELKOMSEL, which will be transferred/novated by TELKOM to TELKOMSEL.
 18. "Restructuring Plan" has the meaning given to it in Preamble A.
 19. "Dispute" has the meaning given to it in Article 13 paragraph 4(a).
 20. "Spin-off Effective Date" means the effective date of the Spin-off starting from the date of approval and/or notification receipt (as applicable) from the Minister of Law and Human Rights of TELKOMSEL's Shareholders Resolutions.
 21. "Company Law" means Law Number 40 of 2007 (two thousand seven) on Limited Liability Companies as amended by Law Number 6 of 2023 on the Stipulation of
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Government Regulations in Lieu of Law Number 2 of 2022 on Job Creation to become Law.

ARTICLE 2

AGREEMENT ON THE SPIN-OFF

1. TELKOM hereby consents to and agrees to carry out the Spin-off and TELKOMSEL hereby consents to and agrees to accept the Spin-off in accordance with the terms and conditions contained in this Deed [REDACTED]
[REDACTED]
 2. As a result of the Spin-off as specified in Article 2 paragraph 1 above, thus, [REDACTED]
[REDACTED] starting from the Spin-off Effective Date:
 - (a) All Transaction Object from the Spin-off Effective Date are transferred by law to TELKOMSEL in accordance with Article 135 paragraph (3) of the Company Law and become the rights/ownership as well as the obligation/expense of and will be carried out by and at the responsibility of TELKOMSEL as the party receiving the Transaction Object from the result of the Spin-off.
 - (b) All rights, receivables, authority, debts, claims and all obligations of the Transaction
-

Object arising from any agreement, action or event entered into, carried out or occurring after the Spin-off Effective Date will become the responsibility of TELKOMSEL as the party receiving the Transaction Object from the result of the Spin-off.

(c) Business activities, operational activities and business activities in relation to the Transaction Object are transferred by law to and will be carried out or undertaken by TELKOMSEL for TELKOMSEL's profits, losses and responsibilities as of the Spin-off Effective Date.

3. In relation to the transfer of the Transaction Object by law to TELKOMSEL on the Spin-off Effective Date, all Transaction Objects are transferred by law to TELKOMSEL and will be recorded in TELKOMSEL's books.
 4. Starting from the Spin-off Effective Date, in the event that (i) a follow-up action is required as a result of the implementation of the Spin-off; or (ii) in the event that according to the applicable laws and regulations the Transaction Object is not completely or immediately able to transfer or shift to TELKOMSEL, then TELKOM and TELKOMSEL agree to take all actions necessary to complete the Spin-off
-

including the transfer of the Transaction Object, without exception to carry out all actions or acts in any form or to prepare, sign, submit all letters, documents or deeds in any form required for administrative-related purposes or otherwise in relation to the transfer by law of the Transaction Object to TELKOMSEL for the Spin-off set forth in this Deed.

ARTICLE 3

TRANSFER OF BUSINESS ACTIVITIES

The Parties consent to and agree that starting from the Spin-off Effective Date, then, while still subject to the [REDACTED] and this Deed:

1. All operations, undertakings, activities and business activities related to the Transaction Object are transferred by law to, and will be managed by TELKOMSEL for the profits, losses and responsibilities of TELKOMSEL as the party receiving the Transaction Object as a result of the Spin-off.
 2. All reasonable costs that arise as a result of the transfer of operations, business, and activities of the Transaction Object will be borne in accordance with the agreement [REDACTED]
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██████████ agreed and signed by the Parties.

ARTICLE 4

TRANSFER OF ASSETS

1. ██████████ all Transferred Assets are automatically transferred by law to TELKOMSEL on the Spin-off Effective Date.
2. The Parties agree to take all necessary actions in accordance with applicable laws and regulations and/or policies of relevant government authorities to complete the transfer referred to in Article 4 paragraph 1, including but not limited to all preparation and signing of the relevant application for registration, agreements, deeds, letters and/or documents.

ARTICLE 5

TRANSFER OF LIABILITIES

1. ██████████ all Transferred Liabilities are automatically transferred by law to TELKOMSEL on the Spin-off Effective Date.
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2. The Parties agree to take all necessary actions in accordance with applicable laws and regulations and/or policies of relevant government authorities to complete the transfer referred to in Article 5 paragraph 1, including but not limited to all preparation and signing of the relevant application for registration, agreements, deeds, letters and/or documents.

ARTICLE 6

VALUE OF TRANSACTION OBJECT

With due observance of the provisions of Articles 3, 4 and 5 of this Deed, based on the Transaction Object Value, TELKOMSEL will issue new shares issued from the portfolio (*portepel*) in the amount of 33,300 (thirty three thousand three hundred) new shares with each share having a nominal value IDR1,000,000.00 (one million Rupiah) or equal to a total nominal value of IDR33,300,000,000.00 (thirty-three billion three hundred million Rupiah) in the name of TELKOM. Therefore, starting from the Spin-off Effective Date, the capital structure of TELKOMSEL as a result of the Spin-off is as follows:

Authorized Capital : IDR650,000,000,000.00 (six hundred fifty billion Rupiah)

Nominal Value : IDR1,000,000.00 (one million Rupiah)
Issued and Paid-Up Capital : IDR215,870,000,000.00 (two hundred fifteen billion eight hundred seventy million Rupiah)

Composition of the Shareholders as a result of the Spin-off:

- a. TELKOM, a total of 151,977 (one hundred fifty one thousand nine hundred seventy seven) shares or with a total nominal value of IDR151,977,000,000.00 (one hundred fifty one billion nine hundred seventy seven million Rupiah);
- b. SINGAPORE TELECOM MOBILE PTE. LTD., a total of 63,893 (sixty three thousand eight hundred ninety three) shares or with a total nominal value of IDR63,893,000,000.00 (sixty three billion eight hundred ninety three million Rupiah);

ARTICLE 7

SETTLEMENT OF THE HANDLING OF LEGAL CASE AND/OR CLAIMS

The Parties declare that in the event of a legal case that may arise after the Spin-off Effective Date related to the Transaction Object, the Parties agree to handle and settle the case (including all reasonable costs incurred in handling

the legal case) [REDACTED]

ARTICLE 8

EMPLOYMENT RELATIONSHIP WITH EMPLOYEES

With due observance of the applicable laws and regulations, TELKOM and TELKOMSEL agree that, as of the Spin-off Effective Date of Separation, the employment relationship of TELKOM employees related to the Transaction Object agreed upon by the Parties and whose employment relationship has been agreed to be transferred, shall be transferred to and continued by TELKOMSEL as a result of the Spin-off, as agreed by TELKOM, TELKOMSEL and each employee in an employee transfer agreement.

ARTICLE 9

COSTS AND TAXES

1. Whereas costs, fees, taxes, duties and levies and other charges which are reasonable and in accordance with applicable laws and regulations must be paid by TELKOM and TELKOMSEL in relation to the Spin-off along with all costs incurred for the preparation of this Deed will be borne in accordance with the agreement [REDACTED]

2. [REDACTED] each Party is responsible for the reporting and the settlement of its own taxes arising under this Deed in accordance with the applicable laws and regulations.

ARTICLE 10

REPRESENTATIONS AND WARRANTIES

1. [REDACTED] TELKOM
[REDACTED] represents and warrants to TELKOMSEL that:
- a. All approvals required by TELKOM's articles of association as well as the applicable laws and regulations to draw up, sign and implement this Deed have been fulfilled by TELKOM.
 - b. TELKOM has the authority to sign this Deed and the provisions set forth in this Deed are lawful, valid and binding on TELKOM and give rise to valid legal obligations for TELKOMSEL, in accordance with the terms and conditions in this Deed.
 - c. TELKOM's Shareholders Resolutions are valid and all resolutions adopted are valid and binding on TELKOM.
-

2.

TELKOMSEL represents and warrants to TELKOM that:

- a. All approvals required by TELKOMSEL's articles of association as well as the applicable laws and regulations to draw up, sign and implement this Deed have been fulfilled by TELKOMSEL.
- b. TELKOMSEL has the authority to sign this Deed and the provisions set forth in this Deed are lawful, valid and binding on TELKOMSEL and give rise to valid legal obligations for TELKOMSEL, in accordance with the terms and conditions in this Deed.
- c. TELKOMSEL's Shareholders Resolutions are valid and all resolutions adopted are valid and binding on TELKOMSEL.

ARTICLE 11

PROXY/POWER TO NOTIFY OR REGISTER THE TRANSFER OF RIGHTS

1. TELKOM hereby grants full proxy/power and authority to TELKOMSEL with the right to transfer this
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proxy/power to another party, or to appoint a substitute/replacement:

- a. To carry out and undertake any action or deed to notify, or obtain acknowledgment from, any party that may be determined by TELKOMSEL, regarding the legal transfer of the Transaction Object.
 - b. To represent and act for and on behalf of TELKOM wherever and before anyone, or any authorized officials, bodies or agencies wherever, including (but not limited to) Land Deed Officials (PPAT) and/or other authorized land agencies or bodies in drawing up, signing and submitting/delivering all deeds, agreements or documents in any form for and in order to register the transfer of rights to goods in any form belonging to or registered in the name of TELKOM which are included in the Transaction Object as described and set forth in this Deed.
 - c. To carry out and conduct all actions required or that TELKOMSEL deems necessary to do, (i) for and in order to carry out or implement TELKOM's rights, authorities and obligations in any form and under any name that TELKOM is
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entitled or obliged to do in or based on any agreement or event, or (ii) generally to and in order to implement the Spin-off agreed to in this Deed.

- d. For the matters mentioned above, the right to appear before any agency, official, body, person or party, wherever, prepare, sign and submit all deeds, documents, forms or letters of any kind, negotiate, prepare and sign agreements regarding or relating to all matters described in points (a), (b) and/or (c) above, including giving information, carrying out and conducting any actions or acts required or deemed necessary to be done to and in order to carry out and conduct the actions and acts authorized to be carried out and conducted in this Article, with no exceptions.
 2. The granting of proxy/power and authority as described in Article 11 paragraph 1 above shall come into effect as of the Spin-off Effective Date.
 3. All proxies/powers and authority granted by one party in this Deed to another party, is the most important and inseparable part of this Deed, which would not have been made without the granting of such proxy/power and authority, and therefore such
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proxy/power and authority cannot be revoked or withdrawn or revoked by the party who granted the proxy/power and authority, and also the granting of proxy/power and authority will not be terminated or end due to the occurrence or emergence of any event or situation and the Parties to this Deed hereby waive and declare that Articles 1813, 1814 and 1816 of the Indonesian Civil Code do not apply to this Deed.

ARTICLE 12

OBLIGATIONS OF THE PARTIES

Starting from the Spin-off Effective Date:

1. [REDACTED]
[REDACTED] TELKOM also must carry out all actions or acts in any form or to sign, submit all letters or documents or deeds of any form, which may be requested by TELKOMSEL and as long as the request is considered reasonable by TELKOM, for and in order to implement and perfect the Spin-off as well as the transfer by law of the Transaction Object set forth in this Deed.
 2. [REDACTED]
[REDACTED] TELKOMSEL must carry out all actions or acts in any form to carry out and perfect the
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implementation of the Spin-off as well as the transfer by law of the Transaction Object set forth in this Deed, including carrying out and/or sign any further implementation documents of this Deed as required according to the relevant laws and regulations and policies of government authorities.

ARTICLE 13

GENERAL PROVISIONS

1. Confidentiality, Public Announcements

Except for the announcement based on any applicable laws and regulations in the jurisdiction of one of the Parties, no Party may issue a press release or make any public announcement in connection with matters in this Deed without prior written approval from the other Party, and/or if such matter is required to comply with the laws and regulations:

- (a) Each Party agrees that it will treat as confidential all information relating to:
 - (i) Provisions in this Deed;
 - (ii) Negotiations related to this Deed;
 - (iii) The main issues in this Deed; or
 - (iv) Other parties, except in cases where any disclosure of information is required by
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laws and regulations or other government agencies.

- (b) The Parties agree that the contents of this Deed and all information provided by one Party to the other Party in connection with this Deed or during the negotiation process regarding this Deed unless the information is necessary to carry out the Party's obligations in this Deed or where the agreement has been provided by the other Party to the disclosing Party, will be kept confidential by each Party and each of their respective affiliates, representatives, officers, advisors, agents and employees except for information that has been or becomes available to the public through publication or that is disclosed by other means that are not caused by the fault of the receiving party.
- (c) Unless and to the extent required by laws and regulations, none of the Parties will disclose or use, and the Parties will cause their affiliates, representatives, officers, advisors, employees, agents and employees not to disclose or use any confidential information given or to be given by a Party or its
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affiliates, representatives, officers, advisors, employees, agents and employees to the other Party
or their affiliates, representatives, officers, advisors, employees, agents and employees in
connection herewith, at any time or with any way.

2.

[REDACTED]

[REDACTED]

3. Governing Law

This Deed shall be governed and construed in accordance with the laws of the Republic of Indonesia.

4. Dispute Resolution

(a) Any dispute, disagreement or claim arising from, or related to this Deed, whether in

connection with its implementation, tort or otherwise including any question regarding its existence, validity or termination ("**Dispute**"), will be resolved by amicable settlement by the Parties Party within 60 (sixty) calendar days after one Party notifies the other Party regarding the Dispute.

- (b) However, if the Dispute cannot be resolved amicably within the specified time period, the Dispute will be referred to and finally resolved through arbitration. Arbitration will be carried out at the Indonesian National Arbitration Board (Badan Arbitrase Nasional Indonesia) which was established in 1977 by the Indonesian Chamber of Commerce and Industry through Decree No. SKEP/152/DPH/1977 dated 30 (thirty) November 1977 (nineteen seventy-seven), currently domiciling in Jakarta and having its address at Wahana Graha *Lantai 2*, Jalan Mampang Prapatan Nomor 2, Jakarta 12760 ("**BANI**"), in accordance with BANI Rules. The Arbitration process will use Indonesian language and be held in Jakarta. The Arbitration Tribunal ("**Tribunal**") consists of 3 arbitrators.
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(c) Neither Party shall be entitled to bring any action in court relating to any Dispute until the matter is decided by the Tribunal as provided above and then only for enforcement of the arbitration award.

(d) The Parties hereby agree that the arbitration award is final and binding on the Parties to the dispute. The Parties hereby agree that no Party to the Dispute has the right to bring any lawsuit or legal proceeding (other than for interim or conservation measures) until the Dispute has been determined in accordance with the arbitration procedures set forth herein and then only for enforcement of the award awarded in arbitration. The arbitration award may be rendered in any court of competent jurisdiction or a petition may be made to such court for judicial acceptance of the award and order of enforcement, as the case may be.

5. Notifications

(a) All notices, requests and other communications hereunder will be made in writing in Indonesian and will be deemed to have been given only if delivered personally or sent by registered post

or sent by electronic mail to the Parties at the addresses listed below:

PERUSAHAAN PERSEROAN (PERSERO) PT TELEKOMUNIKASI INDONESIA Tbk

Address: Telkom Landmark Tower, Menara. 2 Lantai 29 Jalan Jenderal Gatot Subroto Kaveling 52, Jakarta Selatan 12710

PT TELEKOMUNIKASI SELULAR

Address: Telkom Landmark Tower, Menara-1 Lantai 10 Jalan Jenderal Gatot Subroto Kaveling 52, Jakarta Selatan 12710

- (b) All such notices, requests and other communications shall be deemed to have been given (i) if delivered personally with written receipt, at the time of delivery, (ii) if sent by registered or certified mail, postage prepaid, return receipt requested, on the third Business Day following the date of sending, and (iii) if sent by email without proof of delivery failure, at the time of delivery by the sender (as recorded on the device sending the email). Each Party may from time to time change its address, email address or other
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information for the purpose of notifying that Party by providing notice stating such changes to the other Party in this Deed.

6. Anti-Corruption and Anti-Bribery

- (a) In this paragraph, all references to "Anti-Corruption Law" mean all laws relating to anti-bribery and anti-corruption laws applicable in Indonesia including but not limited to Law Number 31 of 1999 on Corruption Eradication as amended by Law Number 20 of 2001 on the Amendment to Law Number 31 of 1999 on Corruption Eradication, and all applicable anti-corruption and anti-bribery laws and regulations.
 - (b) The Parties warrant that each Party and all directors and commissioners of each Party comply with the Anti-Corruption Law in force in the Republic of Indonesia.
 - (c) The Parties warrant that there has never been, and/or is, a government decree or ruling, laws and regulations or investigation, inquiry based on or referring to the Anti-Corruption Law imposed on the Parties in connection with the implementation of each Party's business activities.
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7. Severability and Amendment

- (a) If any of the provisions in this Deed becomes or is declared by a court ruling to be invalid or unenforceable, then the other provisions in this Deed will not be affected, and thus remain legally valid and binding on the Parties.
- (b) As soon as it is discovered that the provisions in this Deed are not valid or enforceable, the Parties will immediately replace the provisions which the court declares to be invalid and replace them with new articles.
- (c) This Deed can only be supplemented, reduced or amended with the written agreement of the Parties.
- (d) If supplements, reductions or amendments need to be made to this Deed, then these supplements, reductions or amendments must be discussed and mutually agreed upon by the Parties and such amendments, supplements or reductions will only be binding on the Parties if they have been stated in a valid document or in the form of a notarial deed in a supplement, reduction or amendment to this Deed.

The appearers known to me, the Notary.

IN WITNESS WHEREOF THIS DEED

is drawn up as minutes and signed in Jakarta, at the day and date stated at the beginning of this deed, witnessed

by:

1. Mrs.


PRAWITASARI,
[REDACTED]

2 .Miss

NADINE
[REDACTED]

Both of whom are known to me, the Notary, as witnesses.

After this deed is read by me, the Notary, to the appearers and witnesses, this deed is signed by the appearers,
witnesses and me, the Notary.


The minutes of this deed have been signed accordingly.

Provided for a copy with the same text.

Notary in South Jakarta City

[signed on top of stamp duty and given notary's chop]





(AULIA TAUFANI, S.H.)






ATTACHMENT TO THE SPIN-OFF DEED





A. LIST OF ASSETS TRANSFERRED



[Some of this part is redacted because it is part of our Trade Secret and it is not material for Investors]

5.b BRAND TRANSFER UST 2 - BRAND

No	Brand	Application No. / Registration No.	Status
1		J002013057768 / IDM000520380	Registered and valid until 3 December 2023
2		J002014043700 / IDM000684321	Registered and valid until 25 September 2024
3		J02015030927 / IDM000804319	Registered and valid until 15 July 2025
4		J002015030929 / IDM000637710	Registered and valid until 15 July 2025

No	Brand	Application No. / Registration No.	Status
5		J00201G031138 / IDM000803243	Registered and valid until 24 June 2026
6		J002016031135 / IDM000797062	Registered and valid until 24 June 2026
7		J002018065578 / IDM000790080	Registered and valid until 14 December 2028
8		JID2021045230 / IDM000983501	Registered and valid until 6 July 2031
9		JID2021071274 / IDM000998148	Registered and valid until 21 October 2031

No	Brand	Application No. / Registration No.	Status
10		JID2022004270 / IDM001030199	Registered and valid until 18 January 2032
		JID2022004284 / IDM001030193	Registered and valid until 18 January 2032
		JID2022004290 / IDM001030184	Registered and valid until 18 January 2032
11		JID2022014109 / IDM001035316	Registered and valid until 23 February 2032
		JID2022014115 / IDM001035315	Registered and valid until 23 February 2032
		JID2022014118 / IDM001048844	Registered and valid until 23 February 2032
12		J002019007121 / IDM000825150	Registered and valid until 12 February 2029
13		J002019001125 / IDM000823729	Registered and valid until 12 February 2029

No	Brand	Application No. / Registration No.	Status
14		J002019007122 / IDM000825151	Registered and valid until 12 February 2029
15		JID2023019828 (Application No.)	Application for registration is submitted on 7 March 2023

B. **LIST OF TRANSFERRED PASIVA**

[This part is redacted because it is part of our Trade Secret and it is not material for Investors]

C. **LIST OF TRANSFERRED CUSTOMERS**

[This part is redacted because it is part of our Trade Secret and it is not material for Investors]

D. **LIST OF INDIHOME PRODUCTS TRANSFERRED**

[This part is redacted because it is part of our Trade Secret and it is not material for Investors]

EXHIBIT 4.2

[Certain portions of this exhibit have been redacted pursuant to Instruction 4(a) of the Instructions as to Exhibits of Form 20-F.]

FIX BROADBAND CORE TRANSITION SERVICES AGREEMENT

BETWEEN

PT TELKOM INDONESIA (PERSERO) Tbk

AND

PT TELEKOMUNIKASI SELULAR

[REDACTED]

[This part is redacted because it is part of our Trade Secret and it is not material for Investors]

FIX BROADBAND CORE TRANSITION SERVICES AGREEMENT

BETWEEN

PT TELKOM INDONESIA (PERSERO) Tbk.

AND

PT TELEKOMUNIKASI SELULAR

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██

This Fix Broadband Core Transition Services Agreement ("**Agreement**") is made on 6 April 2023 by and between:

1. **PT TELKOM INDONESIA (PERSERO) Tbk.**, a telecommunication services and networks provider public company, established pursuant to the laws of the Republic of Indonesia, domiciled at Jalan Japati No. 1, Bandung-40133 (hereinafter referred to as "**TELKOM**"); and
2. **PT TELEKOMUNIKASI SELULAR**, a company organised and established pursuant to the laws of the Republic of Indonesia, domiciled at Telkom Landmark Tower, Tower-1 Level 1-23, Jl. Jendral Gatot Subroto Kav. 52, South Jakarta 12710 (hereinafter referred to as "**TELKOMSEL**").

Hereinafter TELKOM and TELKOMSEL are collectively referred to as the "Parties" and individually referred to as a "Party". The Parties agree to first consider and take account of the following matters:

1. [REDACTED]
2. Whereas the Parties have signed a Conditional Spin-off Agreement ("CSA") [REDACTED] on the same date as this Agreement which regulates the terms of transfer of IndiHome services from TELKOM to TELKOMSEL through the spin-off mechanism.
3. Whereas in order to provide TELKOMSEL Services, the Parties agree to enter into cooperation where TELKOM will provide the FBC Services to TELKOMSEL.

1 ARTICLE 1

DEFINITION

Unless otherwise specified in connection with the sentences in the relevant articles, the Parties agree that the meaning stated and applicable in this Agreement shall be as contemplated in **Schedule I** of this Agreement.

2 ARTICLE 2

PURPOSE AND OBJECTIVE

1. The Parties agree to enforce this Agreement on a non-exclusive basis.
2. TELKOM will provide the FBC Services for the purposes of TELKOMSEL's preparation to provide Fixed Broadband Core services independently in the future, including providing various data, information, and knowledge as described in Article 3 of this Agreement.

3 ARTICLE 3

SCOPE OF SERVICES

1. The Parties agree that TELKOMSEL will cooperate with TELKOM where TELKOM will provide the FBC Services for TELKOMSEL in providing TELKOMSEL Services with the following scope:
 - a. The Fixed Broadband Core which consist of:
 - 1) The provision of operational equipment for Fixed Broadband Core Services ██████████
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systems on the Effective Date of this Agreement as well as TELKOM's internal compliance mechanisms.

(c) Performance reporting and evaluation:

- (1) Monthly report;
 - (2) Special report, if requested by TELKOMSEL;
 - (3) 3 (three) monthly evaluations; And
 - (4) Sharing knowledge.
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b. Service Level Guarantee, which consists of:

- 1) Service Desk;
 - 2) Incident Management;
 - 3) Problem Management; and
 - 4) Availability Management.
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2. The usage period of each FBC Services shall follow the period [REDACTED]. The period of usage [REDACTED] may be amended pursuant to the agreement of the Parties which shall be stated in an amendment/addendum, with prior written notification at least 6 (six) months in advance.

4 ARTICLE 4

TERM OF THE AGREEMENT

1. This Agreement shall be valid for 2 (two) years commencing from Legal Day-1 ("**Effective Date**"), notwithstanding this Agreement being signed before the Effective Date.
 2. The validity period of this Agreement may be extended in accordance with the agreement of the Parties which shall be stated in writing in the amendment document to this Agreement.
 3. Subject to the provisions of Paragraph 2 of this Article, TELKOM agrees that in the event that TELKOMSEL (with written notification to TELKOM) still requires the FBC Services, then TELKOM is committed
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to extending the validity period of this Agreement to a period of 3 (three) years [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

5 ARTICLE 5

RIGHTS AND OBLIGATIONS

1. In addition to the obligations stipulated in other provisions in this Agreement, matters which shall also be the obligations of TELKOMSEL at its own expense and account, are as follows:
 - a. Implement all provisions in this Agreement;
 - b. Make payments for the FEC Services provided by TELKOM; and
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- c. Pay for damages if proven to have committed a violation of this Agreement resulting in losses for TELKOM amounting to direct losses (excluding opportunity loss), in compliance with the provisions of Article 21 of this Agreement.
2. In addition to the obligations stipulated in other provisions of this Agreement, matters which shall also be the obligations of TELKOM at its own expense and account, are as follows:
- a. Implement all provisions in this Agreement;
 - b. Provide the FBC Services to TELKOMSEL based on each Work Order issued by TELKOMSEL for each of the FBC Services;
 - c. Provide data, information, and other resources needed to provide the FBC Services to TELKOMSEL in accordance with the agreement of the Parties;
 - d. Provide, operate and maintain the facilities and equipment pursuant to this Agreement for the implementation of the FBC Services;
 - e. Provide Service Desk for TELKOMSEL which includes FBC Services support facilities (first-line support) to handle the inquiries,
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complaints and/or requests of TELKOMSEL in connection with the FBC Services;

- f. Carry out knowledge sharing for any and all matters relating to the provision of the FBC Services by TELKOM to TELKOMSEL during the term of this Agreement;
 - g. Provide billing information related to the FBC Services to TELKOMSEL; and
 - h. Pay for damages if proven to have committed a violation of this Agreement resulting in losses for TELKOMSEL amounting to direct losses (excluding opportunity loss), in compliance with the provisions of Article 21 of this Agreement.
3. In addition to the rights stipulated in other provisions of this Agreement, matters which shall also be the rights of TELKOMSEL, are as follows:
- a. Receive the FBC Services and any part thereof in accordance with the provisions of this Agreement for the provision of the FBC Services during the term of this Agreement in accordance with the provisions of this Agreement;
 - b. Receive the data, information and other resources needed for the provision of the FBC
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Services from TELKOM in accordance with the agreement of the Parties;

- c. Receive the knowledge sharing for any and all matters relating to the provision of the FBC Services by TELKOM to TELKOMSEL during the term of this Agreement; and
 - d. Receive damages if TELKOM is proven to have committed a violation of this Agreement resulting in losses for TELKOMSEL amounting to direct losses (excluding opportunity loss), in compliance with the provisions of Article 21 of this Agreement.
4. In addition to the rights stipulated in other provisions of this Agreement, matters which shall also be the rights of TELKOM are as follows:
- a. Obtain payment for the FBC Services from TELKOMSEL; and
 - b. Receive damages if TELKOMSEL is proven to have committed a violation of this Agreement resulting in losses for TELKOM amounting to direct losses (excluding opportunity loss), in compliance with the provisions of Article 21 of this Agreement.
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6 ARTICLE 6

JOINT PLANNING PROGRAM (JPP)

1. The Parties may, at any time, hold a Joint Planning Program meeting, with reasonable prior notice to the other Party. The implementation of the Joint Planning Program shall be carried out at least 2 (two) times in 1 (one) year. Based on the agreement of the Parties, the meeting may involve third-party suppliers in technical matters if deemed necessary.
2. The Parties agree that the mechanism and implementation of the Joint Planning Program shall follow and be in line with other agreements relating to the provision of services infrastructure by TELKOM to TELKOMSEL, namely this Agreement, the Wholesale Agreement and/or IT System Transition Agreement.

7 ARTICLE 7

EVALUATION

The Parties shall conduct evaluations to the fulfilment of performance of TELKOM in providing the FBC Services, including, but not limited to the parameters, limits and population on the Service Level Guarantee, once every 1 (one) year.

8 ARTICLE 8

WORK ORDER

1. For each of the FBC Services required by TELKOMSEL, as set out in Article 3 of this Agreement, TELKOMSEL will issue a Work Order, and TELKOM shall provide the FBC Services based on such Work Order in accordance with the provisions of this Agreement.
 2. A Work Order may only be considered valid and binding when it has been signed by a TELKOMSEL officer at least at the level of the Vice President who oversees the Network Strategic Collaboration and Settlement functions (either using manual/wet signatures or electronic signatures in accordance with the applicable provisions) and when such Work Order has been accepted by TELKOM.
 3. For the provision of the FBC Services that have been completed by TELKOM based on each of the Work Orders issued by TELKOMSEL, a handover of work shall be carried out from TELKOM to TELKOMSEL in the form of a Minutes of Acceptance of Test ("MAT") signed by a TELKOMSEL officer of at least at the level of General Manager who oversees the CNOP Management functions and by a TELKOM officer of at least at the level of Operational Senior Manager.
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9 ARTICLE 9

SERVICE LEVEL GUARANTEE

1. The Parties agree to a Service Level Guarantee which includes the Key Performance Indicators (KPIs) [REDACTED]
[REDACTED]
 2. TELKOM shall implement the measurement, monitoring tools and procedures necessary to measure the performance of the FBC Services based on the Service Level Guarantee using the tools from TELKOM and/or TELKOMSEL with the priority of using the tools from TELKOM.
 3. TELKOMSEL is entitled to receive compensation in the form of Service Credits from TELKOM if TELKOM charges service credits to its Subcontractor for the implementation of this Agreement which is carried out in the following month after TELKOM charges service credits to such Subcontractor. TELKOMSEL is only entitled to Service Credits with the mechanism and amount of service credits that TELKOM agrees with its Subcontractor.
 4. [REDACTED]
[REDACTED]
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[REDACTED]

[REDACTED]

[REDACTED]

b. [REDACTED]

[REDACTED]

5. TELKOM must ensure that there is no Disruption to the FBC Services. If there is a Disruption to the FBC Services, TELKOM will carry out an analysis and inspection in order to find out the causes of the Disruption to the FBC Services and if necessary, TELKOM will propose a backup plan for the FBC Services affected by the Disruption.
6. The Parties may conduct developments, improvements and adjustments to the Service Level Guarantee from time to time, including if there are changes to the scheme and Service Fees which will be agreed upon by the Parties using the mechanism as regulated in Article 13 Paragraph (4) of this Agreement.

10 ARTICLE 10

- 1.

- 2. [Redacted]
 - 3. [Redacted]
 - a. [Redacted]
 - b. [Redacted]
 - 4. [Redacted]
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11 ARTICLE 11

SUBCONTRACTOR

1. TELKOM must obtain prior written approval from TELKOMSEL if TELKOM will appoint a Subcontractor or assign part of its obligations under this Agreement to a Subcontractor. TELKOMSEL agrees not to withhold or delay without clear reasons the granting of approval if the Subcontractor's performance or product meets TELKOMSEL's technical requirements.
 2. [REDACTED]
 3. TELKOM is the sole person responsible for every part of the provision of each of the FBC Services carried out by the Subcontractor and every action or conduct of the Subcontractor and all persons, whether directly or indirectly employed or instructed by TELKOM. TELKOM shall ensure compliance by the Subcontractor and its employees with the terms and conditions of this Agreement.
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4. The coordination carried out by the Subcontractor with TELKOMSEL and/or otherwise that has an impact on the commercial aspect must be carried out with TELKOM's written approval.
5. Without prejudice to other provisions in this Article, TELKOM shall carry out and/or ensure that the Subcontractor carry out any and all warranties from the Subcontractor. All agreements between TELKOM and the Subcontractor must state that the warranties provided by the Subcontractor includes warranties that are equal for TELKOM and TELKOMSEL and that TELKOM and/or TELKOMSEL can enforce such warranties. In the event that TELKOMSEL carries out the warranties given by the Subcontractor itself, TELKOM shall carry out all matters and provide the assistance needed so that TELKOMSEL can carry out the guarantees and warranties given by the relevant Subcontractor.

12 [REDACTED]

[REDACTED]

1. [REDACTED]

[REDACTED]

- [REDACTED]
 - 2.

[REDACTED]

[REDACTED]
 - 3.

[REDACTED]

 - a.

[REDACTED]

[REDACTED]
 - b.

[REDACTED]
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13 ARTICLE 13

SERVICES FEE

1. [REDACTED]

2. The Parties agree that the Service Fees as will be agreed in this Agreement will not change for a period of 2 (two) years after the Effective Date of this Agreement.

3. The Parties may agree on changes to the Service Fees no later than 6 (six) months before the end of the period as referred to in Paragraph (2) of this Article which shall be stated in an amendment to this Agreement.

4. The Parties agree that to: (i) changes to the Service Level Guarantee as set out in Article 9 of this Agreement; and/or (ii) changes to the business processes [REDACTED] the following provisions apply:

- a. If such changes result in costs other than the Service Fees, the Parties agree to regulate these additions and/or changes in an amendment/addendum to this Agreement.
- b. If such changes do not incur any costs then the Parties agree to regulate the additions and/or changes in a minutes of agreement which an officer of an equivalent level as the Vice President from each Party will sign.

14 ARTICLE 14

INVOICE FOR THE SERVICE FEES

1. The invoicing of the Service Fees by TELKOM shall be carried out monthly based on invoices sent from TELKOM to TELKOMSEL whether electronically or manually.
2. TELKOM shall invoice TELKOMSEL by sending the invoice documents, namely:
 - a. The invoice;
 - b. The tax invoice;
 - c. The minutes of Reconciliation.

15 ARTICLE 15

PAYMENT PROCEDURES AND TIMES

1. The payment of the Service Fees shall be carried out by TELKOMSEL no later than 30 (thirty) Calendar Days as of the complete and correct receipt of TELKOM's invoice documents, in accordance with Article 14 of this Agreement, provided that if such date falls on a holiday then the payment shall be made on the subsequent Business Day.

2.

[REDACTED]

[REDACTED]

■

[REDACTED]

[REDACTED]

3. TELKOM entitled to impose a fine for every day of late payment by TELKOMSEL based on the payment schedule, the amount of which is 1% (one per mil) for every day of late payment by TELKOMSEL based on the payment schedule above with a maximum charge of 3% (three percent) of the invoice value that is due.

16 ARTICLE 16

TAXES AND DUTIES

1. All taxes, duties and other costs arising for the purpose of the implementation of this Agreement shall be the liability and responsibility of each Party in accordance with the applicable tax regulations and determined by the government.
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2. In the event that there is a change in the taxation and duty provisions by the government, the Parties agree to refer to the new taxation and duty provisions.
3. The Parties agree to assist each other in fulfilling each Party's obligations relating to taxes, duties and other costs based on applicable tax provisions arising from the implementation of this Agreement.

17 ARTICLE 17

INTELLECTUAL PROPERTY RIGHTS

1. The Parties agree that any IPR brought by each Party in the provision of the FBC Services to implement this Agreement shall remain the property and/or within the control of each Party.
 2. Each Party is responsible and obliged to maintain the ownership and/or control over the IPR and everything related to the IPR in connection with the provision of the FBC Services pursuant to this Agreement, as well as represents and warrants that the ownership and/or control over the IPR by each Party are obtained legally without any violation of law.
 3. Each Party represents and warrants that the use of the IPR owned by and/or within the control of each
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Party in the provision of the FBC Services does not (and will not) violate or conflict with the applicable laws and regulations nor does it violate and/or impair the rights and/or legal interests of any third party.

4. Each Party shall fully protect, indemnify, defend, release and discharge the other Party from and against as well as in connection with any legal proceedings (whether civil or criminal), claims, lawsuits, demands, objections, losses, obligations, responsibilities, costs, arising from or caused by the usage and/or exploitation of any IPR brought by each Party in the provision of the FBC Services pursuant to this Agreement.

18 ARTICLE 18

SECURITY REQUIREMENTS, CYBER SECURITY AND PROTECTION OF CUSTOMER DATA AND PERSONAL DATA

Without prejudice to the obligations carried out by each Party pursuant to this Agreement, particularly in terms of the provisions below relating to the provision of the FBC Services and/or obtaining of access by one of the Parties to the system, data and/or customer data of the other Party, the Parties must comply with the provisions set out in this Article, as follows:

1. **Security**

- a. Each Party shall follow the legal and reasonable instructions that have been determined and given by the other Party within the scope of this Agreement; and
- b. If necessary and with the agreement of the Parties, in the event that there is a need for access to a hardware location belonging to one of the Parties which is related to the scope of this Agreement, the Party requiring access to such location shall follow the provisions or regulations that have been determined and provided by the other Party (or third party) that manages and owns the hardware location.

2. **Cyber Security**

During the term of this Agreement, each Party shall comply with cyber security provisions as regulated in Article 19 of this Agreement.

3. **Protection of Data and Customer Data**

- a. Nothing in this Agreement shall be deemed to be or intended to cause and/or imply the provision and/or exchange between the Parties of any information relating to "personal data", "private information" or "personally identifiable information" ("**Personal Data**") as
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referred to in the applicable laws and regulations (as amended, consolidated or re-enacted from time to time), including but not limited to (i) Law No. 27 of 2022 concerning Personal Data Protection; (ii) Law No. 11 of 2008 concerning Electronic Information and Transactions, as amended by Law No. 19 of 2016; (iii) Government Regulation No. 71 of 2019 concerning Implementation of Electronic Systems and Transactions; and (iv) Minister of Communications and Information Technology Regulation No. 20 of 2016 concerning Data Protection in Electronic Systems ("**Personal Data Protection Regulations**").

- b. For the avoidance of doubt, in the event that one Party discloses to or obtains access from another Party to a Personal Data, each Party is obliged to use, process and/or disclose the Personal Data in accordance with the Personal Data Protection Regulations.

1. [REDACTED]

[REDACTED]

- 2. [REDACTED]
 - a. [REDACTED]
 - [REDACTED]
 - b. [REDACTED]
 - [REDACTED]
 - c. [REDACTED]
 - d. [REDACTED]
 - [REDACTED]
 - 3. [REDACTED]
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[REDACTED]

4. [REDACTED]

a. [REDACTED]

[REDACTED]

b. [REDACTED]

[REDACTED]

20 ARTICLE 20

CONFIDENTIALITY

1. The Parties agree to treat all terms and conditions stated in this Agreement and any data, information or knowledge obtained in connection with the negotiation or execution of this Agreement as Confidential Information which cannot be disclosed to third parties without obtaining prior approval from one of the Parties, except for the implementation of the provision of the FBC Services, provided that the foregoing will not apply to information or knowledge which: (i) a Party can demonstrate that it has previously legally controlled it prior to disclosure by the Party in question; (ii) is generally known to the public and such knowledge was not obtained through the violation of laws and regulations; (iii) has become generally known to the public without any error on the part of the relevant Party; (iv) obtained by a Party subsequently without breach of confidentiality from another source; (v) ordered to be disclosed based on a court order or based on the applicable laws and regulations, whereas the disclosure of which must be
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carried out in prior coordination with the other Party.

2. Notwithstanding the foregoing, the Parties may disclose limited information of one of the Parties to their employees and subcontractors related to the provision of the FBC Services where such disclosure is necessary for the provision of the FBC Services can be carried out, provided that the Party disclosing the Confidential Information shall ensure that its employees and agents are subject to, and mandatorily require, subcontractors and their employees to comply with the confidentiality provisions under this Agreement.
3. This confidentiality provision shall remain in effect for 5 (five) years as of the end of the term of this Agreement.

21 [REDACTED]

[REDACTED]

1. [REDACTED]

[REDACTED]

- 2. [REDACTED]
 - 3. [REDACTED]
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4. [REDACTED]

22 ARTICLE 22

FORCE MAJEURE

1. In the event of a Force Majeure, then the party experiencing the Force Majeure shall notify the other Party in writing, namely:
 - a. The occurrence of a Force Majeure within 7 (seven) Calendar Days as of the occurrence of the Force Majeure,
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b. The cessation of the Force Majeure within 7 (seven) Calendar Days as of the cessation of the Force Majeure,

by including the supporting documents to prove the situation or development of the Force Majeure, including photographs, chronological documents and/or copies of statements of Force Majeure issued by the authorized party/agency and officially declared by the authorized Government Official in accordance with the applicable laws and regulations, if available.

2. Force Majeure is an event, circumstance/condition, or incident that occurs beyond the reasonable ability, power, or control of a Party and is not caused by the fault of that Party, and such event, circumstance/condition, or event hinders, impedes, or delays that Party in carrying out its obligations under this Agreement. What is called or categorised as Force Majeure includes but is not limited to:

a. Natural disasters, such as floods, landslides, volcanic eruptions, hurricanes, storms, earthquakes, or lightning;

b. Infectious disease outbreaks;

c. Insurrection, riot, civil unrest, war (whether declared or undeclared), or military action;

d. Fire;

- e. Embargo,
 - f. Strike;
 - g. Sabotage;
 - h. Unavailability of electrical power;
 - i. Disruption to the telecommunications networks, both terrestrial and extra-terrestrial (outer space), caused by events occurring in outer space including, but not limited to, sun-outage, solar eclipse, astronomical event, or meteorite occurrence;
 - j. The issuance of a decision, policy, regulation, or implementation of an action, by an authorised party that directly inhibits, precludes, or delays the implementation of a Party's obligations under this Agreement.
3. The negligence or delay of the Party experiencing Force Majeure in fulfilling the notification obligations referred to in Paragraph (1) of this Article, shall result in the non-recognition of the event referred to in Paragraph (2) of this Article as Force Majeure.
4. When the Party experiencing Force Majeure is unable to carry out the necessary countermeasures, thereby hampering the implementation of its obligations as regulated in this Agreement, then the Party not
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experiencing the Force Majeure event shall have the right to do the following:

- a. Where a Force Majeure lasts for a period of 1 (one) month from notification Force Majeure provided as contemplated in Paragraph (1) of this Article, the Parties can agree to discuss the continuation of the cooperation pursuant to this Agreement, including agreeing to temporarily suspend the FBC Services;
 - b. If a Force Majeure lasts for 2 (two) consecutive months as of the provision of the notification of Force Majeure as contemplated in Paragraph (1) of this Article, the Parties can agree to discuss the continuation of the cooperation pursuant to this Agreement, including terminating this Agreement.
5. Failure to fulfill or carry out an obligation of one of the Parties according to this Agreement due to Force Majeure conditions shall not be considered a default or violation of this Agreement. All losses and costs suffered by either Party as a result of the occurrence Force Majeure not the responsibility of and is not the responsibility of any other Party.
6. A Force Majeure cannot be used as a basis by either Party to delay the payment obligations to the other
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Party which have arisen and are due before the occurrence of the Force Majeure.

23 ARTICLE 23

FRAUD

1. Either Party is prohibited from committing Fraud to the other Party.
 2. If one Party is suspected of committing Fraud against another Party, then the other Party can submit a claim to the Party suspected of committing Fraud.
 3. The party suspected of committing Fraud must immediately provide clarification to the other Party by submitting the supporting evidence no later than 14 (fourteen) Calendar Days as of the receipt of the claim.
 4. If a Fraud is alleged to have originated from persons, companies/other legal entities, certain organisations that work or collaborate for the party suspected of committing a Fraud or its customers/users, then for clarification until the Resolution of Fraud shall become the obligation and responsibility of the Party suspected of committing a Fraud according to the existing evidence.
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5. If within a period of more than 14 (fourteen) Calendar Days from the receipt of the claim as contemplated in Paragraph (2) of this Article, the Party suspected of committing a Fraud does not provide clarification, then the other Party may give written warnings 3 (three) times with a grace period for each warning letter of 7 (seven) Calendar Days to the Party suspected of committing a Fraud.
 6. If the alleged Fraud is proven, then the Party committing such Fraud shall be responsible for the Resolution of Fraud and the Party affected by such Fraud shall be released from all claims and responsibilities whatsoever and from any Party.
 7. If in the Resolution of Fraud an agreement is not reached between the Parties, the settlement shall be carried out through a dispute resolution mechanism as regulated in this Agreement.
 8. If a Fraud proven as contemplated in Paragraph (6) of this Article, while still complying with the provisions of Article 21 of this Agreement, the Party committing such Fraud must pay for damages and/or recalculate the costs that should be paid to the Party affected by such Fraud and/or third parties, if any.
 9. In addition to the sanction of damages as contemplated in Paragraph (8) of this Article, the Party committing
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a Fraud may also be subject to sanctions of termination of this Agreement unilaterally by the Party affected by the Fraud without waiting for a court judge's decision which has permanent legal force, but does not eliminate the obligation for damages and other obligations that should be implemented according to this Agreement.

24 ARTICLE 24

VIOLATIONS AND SANCTIONS

1. If one of the Parties violates the applicable laws and/or regulations, causing harm to the other Party and/or third parties, then the Party committing the violation will release the other Party from all legal claims and responsibilities submitted by the third party.
 2. If losses occur due to the violations of the applicable laws and/or regulations, while complying with the provisions of Article 21 of this Agreement, the Party committing the violation must be responsible and indemnify the losses suffered directly to the Party affected by the violation, including third parties, if any. The party affected by further violations shall also have the right to terminate this
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Agreement by first providing 3 (three) warning letters with a grace period for each warning letter of 7 (seven) Calendar Days.

25 ARTICLE 25

ASSIGNMENT OF THE AGREEMENT

1. Unless required by the laws and regulations or orders from a judicial body, a Party cannot transfer the rights, benefits and obligations in this Agreement, either in whole or in part, to a third party without the prior written consent of the other Party.
2. If the transfer of this Agreement is approved, the agreeing Party can determine whether the contents of this Agreement need to be updated following the assignment of this Agreement is carried out with the Party receiving the assignment.

26 ARTICLE 26

TERMINATION OF THE AGREEMENT

1. This Agreement shall expire when the term of this Agreement expires as referred to in Article 4 of the Agreement and is not extended by the Parties;
 2. This Agreement may be terminated by either Party by first giving notification to the other Party no later
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than 14 (fourteen) Business Days prior to the date of termination of this Agreement, if the following occurs:

- a. The other Party is negligent or intentionally does not fulfill some or all of the provisions of this Agreement and the Party committing such negligence has been given a written warning by the Party not violating the provisions of this Agreement and does not have good faith to correct the error within the period in accordance with the further agreed time period;
 - b. The other party is declared bankrupt based on a court decision that has permanent legal force;
 - c. The licensing for the operation of telecommunications networks/services of the other Party, in whole or in part, is terminated or revoked by the competent authority (government); and/or
 - d. A Force Majeure condition occurs which results in one of the Parties or the Parties being unable to carry out their obligations to the other Party with due observance to the provisions of Force Majeure in this Agreement,
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as well as based on the agreement of the Parties.

3. If one of the Parties violates the provisions relating to Representations and Warranties, IPR, Confidentiality, Fraud and Violations and Sanctions in this Agreement, then the other Party shall have the right to terminate the entire contents of this Agreement without any demands from the Party being terminated and obtain indemnity from the Party committing the violation in the amount of the losses suffered, while still complying with the provisions of Article 21 of this Agreement.
 4. For the purposes of terminating this Agreement, the Parties waive the implementation or application of the provisions in Article 1266 of the Indonesian Civil Code so long as it concerns the need or requirement for a decision or determination of a court or judge to terminate an agreement, so that for the purposes of terminating this Agreement, it is not necessary or does not require a decision or determination by a court or judge.
 5. In the event of the termination of this Agreement, each Party must complete all obligations that arose before the termination and have not been completed.
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27 ARTICLE 27

NOTICES

1. All notices, agreements, waivers and other communications under this Agreement ("**Notices**") must be in writing and will be deemed to have been duly delivered if (a) delivered in person or (b) sent via an internationally recognised overnight delivery service (receipt required), in either case addressed to the correct address as set out below This:

PT TELEKOMUNIKASI SELULAR

Address : Telkom Landmark Tower, Tower-1 Level 12,
Jalan Gatot Subroto No. 52, Jakarta, 12710.

[REDACTED]

[REDACTED]

PERUSAHAAN PERSEROAN (PERSERO) PT TELEKOMUNIKASI INDONESIA Tbk.

Address : Graha Merah Putih Fl. 8, Jl. Gatot Subroto No. 52, Jakarta, 12710.

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2. Except where there is evidence that the Notice has been received earlier, then a Notice is considered to have been delivered when:
 - a. Delivered in person or by courier, when sent to the address as set out in this Agreement and proven by receipt of the Notice; and/or
 - b. Delivered via e-mail, when delivery confirmation has been recorded in electronic mail (email).
 3. In the event that there is a change of address by one of the Parties as contemplated in Paragraph (1) of this Article, such Party shall notify the other Party in writing 7 (seven) Calendar Days prior to the effective date of the change.
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28 ARTICLE 28

REPRESENTATIONS AND WARRANTIES

Each Party warrants and represents to the other Party that:

- a. Each Party is a limited liability company organised or established, legally existing under the laws of the Republic of Indonesia and has full authority to sign this Agreement and carry out all transactions contained therein;
 - b. The signing, delivery and implementation of this Agreement will obtain all necessary corporate approvals, and does not and will not require any approval or permit that has not already been obtained;
 - c. This Agreement will be made and signed by each Party legally and is legally binding for each of its obligations and enforceable in accordance with the provisions contained therein;
 - d. The individual who will represent each Party in signing this Agreement is an authorized officer in accordance with the articles of association and company regulations applicable to each Party;
 - e. Each Party is not in a state of insolvency and there is no event that could materially affect each Party's
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ability to perform its obligations under this Agreement;

- f. Each Party obtains and maintains the validity of all permits, approvals and licenses required for and related to the provision of the FBC Services, including, but not limited to, permits, approvals and licenses that must be obtained from the authorised institutions or from other parties necessary or required; and
- g. Work results, materials or other results from the relevant Work, when provided by one Party to another Party, are free from all forms of ownership and/or collateral and/or confiscation and/or all forms of third-party interests, either directly or indirectly, which may affect the rights of use of the relevant Party on the work results or materials or other results from such Work Order.

29 ARTICLE 29

GOVERNING LAW AND DISPUTE RESOLUTION

- 1. This Agreement is governed, interpreted and implemented based on the laws of the Republic of Indonesia.
-

2. If in the future a dispute arises in the interpretation or implementation of the provisions of this Agreement, the Parties agree to first resolve it by deliberation to reach a consensus within 60 (sixty) Calendar Days.
 3. If the resolution of the dispute as contemplated in Paragraph (2) of this Article does not result in a consensus, then the Parties agree to submit the settlement through the Indonesian National Arbitration Agency which was established in 1977 by the Indonesian Chamber of Commerce and Industry (KADIN) through Decree No. SKEP/152/DPH/1977 dated 30 November 1977, at the time of signing of this Agreement the registered address is at Wahana Graha, Level 2, Jl. Mampang Prapatan No.2, Jakarta 12760 ("**BANI**") in accordance with all applicable BANI Arbitration Rules and Procedures ("**BANI Regulations**"). The BANI arbitration hearings shall be held in Jakarta, Indonesia in the Indonesian language.
 4. The Arbitration Tribunal ("**Tribunal**") shall consist of 3 (three) arbitrators who understand and have knowledge of the subject matter of the Dispute, 1 (one) arbitrator appointed by the Party submitting the arbitration request as the Petitioner, and 1 (one) arbitrator appointed by the Party who is the
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respondent in the arbitration request at BANI, and the third arbitrator will be selected in accordance with the BANI Regulations.

5. The arbitration award rendered shall be final, binding and cannot be appealed and can be used as the basis for a court decision against it in Indonesia or elsewhere. Each Party hereby expressly waives the requirement of Indonesian law to grant the right to appeal an arbitration award and agrees that in accordance with Article 60 of Law no. 30 of 1999 concerning Arbitration and Alternative Dispute Resolution, no party has the right to appeal against an arbitration decision.
 6. Neither Party shall have the right to initiate or submit any action through a court in connection with any dispute arising from and related to this Agreement until the matter is determined by arbitration as provided for in this Article and only for the enforcement of the arbitration award rendered based thereon.
 7. So long as the dispute is still in the process of being resolved, each Party shall continue carrying out its obligations under this Agreement.
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30 ARTICLE 30

31 GENERAL PROVISIONS

1 1. **Amendment/Addendum/ Side Letter**

Aside from the provisions agreed to in the articles in this Agreement, matters which are not sufficiently regulated in this Agreement shall be regulated later according to the agreement of the Parties and will be stated in an amendment/addendum/side letter made and signed by the Parties and having the same legal force as this Agreement.

2 2. **Entire Agreement**

This Agreement and any related written agreements signed concurrently with this Agreement contain the entire agreement and understanding of the Parties with respect to the subject matter of this Agreement, and all prior agreements, understandings and negotiations relating to such subject matter are superseded and incorporated into this Agreement.

3 3. **Separate Signing**

This Agreement may be signed separately, each of which will be considered an original document of this Agreement and together will be considered as one and the same agreement.

4 4. Severable Provisions

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, for such jurisdiction, be invalid to the extent that such prohibition or unenforceability does not invalidate the remaining provisions of this Agreement, and any prohibition or unenforceability in any such legal jurisdiction shall not cancel or cause the invalidity of such provisions in other legal jurisdictions. In the event that a provision in this Agreement becomes invalid, the Parties shall immediately renegotiate in good faith to agree on a new provision to re-enact this Agreement as closely as possible to its original intent and purpose. To the extent permitted by the applicable law, the Parties to this Agreement hereby waive any legal provisions that cause a provision in this Agreement to be prohibited in any case.

5 5. Surviving Obligations

The expiration of the term of this Agreement or the termination of this Agreement shall not release each Party from its obligations arising during the term of this Agreement or from any of its respective obligations that, pursuant to this Agreement, remain

in effect after the expiration of the term of this Agreement or the termination of this Agreement.

6 6. Prohibition of Giving Gratuities

- a. Each Party or personnel, representatives, agents, subcontractors, partners/associates, or affiliates of each Party, or other parties acting for or on behalf of or in the interests of each Party, are prohibited and are not permitted (i) to carry out acts of corruption or fraudulent acts; or (ii) offer or provide gifts, commissions, rebates, or compensation in any form or nature to the personnel of other Parties; or (iii) to try or attempt to do, or agrees to do, the actions previously mentioned in points (i) or (ii), in connection with and/or in the context of each Party entering into or implementing this Agreement, and/or in connection with and/or in the context of each Party's business for the purposes of making or implementing this Agreement, and/or as an inducement or reward for carrying out or not carrying out an action by the other Party's personnel in connection with and/or in the context of (a) any matter or affairs relating
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to this Agreement; (b) the entry into or implementation of this Agreement by each Party; and/or (c) the efforts of each Party for the purpose of making or implementing this Agreement.

- b. In the event of a violation of the provisions of Letter (a) of this Paragraph, regardless of the time at which such violation occurs, either Party shall have the right to terminate/cease this Agreement without any obligation to pay any compensation to the other Party.

7 7. Change of Authorised Officers

In the event that one of the Parties intends to make changes to the officer signing derivative documents (including but not limited to Work Orders, minutes of Reconciliation) to this Agreement, then such changes must be notified to the other Party via a side letter which includes the effective date of the changes.

Regarding the issuance of a side letter, each Party appoints its representative as follows:

- a. [REDACTED]
[REDACTED]
-

b. [REDACTED]

[REDACTED]

8. Misspelling one or more words in this Agreement does not invalidate this Agreement or the related provisions. Misspelled words must be read and translated according to the intent of the Parties.

In witness whereof, this Agreement is drawn up in good faith, made in 2 (two) original copies and affixed with sufficient seals, binding to the Parties and has the same legal force after being signed by the Parties.

PT TELKOM INDONESIA (PERSERO) Tbk.

PT TELEKOMUNIKASI SELULAR

[has been signed]

[has been signed on stamp duty of Rp10,000]

Bogi Witjaksono

Nugroho

Director of Wholesale & International Service

Director of Network



31 SCHEDULE I

32 [REDACTED]

The Parties agree to define the meanings and terms in this Agreement, which will be outlined in this Agreement, as follows:

1. **Service Fees** means a number of fees charged to TELKOMSEL periodically for providing the FBC Services.
 2. **Force Majeure** means any incident or event beyond the control of each Party, including but not limited to, the following events: fire, explosion, flood, earthquake, other disasters, strikes, riots, civil unrest, government prohibitions, violence from the government or enemy or war.
 3. **Fraud** means various acts of fraud, deception or embezzlement in the operation of telecommunications and/or use of telecommunications facilities as contemplated in this Agreement carried out by one party including but not limited to persons, other companies/legal entities, certain organisations working or cooperating for itself or customers/users with other parties either by carrying out technical
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engineering, administration, and/or other forms with the aim of avoiding costs and/or for profit.

4. **Disruption** means any obstruction and/or unavailability of services (interrupted communication) pursuant to this Agreement which is caused by the non-functioning of the telecommunications facilities commencing from the time TELKOMSEL submits an open ticket via the system.
 5. **Intellectual Property Rights (IPR)** as referred to in this Agreement includes, but are not limited to, copyright, performing rights, mechanical rights, patents, trademark, service mark, trade secrets, industrial design, logos, and other similar rights in accordance with the applicable legal provisions.
 6. **Calendar Days** means a day according to the Gregorian calendar.
 7. **Business Day** means a day when banks generally operate in Jakarta, apart from Saturdays, Sundays or national holidays.
 8. **Law of the Republic of Indonesia** means all provisions of the laws and regulations as well as their implementing provisions, including but not limited to company law and telecommunications law applicable in the Republic of Indonesia.
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9. **Confidential Information** means all information, ideas, concepts, technology, manufacturing processes and knowledge (in its various natural forms) about the industry, marketing and commerce related to/or developed to support the business of an organiser.
 10. **Joint Planning Program (JPP)** means the bilateral meeting between TELKOM and TELKOMSEL to discuss and agree on plans for fulfilling the FBC Services and requirements (including but not limited to the delivery of requirements and performance information for the FBC Services) during the agreed period.
 11. **Service Credit** means the replacement or compensation for the non-fulfillment of the Service Level Guarantee as regulated in this Agreement.
 12. **FBC Services** mean each service and device for the fixed broadband core as described in Article 3 of this Agreement.
 13. **TELKOMSEL Services** mean a TELKOMSEL service in the form of fixed broadband services (on the Effective Date known as IndiHome service), internet protocol television (IPTV) services, and voice services.
 14. **Legal Day-1** means the date on which the Minister of Law and Human Rights issues an approval and/or notification receipt of the deed relating to the restatement of the resolutions of the shareholders of
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TELKOMSEL approving the spin-off and the issuance of shares to TELKOM no later than 1 July 2023 or another date agreed in writing by the Parties as referred to in the CSA.

15. **Asset Annuity Value** means the annual cost of the assets.
 16. **Policy Charging and Rule Function (PCRF)** which is a core system tool for managing functions related to policy, charging and rules for each customer profile.
 17. **Fraud Solution** means the effort carried out by the party suspected of committing Fraud to the Party affected by the Fraud from claims to implementation of the Fraud settlement agreements.
 18. **IT System Transition Agreement** means the IT System Transition Services Agreement made by the Parties and signed together with this Agreement.
 19. **Wholesale Agreement** means the Wholesale Agreement made by the Parties and signed together with this Agreement.
 20. **Reconciliation** means the matching and research process on the settlement which is an update of the Parties' data based on the data held within a certain period of time.
 21. **Service Desk** means the support facility (first-line support) to handle the inquiries, complaints and/or
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requests of TELKOMSEL in connection with the FBC Services.

22. **Subcontractor** means the third party appointed by TELKOM and with the knowledge of TELKOMSEL, to provide the FBC Services to TELKOMSEL.
 23. **Support Engineer** means an engineer to carry out technical operations of this Agreement, including: providing technical consultations, carrying out on-site support (preventive maintenance, corrective maintenance, technical assistance and technical service requests).
 24. **Technical Age** means the valid life of an asset until technically the asset used cannot be used anymore.
 25. **Work Order** means a letter of request for FBC Services and/or additional services related to FBC Services issued by TELKOMSEL to TELKOM in accordance with the terms and conditions of this Agreement.
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SCHEDULE II



[This schedule is redacted because it is part of Telkom's trade secret and is not material for investors.]

SCHEDULE III

[REDACTED]

[This schedule is redacted because it is part of Telkom's trade secret and is not material for investors.]

SCHEDULE IV



[This schedule is redacted because it is part of Telkom's trade secret and is not material for investors.]



SCHEDULE V

[REDACTED]

[This schedule is redacted because it is part of Telkom's trade secret and is not material for investors.]

SCHEDULE VI

[REDACTED]

[This schedule is redacted because it is part of Telkom's trade secret and is not material for investors.]

EXHIBIT 4.3

[Certain portions of this exhibit have been redacted pursuant to Instruction 4(a) of the Instructions as to Exhibits of Form 20-F.]

IT SYSTEM TRANSITION SERVICES AGREEMENT

BETWEEN

PT TELKOM INDONESIA (PERSERO) Tbk

AND

PT TELEKOMUNIKASI SELULAR



[This part is redacted because it is part of our Trade Secret and it is not material for Investors]

IT SYSTEM TRANSITION SERVICES AGREEMENT

BETWEEN

PT TELKOM INDONESIA (PERSERO) Tbk

AND

PT TELEKOMUNIKASI SELULAR



This IT System Transition Services Agreement ("**Agreement**") is made on 6 April 2023 by and between:

1. **PT TELKOM INDONESIA (PERSERO) Tbk.**, a Telecommunication Services and Networks Provider public company, established pursuant to the laws of the Republic of Indonesia, domiciled at Jalan Japati No. 1, Bandung-40133 (hereinafter referred to as "**TELKOM**"); and
2. **PT TELEKOMUNIKASI SELULAR**, a company organised and established pursuant to the laws of the Republic of Indonesia, domiciled at Telkom Landmark Tower, Tower-1 Level 1-23, Jl. Jendral Gatot Subroto Kav. 52, South Jakarta 12710 (hereinafter referred to as "**TELKOMSEL**").

Hereinafter TELKOM and TELKOMSEL are collectively referred to as the "**Parties**" and individually referred to as a "**Party**". The Parties agree first to consider and take account of the following matters:

1. [REDACTED]
2. Whereas the Parties have signed a Conditional Spin-off Agreement ("**CSA**") TELKOM [REDACTED] on the same date as this Agreement which regulates the terms of transfer of IndiHome services from TELKOM to TELKOMSEL through the spin-off mechanism.
3. Whereas in order to provide TELKOMSEL Services, the Parties agree to enter into cooperation where TELKOM will provide the IT System Services to TELKOMSEL.

1 ARTICLE 1

DEFINITION

Unless otherwise specified in connection with the sentences in the relevant articles, the Parties agree that the meaning stated and applicable in this Agreement shall be as contemplated in **Schedule I** of this Agreement.

2 ARTICLE 2

PURPOSE AND OBJECTIVE

1. The Parties agree to enforce this Agreement on a non-exclusive basis.
2. TELKOM will provide the IT System Services for the purposes of TELKOMSEL's preparation to provide IT system services independently in the future, including providing various data, information, and knowledge as described in Article 3 of this Agreement.

3 ARTICLE 3

SCOPE OF SERVICES

1. The Parties agree that TELKOMSEL will cooperate with TELKOM where TELKOM will provide the IT System Services for TELKOMSEL in providing TELKOMSEL Services with the following scope:
 - a. The IT services shall consist of:
 - 1) Service and platform maintenance (software and hardware);
 - 2) Technical managed operation;
 - 3) Ticket handling and SRSM (service request support and management) related to the IT system;
 - 4) Application enhancement and capacity expansion;
 - 5) IT Audit and Compliance;
 - 6) System and data migration;
 - 7) Coordination, performance evaluation and reporting,
-

[REDACTED]

b. The billing and collection system operation services shall consist of:

- 1) Billing operation support;
- 2) Revenue assurance and fraud management
- 3) Billing A/R, collection operation support; and
- 4) Changes to the standard application configurations to support changes to the business parameter.

[REDACTED]

2. TELKOM will provide the equipment and human resources needed to provide the IT System Services to TELKOMSEL,

[REDACTED]

3. The period of usage of each application in connection with the IT System Services shall follow the period [REDACTED]. The period of usage of the applications [REDACTED] may be amended pursuant to the agreement of the Parties, which shall be stated in an amendment/addendum, with prior written notification at least 6 (six) months in advance.

4 ARTICLE 4

TERM OF THE AGREEMENT

1. This Agreement shall be valid for 2 (two) years commencing from Legal Day-1 ("**Effective Date**"), notwithstanding this Agreement being signed before the Effective Date.
 2. The validity period of this Agreement may be extended in accordance with the agreement of the Parties, which shall be stated in writing in the amendment document to this Agreement.
 3. Subject to the provisions of Paragraph (2) of this Article, TELKOM agrees that in the event that TELKOMSEL (with written notification to TELKOM) still requires the IT System Services, then TELKOM is committed to extending the validity period of this Agreement to a period of 3 (three) years with the following terms and conditions:
 - a. No later than 6 (six) months before the end of the term of this Agreement, the Parties shall conduct negotiations to determine the period for the extension of the term of cooperation; and
 - b. As part of the negotiations, the Parties agree to review the details of the IT System Services, the fee scheme of the IT System Services and other commercial or technical matters deemed necessary by the Parties.
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5 ARTICLE 5

RIGHTS AND OBLIGATIONS

1. In addition to the obligations stipulated in other provisions in this Agreement, matters which shall also be the obligations of TELKOMSEL at its own expense and account, are as follows:
 - a. Implement all provisions in this Agreement;
 - b. Conduct penetration and security test regularly on the applications and systems of TELKOMSEL used in the IT System Services and carry out remediation if any security defect is found;
 - c. Make payments for the IT System Services provided by TELKOM; and
 - d. Pay for damages if proven to have committed a violation of this Agreement resulting in losses for TELKOM amounting to direct losses (excluding opportunity loss), in compliance with the provisions of Article 21 of this Agreement.
 2. In addition to the obligations stipulated in other provisions of this Agreement, matters which shall also be the obligations of TELKOM are as follows:
 - a. Implement all provisions in this Agreement;
 - b. Provide the IT System Services to TELKOMSEL based on each Work Order issued by TELKOMSEL for each of the IT System Services;
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- c. Provide data, information, devices, and other resources needed to provide the IT System Services to TELKOMSEL in accordance with the provisions of this Agreement;
 - d. Provide, operate, and maintain the facilities and equipment provided by TELKOM pursuant to this Agreement for the implementation of the IT System Services;
 - e. Provide Service Desk for TELKOMSEL which includes IT System Services support facilities (first line support) to handle the inquiries, complaints and/or requests of TELKOMSEL (other than IT requirement) in connection with the IT System Services;
 - f. Carry out transfer of knowledge for any and all matters relating to the provision of the IT System Services by TELKOM to TELKOMSEL during the term of this Agreement;
 - g. Provide billing information related to the IT System Services to TELKOMSEL; and
 - h. Pay for damages if proven to have committed a violation of this Agreement resulting in losses for TELKOMSEL amounting to direct losses (excluding opportunity loss), in compliance with the provisions of Article 21 of this Agreement.
3. In addition to the rights stipulated in other provisions of this Agreement, matters which shall also be the rights of TELKOMSEL at its own expense and account, are as follows:
-

- a. Receive the IT System Services and any part thereof in accordance with the provisions of this Agreement for the provision of the IT System Services during the term of this Agreement in accordance with the provisions of this Agreement;
 - b. Receive the equipment, data, information, and other resources needed to run the IT System Services from TELKOM in accordance with the provisions of this Agreement;
 - c. Receive the transfer of knowledge for any and all matters relating to the provision of the IT System Services by TELKOM to TELKOMSEL during the term of this Agreement; and
 - d. Receive damages if TELKOM is proven to have committed a violation of this Agreement resulting in losses for TELKOMSEL amounting to direct losses (excluding opportunity loss), in compliance with the provisions of Article 21 of this Agreement.
4. In addition to the rights stipulated in other provisions of this Agreement, matters which shall also be the rights of TELKOM are as follows:
- a. Receive payment for the IT System Services from TELKOMSEL; and
-

- b. Receive damages if TELKOMSEL is proven to have committed a violation of this Agreement resulting in losses for TELKOM amounting to direct losses (excluding opportunity loss), in compliance with the provisions of Article 21 of this Agreement.

6 ARTICLE 6

JOINT PLANNING PROGRAM (JPP)

1. The Parties may, at any time, hold a Joint Planning Program meeting, with reasonable prior notice to the other Party. The implementation of the Joint Planning Program shall be carried out at least 2 (two) times in 1 (one) year. Based on the agreement of the Parties, the meeting may involve third-party suppliers in technical matters if deemed necessary.
2. The Parties agree that the mechanism and implementation of the Joint Planning Program shall follow and be in line with other agreements relating to the provision of services infrastructure by TELKOM to TELKOMSEL, namely the Wholesale Agreement and/or Fixed Broadband Core Transition Agreement.

7 ARTICLE 7

EVALUATION

TELKOM to TELKOMSEL in the form of a Minutes of Acceptance of Test ("MAT") signed by a TELKOMSEL officer of at least the level of General Manager who oversees the IT Operation and Infrastructure functions and by a TELKOM officer of at least at the level of Operation Senior Manager.

9 ARTICLE 9

SERVICE LEVEL GUARANTEE

1. The Parties will agree to a Service Level Guarantee which includes the Key Performance Indicators (KPIs),
[REDACTED]
 2. TELKOM shall implement the measurement, monitoring tools and procedures necessary to measure the performance of the IT System Services based on the Service Level Guarantee through the mechanism [REDACTED]
[REDACTED]
 3. TELKOMSEL is entitled to receive compensation in the form of Service Credits from TELKOM if TELKOM charges service credits to its Subcontractor for the implementation of this Agreement which is carried out in the following month after TELKOM charges service credits to such Subcontractor. TELKOMSEL is only entitled to Service Credits with the mechanism and amount of service credits that TELKOM agrees with its Subcontractor.
-

4. In the event that TELKOM can prove that the imposition of Service Credits on the IT System Services pursuant to this Agreement as well as the services pursuant to the Wholesale Agreement and the Fixed Broadband Core Transition Agreement was due to the same cause and occurred at 1 (one) time, then the following provisions apply:
- a. If several parameters of the Service Level Guarantee KPIs pursuant to this Agreement udah are not achieved: the Parties agree that the imposition of Service Credits as contemplated in this Article will only be imposed in one parameter of the Service Level Guarantee KPIs based on the root cause which the Parties will further agree upon in the Reconciliation and TELKOMSEL shall not be entitled to compensation in the form of Service Credits within other parameters of the KPIs pursuant to this Agreement.
 - b. If several parameters of the Service Level Guarantee KPIs pursuant to this Agreement as well as the Wholesale Agreement or Fixed Broadband Core Transition Agreement are not achieved: The Parties agree that the imposition of Service Credits will only be imposed based on one of the agreements that have been made by the Parties, namely between this Agreement or among the Wholesale Agreement or Fixed Broadband Core Transition Agreement,
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whereas the imposition of the Service Credits will be subject to the Service Level Guarantee of one of the Agreements which constitutes the root cause which will be further agreed upon by the Parties in the Reconciliation.

5. TELKOM must ensure that there is no Disruption to the IT System Services. If there is a Disruption to the IT System Services, TELKOM will carry out an analysis and inspection in order to find out the causes of the Disruption to the IT System Services and if necessary, TELKOM will propose a backup plan for the IT System Services affected by the Disruption.
6. The Parties may conduct developments, improvements, and adjustments to the Service Level Guarantee from time to time, including if there are changes to the scheme and Service Fees, which will be agreed upon by the Parties using the mechanism as regulated in Article 13 Paragraph (4) of this Agreement.

10ARTICLE 10

RECONCILIATION

1. [REDACTED]

[REDACTED]

2. [REDACTED]

- a. [REDACTED]
 - b. [REDACTED]
 - c. [REDACTED]
[REDACTED]
 - d. [REDACTED]
 - e. [REDACTED]
[REDACTED]
 - 3. [REDACTED]
[REDACTED]
 - a. [REDACTED]
[REDACTED]
 - b. [REDACTED]
-

[REDACTED]
[REDACTED]
4. [REDACTED]
[REDACTED]

11ARTICLE 11

SUBCONTRACTOR

1. TELKOM must obtain prior written approval from TELKOMSEL if TELKOM will appoint a Subcontractor or assign part of its obligations under this Agreement to a Subcontractor. TELKOMSEL agrees not to withhold or delay without clear reasons the granting of approval if the Subcontractor's performance or product meets TELKOMSEL's technical requirements.
 2. Before providing the IT System Services and based on TELKOMSEL's request from time to time, TELKOM shall provide TELKOMSEL with a list of the names and addresses of all Subcontractor that will perform or carry out any part of the provision of the IT System Services.
 3. TELKOM is the sole person responsible for every part of each of the IT System Services carried out by the Subcontractor and
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every action or conduct of the Subcontractor and all persons, whether directly or indirectly employed or instructed by TELKOM. TELKOM shall ensure compliance by Subcontractor and their employees with the terms and conditions of this Agreement.

4. The coordination carried out by the Subcontractor with TELKOMSEL and/or otherwise which has an impact on the Service Fees or incurs additional costs for TELKOM, must be carried out with TELKOM's written approval.
5. Without prejudice to other provisions in this Article, TELKOM shall carry out and/or ensure that the Subcontractor carry out any and all warranties from the Subcontractor. All agreements between TELKOM and the Subcontractor must state that the warranties provided by the Subcontractor includes warranties that are equal for TELKOM and TELKOMSEL and that such warranties can be enforced by TELKOM and/or TELKOMSEL. In the event that TELKOMSEL carries out the warranties given by the Subcontractor itself, TELKOM shall carry out all matters and provide the assistance needed so that TELKOMSEL can carry out the guarantees and warranties given by the relevant Subcontractor.

1.

[REDACTED]

[REDACTED]

2.

[REDACTED]

[REDACTED]

3.

[REDACTED]

a.

[REDACTED]

[REDACTED]

b.

[REDACTED]

[REDACTED]

13ARTICLE 13

SERVICES FEE

1. [REDACTED]

[REDACTED]

2. The Parties agree that the Service Fees [REDACTED] will not change for a period of 2 (two) years after the Effective Date of this Agreement.
3. The Parties may agree on changes to the Service Fees no later than 6 (six) months before the end of the period as referred to in Paragraph (2) of this Article which shall be stated in an amendment to this Agreement.
4. The Parties agree that with regards to: (i) changes to the Service Level Guarantee as set out in Article 9 of this Agreement; (ii) addition of penetration and security test [REDACTED] and/or (iii) changes to the business processes [REDACTED] the following provisions apply:

- a. If such changes result in costs other than the Service Fees, the Parties agree to regulate these additions and/or changes in an amendment/addendum to this Agreement.
- b. If such changes do not incur any costs, then the Parties agree to regulate the additions and/or changes in a minutes of agreement which will be signed by an officer of an equivalent level as the Vice President from each Party.

14ARTICLE 14

INVOICE FOR THE SERVICE FEES

1. The invoicing of the Service Fees by TELKOM shall be carried out monthly based on invoices sent from TELKOM to TELKOMSEL whether electronically or manually.
2. TELKOM shall invoice TELKOMSEL by sending the invoice documents, namely:
 - a. The invoice;
 - b. The tax invoice; and
 - c. The minutes of Reconciliation.

15ARTICLE 15

PAYMENT PROCEDURES AND TIMES

1. The payment of the Service Fees shall be carried out by TELKOMSEL no later than 30 (thirty) Calendar Days as of the complete and correct receipt of TELKOM's invoice documents, in accordance with Article 14 of this Agreement, provided that if such date falls on a holiday, then the payment shall be made on the subsequent Business Day.

2.

[REDACTED]

[REDACTED]

[REDACTED]

based on applicable tax provisions arising from the implementation of this Agreement.

17ARTICLE 17

INTELLECTUAL PROPERTY RIGHTS

1. The Parties agree that any IPR brought by each Party in the provision of the IT System Services to implement this Agreement shall remain the property and/or within the control of each Party.
 2. Each Party is responsible and obliged to maintain the ownership and/or control over the IPR and everything related to the IPR, in connection with the provision of the IT System Services pursuant to this Agreement, as well as represents and warrants that the ownership and/or control over the IPR by each Party are obtained legally without any violation of law.
 3. Each Party represents and warrants that the use of the IPR owned by and/or within the control of each Party in the provision of the IT System Services does not (and will not) violate or conflict with the applicable laws and regulations nor does it violate and/or impair the rights and/or legal interests of any third party.
 4. Each Party shall fully protect, indemnify, defend, release, and discharge the other Party from and against as well as in connection with any legal proceedings (whether civil or
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criminal), claims, lawsuits, demands, objections, losses, obligations, responsibilities, costs, arising from or caused by the usage and/or exploitation of any IPR brought by each Party in the provision of the IT System Services pursuant to this Agreement.

5. During the term of this Agreement, in the event that TELKOMSEL and/or any third party appointed by TELKOMSEL intends to receive a copy, take, use, exploit, develop, modify and/or duplicate the source code, systems, data and information (including parts thereof) for in-house applications related to the IT System Services [REDACTED] [REDACTED] the Parties will coordinate and agree on the mechanisms that need to be implemented to fulfil such purpose in accordance with the provisions/agreements on the relevant in-house applications that have been agreed between TELKOM and the third party.
 6. In the event that the applications related to the IT System Services violate the IPR of any other party or there is an application that, for whatever reason, needs to be stopped operating so that it can affect the provision of the IT System Services, then each Party shall replace part or parts of the applications related to the affected IT System Services and ensure that the provision of the IT System Services and the implementation of this Agreement are not impaired.
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18ARTICLE 18

SECURITY REQUIREMENTS, CYBER SECURITY AND PROTECTION OF CUSTOMER DATA AND PERSONAL DATA

Without prejudice to the obligations carried out by each Party pursuant to this Agreement, particularly in terms of the provisions below relating to the provision of the IT System Services and/or obtaining of access by one of the Parties to the system, data and/or customer data of the other Party, the Parties must comply with the provisions set out in this Article, as follows:

1. Security

- a. Each Party shall follow the legal and reasonable instructions that have been determined and given by the other Party within the scope of this Agreement; and
- b. If necessary and with the agreement of the Parties, in the event that there is a need for access to a hardware location belonging to one of the Parties which is related to the scope of this Agreement, the Party requiring access to such location shall follow the provisions or regulations that have been determined and provided by the other Party (or third party) that manages and owns the hardware location.

2. Cyber Security

During the term of this Agreement, each Party shall comply with cyber security provisions as regulated in Article 19 of this Agreement.

3. Protection of Data and Customer Data

- a. Every personnel, agent, subcontractor, partner/associate, or affiliate of each Party, or other party acting for or on behalf of or in the interests of each Party of one of the Parties who (will) have access to the internal, confidential, limited, and registered information or data of the other Party must first be approved by the other Party within a period determined by the Parties so that the relevant person can carry out the processing of such information and data. Each Party must ensure that its personnel report as soon as possible (maximum within 24 (twenty-four) hours as of the initial identification) of any incident that would or could harm, endanger, and/or affect the security of the information and data directly to the other relevant Party.
 - b. Without the prior written consent from the other Party, either Party may not (i) use any data or information provided or used by the other Party or obtained or received from the other Party in the framework of, for the purposes of, and/or in connection with the
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implementation of the Agreement (including but not limited to each Party's customer data), other than for the purposes of implementing what is regulated in and by this Agreement; (ii) disclose, provide, or transfer or assign in any way, including by renting or selling, such data to or for the benefit of any party and in any way; or (iii) cause the data to be accessed or viewed in any way by any third party.

c. Furthermore, in the event that consent is given by one of the Parties, the other Party must ensure that any processing activities of such Party's data and such Party's customer data by the other Party or its Subcontractor and other personal information:

1) comply with all applicable laws, rules and regulations in the Republic of Indonesia, including but not limited to (i) Law No. 27 of 2022 concerning Personal Data Protection; (ii) Law No. 11 of 2008 concerning Electronic Information and Transactions, as amended by Law No. 19 of 2016; (iii) Government Regulation No. 71 of 2019 concerning the Implementation of Electronic Systems and Transactions; (iv) Minister of Communications and Information Technology Regulation No. 20 of 2016 concerning

Data Protection in Electronic Systems and (v) other laws and regulations relating to personal data published from time to time;

- 2) the processing of personal data shall be carried out in accordance with the principles of personal data protection which is carried out (i) in a limited and specific manner, legally and transparently, (ii) in accordance with the objectives, (iii) by guaranteeing the rights of the individual owner of the personal data (personal data subject), (iv) accurately, completely, not misleadingly, up to date and responsibly, (v) by protecting the security of the personal data from unauthorized access, unauthorized disclosure, unauthorized alteration, deletion of personal data, (vi) by informing the purpose and processing activities, as well as failure to protect the personal data, (vii) destruction and/or deletion of personal data after the retention period ends or based on the request of the individual owner of the personal data (personal data subject), unless otherwise determined by the laws and
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regulations, and (viii) carried out responsibly and can be clearly proven;

- 3) ensure the accuracy, completeness and consistency of the personal data by carrying out verification, recording the personal data processing activities, protecting and ensuring the security of the personal data processed by developing and implementing operational technical measures against interference with the personal data processing and determining the level of security of the personal data, storing and safeguarding the customer data of other Parties in strict confidentiality, using appropriate degrees to avoid unauthorized processing of each Party's customer data and preventing unauthorized access to personal data by using a reliable, safe and responsible electronic security system, carrying out supervision of each party that is involved in the processing of personal data under its control;
 - 4) shall ensure that the electronic system used for the data processing is reliable, safe and responsible;
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- 5) considers the applicable laws and regulations and/or instructions from the Party controlling personal data, it shall terminate the processing activities based on:
 - a) the expiration of the agreed retention period;
 - b) the achievement of the data processing objectives;
 - c) a request from one of the Parties (including from such Party's customers); and/or
 - d) no relation to the completion of the legal proceedings of a case, and/or the personal data is obtained and/or processed unlawfully.
 - 6) terminate or suspend the processing of personal data no later than 2x24 (two times twenty-four) hours after a written request from one of the Parties (including from such Party's customers).
 - 7) If the termination or suspension of the processing of the personal data cannot be fulfilled within the period as contemplated in Number (6) of this Letter, then the Party processing the personal data shall notify the
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Party controlling the personal data within the above period. The notification provided by the Party processing the personal data must also include an estimate of the time required to terminate or suspend the processing of the personal data;

- 8) in the event of a failure to protect the personal data, it shall provide written notification to the Party controlling the personal data no later than 2 x 24 (two times twenty-four) hours;
- 9) shall provide audit track records in accordance with the applicable laws and regulations;
- 10) if further required by applicable laws and regulations, it shall provide, educate, train, and ensure the personnel who are in charge of and responsible for the protection of personal data.

d. Furthermore, without prejudice to any other provisions of this Agreement, each Party must:

- 1) only use and/or collect the other Party's data and/or the personal data of the other Party's customers pursuant to this Agreement for the purposes of implementing this Agreement or as required by law, regulation and/or court order;
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- 2) not disclose the data of other Parties and/or customers of other Parties (including personal data);
 - 3) protect the other Party's data and/or the personal data of the other Party's customers pursuant to this Agreement from misuse, unauthorised processing, loss and unauthorized access, modification or disclosure, retention that does not comply with the security standards, as well as unauthorized deletion or destruction of data according to its purpose;
 - 4) unless otherwise agreed by the other Party, ensure that the other Party's data and/or the personal data of the other Party's customers is stored in Indonesia and is not available in other countries;
 - 5) procures to ensure that each person employed by the Party, its Affiliates, and subcontractors, has a specific, inherent, and non-shareable level of access, which will enable such person to gain access to the other Party's data and/or the personal data of the other Party's customers will not access, use, disclose or store the data
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provided under this Agreement with unlawful means; and

- 6) create, guarantee and implement appropriate policies, procedures and roadmap as well as the related access controls and other technological measures, to ensure that the other Party's data and/or the personal data of the other Party's customers provided to such Party under this Agreement, which includes: (i) identification of the other Party's data and/or personal data of the other Party's customers from its own data and the personal data of its customers, (ii) restrictions on access rights to the other Party's data and/or the personal data of the other Party's customers, and (iii) the mechanism for protecting the other Party's data and/or the personal data of the other Party's customers.

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1.

- 2. 
 - a. 
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- [REDACTED]
 - b. [REDACTED]
 - c. [REDACTED]
 - [REDACTED]
 - d. [REDACTED]
 - e. [REDACTED]
 - [REDACTED]
 - 3. [REDACTED]
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[REDACTED]

4. [REDACTED]

a. [REDACTED]

[REDACTED]

b. [REDACTED]

[REDACTED]

20ARTICLE 20
CONFIDENTIALITY

1. The Parties agree to treat all terms and conditions stated in this Agreement and any data, information or knowledge obtained in connection with the negotiation or execution of this Agreement as Confidential Information which cannot be disclosed to third parties without obtaining prior approval from one of the Parties, except for the implementation of the provision of the IT System Services, provided that the foregoing will not apply to information or knowledge which: (i) a Party can demonstrate that it has previously legally controlled it prior to disclosure by the Party in question; (ii) is generally known to the public and such knowledge was not obtained through the violation of laws and regulations; (iii) has become generally known to the public without any error on the part of the relevant Party; (iv) obtained by a Party subsequently without breach of confidentiality from another source; (v) ordered to be disclosed based on a court order or based on the applicable laws and regulations, whereas the disclosure of which must be carried out in prior coordination with the other Party.
 2. Notwithstanding the foregoing, the Parties may disclose limited information of one of the Parties to their employees and subcontractors related to the provision of the IT System Services where such disclosure is necessary for the provision of the IT and Billing can be carried out, provided that the
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Party disclosing the Confidential Information shall ensure that its employees and agents are subject to, and mandatorily require, subcontractors and their employees to comply with the confidentiality provisions under this Agreement.

3. This confidentiality provision shall remain in effect for 5 (five) years as of the end of the term of this Agreement.

21 [REDACTED]

[REDACTED]

1. [REDACTED]

[REDACTED]

2. [REDACTED]

[REDACTED]

3. [REDACTED]

[REDACTED]

4. [REDACTED]

22ARTICLE 22

FORCE MAJEURE

1. In the event of a Force Majeure, then the party experiencing the Force Majeure shall notify the other Party in writing, namely:
 - a. The occurrence of a Force Majeure within 7 (seven) Calendar Days as of the occurrence of the Force Majeure,
 - b. The cessation of the Force Majeure within 7 (seven) Calendar Days as of the cessation of the Force Majeure,by including the supporting documents to prove the situation or development of the Force Majeure, including photographs, chronological documents and/or copies of statements of Force Majeure issued by the authorized party/agency and officially declared by the authorized Government Official in accordance with the applicable laws and regulations, if available.
 2. Force Majeure is an event, circumstance/condition, or incident that occurs beyond the reasonable ability, power, or control of a Party and is not caused by the fault of that Party, and such event, circumstance/condition, or event hinders, impedes, or delays that Party in carrying out its obligations under
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this Agreement. What is called or categorized as Force Majeure includes but is not limited to:

- a. Natural disasters, such as floods, landslides, volcanic eruptions, hurricanes, storms, earthquakes, or lightning;
 - b. Infectious disease outbreaks;
 - c. Insurrection, riot, civil unrest, war (whether declared or undeclared), or military action;
 - d. Fire;
 - e. Embargo,
 - f. Strike;
 - g. Sabotage;
 - h. Unavailability of electrical power;
 - i. Disruption to the telecommunications networks, both terrestrial and extra-terrestrial (space), caused by events occurring in space including, but not limited to, sun-outage, solar eclipse, astronomical event, or meteorite occurrence;
 - j. The issuance of a decision, policy, regulation, or implementation of an action, by an authorized party that directly inhibits, precludes, or delays the implementation of a Party's obligations under this Agreement.
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3. The negligence or delay of the Party experiencing Force Majeure in fulfilling the notification obligations referred to in Paragraph (1) of this Article, shall result in the non-recognition of the event referred to in Paragraph (2) of this Article as Force Majeure.
 4. When the Party experiencing Force Majeure is unable to carry out the necessary countermeasures thereby hampering the implementation of its obligations as regulated in this Agreement, then the Party not experiencing the Force Majeure event shall have the right to do the following:
 - a. If a Force Majeure lasts for a period of 1 (one) month from the notification of a Force Majeure provided as contemplated in Paragraph (1) of this Article, the Parties can agree to discuss the continuation of the cooperation pursuant to this Agreement, including agreeing to temporarily suspend the IT System Services;
 - b. If a Force Majeure lasts for 2 (two) consecutive months as of the notification of a Force Majeure as contemplated in Paragraph (1) of this Article, the Parties can agree to discuss the continuation of the cooperation pursuant to this Agreement, including terminating this Agreement.
 5. Failure to fulfill or carry out an obligation of one of the Parties according to this Agreement due to a Force Majeure
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condition shall not be considered a default or violation of this Agreement. All losses and costs suffered by either Party as a result of the occurrence of a Force Majeure shall not be the responsibility of and is not the responsibility of any other Party.

6. A Force Majeure cannot be used as a basis by either Party to delay the payment obligations to the other Party which have arisen and are due before the occurrence of the Force Majeure.

23ARTICLE 23

FRAUD

1. Either Party is prohibited from committing Fraud to the other Party.
 2. Where one Party is suspected of committing Fraud against another Party, then the other Party can submit a claim to the Party suspected of committing Fraud.
 3. The party suspected of committing Fraud must immediately provide clarification to the other Party by submitting the supporting evidence, no later than 14 (fourteen) Calendar Days as of the receipt of the claim.
 4. Where a Fraud is alleged to have originated from persons, companies/other legal entities, certain organizations that work or collaborate for the party suspected of committing a Fraud or its customers/users, then for clarification until the
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Resolution of Fraud shall become the obligation and responsibility of the Party suspected of committing a Fraud according to the existing evidence.

5. If within a period of more than 14 (fourteen) Calendar Days from the receipt of the claim as contemplated in Paragraph (2) of this Article, the Party suspected of committing a Fraud does not provide clarification, then the other Party may give written warnings 3 (three) times with a grace period for each warning letter of 7 (seven) Calendar Days to the Party suspected of committing a Fraud.
 6. If the alleged Fraud is proven, then the Party committing such Fraud shall be responsible for the Resolution of a Fraud and Party affected by such Fraud shall be released from all claims and responsibilities whatsoever and from any Party.
 7. If in the Resolution of a Fraud an agreement is not reached between the Parties, the settlement shall be carried out through a dispute resolution mechanism as regulated in this Agreement.
 8. If a Fraud is proven as contemplated in Paragraph (6) of this Article, while still complying with the provisions of Article 21 of this Agreement, the Party committing such Fraud must pay for damages and/or recalculate the costs that should be paid to the Party affected by such Fraud and/or third parties, if any.
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9. In addition to the sanction of damages as contemplated in Paragraph (8) of this Article, the Party committing a Fraud may also be subject to sanctions of termination of this Agreement unilaterally by the Party affected by the Fraud without waiting for a court judge's decision which has permanent legal force but does not eliminate the obligation for damages and other obligations that should be implemented according to this Agreement.

24ARTICLE 24

VIOLATIONS AND SANCTIONS

1. If one of the Parties violates the applicable laws and/or regulations, causing harm to the other Party and/or third parties, then the Party committing the violation will release the other Party from all legal claims and responsibilities submitted by the third party.
 2. If losses occur due to the violations of the applicable laws and/or regulations while complying with the provisions of Article 21 of this Agreement, the Party committing the violation must be responsible and indemnify the losses suffered directly to the Party affected by the violation, including third parties, if any. The party affected by further violations shall also have the right to terminate this Agreement by first providing 3 (three) warning letters with a
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grace period for each warning letter of 7 (seven) Calendar Days.

25ARTICLE 25

ASSIGNMENT OF THE AGREEMENT

1. Unless required by the laws and regulations or orders from a judicial body, a Party cannot transfer the rights, benefits, and obligations in this Agreement, either in whole or in part, to a third party without the prior written consent of the other Party.
2. If the transfer of this Agreement is approved, the agreeing Party can determine whether the contents of this Agreement need to be updated following the assignment of this Agreement is carried out by the Party receiving the assignment.

26ARTICLE 26

TERMINATION OF THE AGREEMENT

1. This Agreement shall expire when the term of this Agreement expires as referred to in Article 4 of the Agreement and is not extended by the Parties;
 2. This Agreement may be terminated earlier by either Party by first giving notification to the other Party no later than 14 (fourteen) Business Days prior to the date of termination of this Agreement, if the following occurs:
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- a. The other Party is negligent or intentionally does not fulfill some or all of the provisions of this Agreement and the Party committing such negligence has been given a written warning by the Party not violating the provisions of this Agreement and does not have good faith to correct the error within the period in accordance with the further agreed time period;
 - b. The other party is declared bankrupt based on a court decision that has permanent legal force;
 - c. The licensing for the operation of telecommunications networks/services of the other Party, in whole or in part, is terminated or revoked by the competent authority (government); and/or
 - d. A Force Majeure condition occurs which results in one of the Parties or the Parties being unable to carry out their obligations to the other Party with due observance to the provisions of Force Majeure in this Agreement, as well as based on the agreement of the Parties.
3. If one of the Parties violates the provisions relating to Representations and Warranties, IPR, Confidentiality, Fraud and Violations and Sanctions in this Agreement, then the other Party shall have the right to terminate the entire contents of this Agreement without any demands from the Party being terminated and obtain indemnity from the Party committing the
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violation in the amount of the losses suffered, while still complying with the provisions of Article 21 of this Agreement.

4. For the purposes of terminating this Agreement, the Parties waive the implementation or application of the provisions in Article 1266 of the Indonesian Civil Code so long as it concerns the need or requirement for a decision or determination of a court or judge to terminate an agreement, so that for the purposes of terminating this Agreement, it is not necessary or does not require a decision or determination by a court or judge.

5. In the event of the termination of this Agreement, each Party must complete all obligations that arose before the termination and have not been completed.

27ARTICLE 27

NOTICES

1. All notices, agreements, waivers, and other communications under this Agreement ("**Notices**") must be in writing and will be deemed to have been duly delivered if (a) delivered in person or (b) sent via an internationally recognized overnight delivery service (receipt required), in either case addressed to the correct address as set out below:

PT TELEKOMUNIKASI SELULAR

Address : Telkom Landmark Tower, Tower-1 Level 15,
Jalan Gatot Subroto No. 52, Jakarta, 12710.

[REDACTED] | [REDACTED]
[REDACTED]

PERUSAHAAN PERSEROAN (PERSERO) PT TELEKOMUNIKASI INDONESIA Tbk.

Address : Graha Merah Putih Fl. 8, Jl. Gatot Subroto No. 52, Jakarta, 12710.

[REDACTED] | [REDACTED]
[REDACTED]
[REDACTED]

2. Except where there is evidence that the Notice has been received earlier, then a Notice is considered to have been delivered when:
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- a. Delivered in person or by courier, when sent to the address as set out in this Agreement and proven by receipt of the Notice; and/or
 - b. Delivered via e-mail, when confirmation of delivery has been recorded in electronic mail(email).
3. In the event that there is a change of address by one of the Parties as contemplated in Paragraph (1) of this Article, such Party shall notify the other Party in writing 7 (seven) Calendar Days prior to the effective date of the change.

28ARTICLE 28

REPRESENTATIONS AND WARRANTIES

Each Party warrants and represents to the other Party that:

- a. Each Party is a limited liability company organised or established, legally existing under the laws of the Republic of Indonesia and has full authority to execute this Agreement and carry out all transactions contained therein;
 - b. The signing, delivery and implementation of this Agreement will obtain all necessary corporate approvals and does not and will not require any approval or permit that has not already been obtained;
 - c. This Agreement will be made and signed by each Party legally and is legally binding for each of its obligations and
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enforceable in accordance with the provisions contained therein;

- d. The individual who will represent each Party in executing this Agreement is an authorized officer in accordance with the articles of association and company regulations applicable to each Party;
 - e. Each Party is not in a state of insolvency and there is no event that could materially affect each Party's ability to perform its obligations under this Agreement;
 - f. Each Party obtains and maintains the validity of all permits, approvals and licenses required for and related to the provision of the IT System Services, including, but not limited to, permits, approvals and licenses that must be obtained from the authorized institutions or from other parties necessary or required; and
 - g. Work results, materials, or other results from the relevant Work Order, when provided by one Party to another Party, are free from all forms of ownership and/or collateral and/or confiscation and/or all forms of third-party interests, either directly or indirectly, which may affect the rights of use of the relevant Party on the work results or materials or other results from such Work Order.
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29ARTICLE 29

GOVERNING LAW AND DISPUTE RESOLUTION

1. This Agreement is governed, interpreted, and implemented based on the laws of the Republic of Indonesia.
 2. If in the future a dispute arises in the interpretation or implementation of the provisions of this Agreement, the Parties agree to first resolve it by deliberation to reach a consensus within 60 (sixty) Calendar Days.
 3. If the resolution of the dispute as contemplated in Paragraph (2) of this Article does not result in a consensus, then the Parties agree to submit the settlement through the Indonesian National Arbitration Agency which was established in 1977 by the Indonesian Chamber of Commerce and Industry (KADIN) through Decree No. SKEP/152/DPH/1977 dated 30 November 1977, at the time of signing of this Agreement the registered address is Wahana Graha, Level 2, JI. Mampang Prapatan No.2, Jakarta 12760 ("**BANI**") in accordance with all applicable BANI Arbitration Rules and Procedures ("**BANI Regulations**"). The BANI arbitration hearings shall be held in Jakarta, Indonesia in the Indonesian language.
 4. The Arbitration Tribunal ("**Tribunal**") shall consist of 3 (three) arbitrators who understand and have knowledge of the subject matter of the Dispute, 1 (one) arbitrator appointed by the Party submitting the arbitration request as the
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Petitioner, and 1 (one) arbitrator appointed by the Party who is the respondent in the arbitration request at BANI, and the third arbitrator will be selected in accordance with the BANI Regulations.

5. The arbitration award rendered shall be final, binding and cannot be appealed and can be used as the basis for a court decision against it in Indonesia or elsewhere. Each Party hereby expressly waives the requirement of Indonesian law to grant the right to appeal an arbitration award and agrees that in accordance with Article 60 of Law no. 30 of 1999 concerning Arbitration and Alternative Dispute Resolution, no party has the right to appeal against an arbitration decision.
6. Neither Party shall have the right to initiate or submit any action through a court in connection with any dispute arising from and related to this Agreement until the matter is determined by arbitration as provided for in this Article and only for the enforcement of the arbitration award rendered based thereon.
7. So long as the dispute is still in the process of being resolved, each Party shall continue carrying out its obligations under this Agreement.

30ARTICLE 30

GENERAL PROVISIONS

1 1. **Amendment/Addendum/ Side Letter**

Other than the provisions agreed to in the articles of this Agreement, matters which are not sufficiently regulated in this Agreement shall be regulated later according to the agreement of the Parties and will be stated in an amendment/addendum/side letter made and signed by the Parties and having the same legal force as this Agreement.

2 2. **Entire Agreement**

This Agreement and any related written agreements signed concurrently with this Agreement contain the entire agreement and understanding of the Parties with respect to the subject matter of this Agreement, and all prior agreements, understandings and negotiations relating to such subject matter are superseded and incorporated into this Agreement.

3 3. **Separate Signing**

This Agreement may be signed separately, each of which will be considered an original document of this Agreement and together will be considered as one and the same agreement.

4 4. **Severable Provisions**

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, for such jurisdiction, be invalid to the extent that such prohibition or unenforceability does not invalidate the remaining

provisions of this Agreement, and any prohibition or unenforceability in any such jurisdiction shall not cancel or cause the invalidity of such provisions in other jurisdictions. In the event that a provision in this Agreement becomes invalid, the Parties shall immediately renegotiate in good faith to agree on a new provision to re-enact this Agreement as closely as possible to its original intent and purpose. To the extent permitted by the applicable law, the Parties to this Agreement hereby waive any legal provisions that cause a provision in this Agreement to be prohibited in any case.

5 5. Ongoing Obligations

The expiration of the term of this Agreement or the termination of this Agreement shall not release each Party from its obligations arising during the term of this Agreement or from any of its respective obligations that, pursuant to this Agreement, remain in effect after the expiration of the term of this Agreement or the termination of this Agreement.

6 6. Prohibition of Giving Gratuities

a. Each Party or personnel, representatives, agents, subcontractors, partners/associates, or affiliates of each Party, or other parties acting for or on behalf of or in the interests of each Party, are prohibited and are not permitted (i) to carry out acts of corruption

or fraudulent acts; or (ii) offer or provide gifts, commissions, rebates, or compensation in any form or nature to the personnel of other Parties; or (iii) to try or attempt to do, or agrees to do, the actions previously mentioned in points (i) or (ii), in connection with and/or in the context of each Party entering into or implementing this Agreement, and/or in connection with and/or in the context of each Party's business for the purposes of making or implementing this Agreement, and/or as an inducement or reward for carrying out or not carrying out an action by the other Party's personnel in connection with and/or in the context of (a) any matter or affairs relating to this Agreement; (b) the entry into or implementation of this Agreement by each Party; and/or (c) the efforts of each Party for the purpose of making or implementing this Agreement.

- b. In the event of a violation of the provisions of Letter (a) of this Paragraph, regardless of the time at which such violation occurs, either Party shall have the right to terminate/cease this Agreement without any obligation to pay any compensation to the other Party.

7 7. Change of Authorised Officers

In the event that one of the Parties intends to make changes to the officer signing derivative documents (including but not limited to Work Orders, minutes of Reconciliation) to this Agreement, then such changes must be notified to the other Party via a side letter which includes the effective date of the changes. Regarding the issuance of a side letter, each Party appoints its representative as follows:

- a. TELKOM: Executive Vice President of the Wholesale Service Division, or an officer of an equivalent level who oversees a similar function.
 - b. TELKOMSEL: Vice President of the IT Operations and Infrastructure, or an officer of an equivalent level who oversees a similar function.
8. A misspelling of one or more words in this Agreement does not invalidate this Agreement or the related provisions. Misspelled words must be read and translated according to the intent of the Parties.

In witness whereof, this Agreement is drawn up in good faith, made in 2 (two) original copies and affixed with sufficient stamp duty, binding to the Parties and has the same legal force after being signed by the Parties.

PT TELKOM INDONESIA (PERSERO) Tbk.

PT TELEKOMUNIKASI SELULAR

[has been signed]

[has been signed on stamp duty of Rp10,000]

Bogi Witjaksono

Alva Bharat

Director of Wholesale & International Service

Director of Information Technology

31 SCHEDULE I

DEFINITIONS AND TERMS

The Parties agree to define the meanings and terms in this Agreement, which will be outlined in this Agreement, as follows:


1. **Service Fees** means a number of fees charged to TELKOMSEL periodically for providing the IT System Services which is calculated based on the usage time.
 2. **Investment Costs** means the costs incurred by TELKOM and/or TELKOMSEL which are directly related to the increase of capacity and capability of the IT Services system.
 3. **Billing** means the billing system being a system which functions to organise and process all invoices related to items or services sold.
 4. **Business Intelligence System** means a system used to collect, store, and analyse the data generated by the activities of a company.
 5. **Business Support System (BSS)** means all services, software, hardware, among others, from customer touch point, care support, billing charging and mediation system, integration system, order fulfillment system, product catalogue, customer relationship management, loyalty system and partner settlement system.
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6. **Work Order** means a Service request related to the provision of Services provided by TELKOM to TELKOMSEL from time to time.
 7. **Force Majeure** means any incident or event beyond the control of each Party, including but not limited to, the following events: fire, explosion, flood, earthquake, other disasters, strikes, riots, civil unrest, government prohibitions, hostile acts of a government or enemy or war.
 8. **Fraud** means various acts of fraud, deception or embezzlement in the operation of telecommunications and/or use of telecommunications facilities as contemplated in this Agreement carried out by one party including but not limited to persons, other companies/legal entities, certain organizations working or cooperating for itself and customers/users with other parties either by carrying out technical engineering, administration, and/or other forms with the aim of avoiding costs and/or for profit.
 9. **Disruption** means any obstruction and/or unavailability of services (interrupted communication) pursuant to this Agreement which is caused by the non-functioning of the telecommunications facilities commencing from the time TELKOMSEL submits an open ticket via the system.
 10. **Intellectual Property Rights (IPR)** as referred to in this Agreement includes, copyright, trademark, other intellectual property rights, as well as derivative rights attached to and
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related to the IT System Services in accordance with the applicable legal provisions.

11. **Calendar Days** means a day according to the Gregorian calendar.
 12. **Business Days** means a day when banks generally operate in Jakarta, apart from Saturdays, Sundays or national holidays.
 13. **Law of the Republic of Indonesia** means all provisions of the laws and regulations as well as their implementing provisions, including but not limited to company law and telecommunications law applicable in the Republic of Indonesia.
 14. **IndiHome** means Indonesia Digital Home which is one of TELKOM's service products in the form of communication and data service packages such as home telephones (voice), internet, and interactive television services (UseeTV Cable, IPTV).
 15. **Confidential information** means all information, ideas, concepts, technology, manufacturing processes and knowledge (in its various natural forms) about the industry, marketing and commercial related to/or developed to support the business of an organizer.
 16. **Service Level Guarantee** means a guarantee for the provision of the IT System Services cooperation provided by TELKOM as contemplated in this Agreement.
 17. **Joint Planning Program (JPP)** means the bilateral meeting between TELKOM and TELKOMSEL to discuss and agree on plans for
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fulfilling the IT System Services and requirements (including but not limited to the delivery of requirements and performance information for the IT System Services) during the agreed period.

18. **Service Credits** mean the replacement or compensation for the non-fulfillment of the Service Level Guarantee as regulated in this Agreement.
 19. **IT System Services** means each IT service and/or billing and collection system operation service for TELKOMSEL Services

 20. **TELKOMSEL Services** means a TELKOMSEL service in the form of fixed broadband services (on the Effective Date known as IndiHome service), internet protocol television (IPTV) services, and voice services.
 21. **Legal Day-1** means the date on which the Minister of Law and Human Rights issues an approval and/or notification receipt of the deed relating to the restatement of the resolution of the shareholders of TELKOMSEL approving the spin-off and the issuance of shares to TELKOM no later than 1 July 2023 or another date agreed in writing by the Parties as referred to in the CSA.
 22. **Asset Annuity Value** means the annual cost of the assets.
 23. **Operation Support System (OSS)** means the services, software, hardware workforce management system, OSS assurance system,
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OSS fulfillment system (ordering and inventory), supply chain management system or other systems to support the operations, fulfilment, and assurance.

24. **TELKOMSEL customers** are users of TELKOMSEL products and services who use TELKOMSEL Services.
 25. **Fraud Solution** means the effort carried out by the party suspected of committing a Fraud to the Party affected by the Fraud from claims to implementation of the Fraud settlement agreements.
 26. **Personnel** means a director, commissioner, employee, consultant, advisor, or another party of a Party.
 27. **Fixed Broadband Core Transition Agreement** means the Fixed Broadband Core Transition Services Agreement made by the Parties and signed together with this Agreement.
 28. **Wholesale Agreement** means the Wholesale Agreement made by the Parties and signed together with this Agreement.
 29. **Reconciliation** means the matching and research process on the settlement which is an update of the Parties' data based on the data held within a certain period.
 30. **Security System** means the services, software, hardware related to system security.
 31. **Service Desk** means the support facility (first-line support) to handle the inquiries, complaints and/or requests of
-

TELKOMSEL (other than IT requirements) in connection with the IT System Services.

32. **Subcontractor** means the third party appointed by TELKOM and approved by TELKOMSEL, to provide each of the IT System Services to TELKOMSEL.
 33. **SRSM** means a Service Request Support and Management.
 34. **Technical Age** means the valid life of an asset until technically the asset used cannot be used anymore.
-

32 SCHEDULE II



[This schedule is redacted because it is part of Telkom's trade secret and is not material for investors.]

33 SCHEDULE III



[This schedule is redacted because it is part of Telkom's trade secret and is not material for investors.]

34 SCHEDULE IV



[This schedule is redacted because it is part of Telkom's trade secret and is not material for investors.]

35 SCHEDULE VI



[This schedule is redacted because it is part of Telkom's trade secret and is not material for investors.]

36 SCHEDULE VII



[This schedule is redacted because it is part of Telkom's trade secret and is not material for investors.]

EXHIBIT 4.4

[Certain portions of this exhibit have been redacted pursuant to Instruction 4(a) of the Instructions as to Exhibits of Form 20-F.]

WHOLESALE AGREEMENT

BETWEEN

PT TELKOM INDONESIA (PERSERO) Tbk

AND

PT TELEKOMUNIKASI SELULAR

[REDACTED]

[This part is redacted because it is part of Telkom's trade secret and is not material for investors]

WHOLESALE AGREEMENT

BETWEEN

PT TELKOM INDONESIA (PERSERO) Tbk.

AND

PT TELEKOMUNIKASI SELULAR

████████████████████
████████████████████

This wholesale agreement ("**Agreement**") is made on 6 April 2023, by and between:

1. **PT TELKOM INDONESIA (PERSERO) Tbk**, a public company providing telecommunication services and networks, established under the laws of the Republic of Indonesia, domiciled at Jalan Japati No. 1, Bandung-40133 (hereinafter referred to as "**TELKOM**"); and
2. **PT TELEKOMUNIKASI SELULAR**, a company incorporated and established under the laws of the Republic of Indonesia, domiciled at Telkom Landmark Tower, Menara-1 1st-23rd Floor, Jl. Jendral Gatot Subroto Kav. 52, South Jakarta 12710 (hereinafter referred to as "**TELKOMSEL**").

TELKOM and TELKOMSEL are collectively referred to as the "**Parties**" and individually as the "**Party**". The Parties first

agree to consider and take into account the following matters:

1. [REDACTED]
[REDACTED]

2. Whereas the Parties have entered into a Conditional Spin-off Agreement ("CSA") [REDACTED]
[REDACTED] on the same date as this Agreement which regulates the terms of the transfer of IndiHome services from TELKOM to TELKOMSEL through a spin-off mechanism.

3. Whereas in order to provide the TELKOMSEL Services, the Parties agree to enter into a cooperation in which TELKOM will provide Wholesale Services to TELKOMSEL.

ARTICLE 1

DEFINITIONS

Unless otherwise specified in relation to the sentences, in the articles concerned, the Parties agree that the

definitions contained and applicable to this Agreement are as referred to in **Schedule I** hereto.

ARTICLE 2

PURPOSES AND OBJECTIVES

1. Notwithstanding the Service Level Guarantee, in order to achieve the best results from the implementation of this Agreement, the Parties agree to maintain the principles below as guidelines during the implementation of this Agreement. TELKOM and TELKOMSEL intend to set out few basic principles to achieve maximum results from what has been agreed. Such basic principles shall be implemented without prejudice to the rights and obligations of the Parties under this Agreement.
 2. The Parties shall consult from time to time to discuss matters relating to the implementation of this Agreement in a constructive and open manner. If either Party reports any problems arising from the implementation of this Agreement or other matters requiring consultation, the Parties must consult each other to reach a solution acceptable to the Parties.
 3. Each Party must fully inform the other of any possibility that may have a negative impact on the Wholesale Services, so that the other Party can
-

provide responses as soon as possible to any developments.

4. The Parties must at all times support the efforts to improve the quality and standards of services which are appropriate for the Wholesale Services.
5. The Parties agree to enforce this Agreement on a non-exclusive basis.

ARTICLE 3

SCOPE AND SERVICES

1. The Parties agree that TELKOM will provide sufficient infrastructure, devices, professional services and supporting network capacity of the agreed quality in the provision of the Wholesale Services to TELKOMSEL.
2. The Parties agree that TELKOMSEL will cooperate with TELKOM, whereby TELKOM will provide the Wholesale Services to TELKOMSEL in the provision of the TELKOMSEL Services with the following scope:
 - a. Main Services:
 - 1) Fiber to the Home ("**FTH**") connectivity and transport, which consists of:
 - a) FTTH Optical Line Termination ("**OLT**") to drop cable connectivity, including Home Segment services;



- b) Aggregation and IP backbone Network connectivity (Transmission Throughput).
 - 2) Internet services which consist of Global Internet Throughput and domestic connectivity (local IX, Content Delivery Network ("CON") and direct peering).
 - 3) Connectivity for Internet Protocol Television ("IPTV") services.
 - 4) Voice services.
 - 5) Service Level Guarantee as referred to in Article 14 of this Agreement.
 - 6) Monitoring visibility [REDACTED]
 - b. Additional services, among others, 5G core implementation support and other services to be agreed by the Parties with the mechanism as stipulated in Article 13 Paragraph (3) of this Agreement.
 - 3. [REDACTED]
 - [REDACTED]
-

ARTICLE 4

TERM OF THE AGREEMENT

1. The Parties agree that the cooperation under this Agreement will be effective for 5 (five) years as of the Legal Day-1 ("**Effective Date**"), even if this Agreement is signed before the Effective Date, with the following conditions:
 - a. For a period of 2 (two) years commencing from the Effective Date, the applicable fee scheme is the Fee Scheme I [REDACTED]
 - b. After 2 (two) years commencing from the Effective Date, the Parties agree to review the applicability of the potential advanced fee schemes, by taking into account the parameters [REDACTED] and TELKOMSEL Services throughput history.
 - c. If the Parties agree to implement the potential advanced fee schemes after 2 (two) years commencing from the Effective Date, such agreement shall be set out in the form of an amendment/addendum to this Agreement.
-

d. If the Parties still have not agreed on the review of the fee scheme, then Fee Scheme I shall continue to apply to this Agreement.

2. The Parties agree to extend this Agreement for a period of 5 (five) years by first conducting negotiation prior to the expiration of the term of this Agreement related to the fee scheme after the extension [REDACTED]

a. [REDACTED]

[REDACTED]

b. [REDACTED]

[REDACTED]

c. [REDACTED]

[REDACTED]

d. [REDACTED]

[REDACTED]

ARTICLE 5

RIGHTS AND OBLIGATIONS

1. In addition to the obligations set out in the other provisions of this Agreement, the following shall be the obligations of TELKOMSEL at its own cost and expenses, as follows:

- a. Implement all provisions related to the scope of cooperation of Wholesale Services as referred to in this Agreement;
 - b. Grant permission at any time to TELKOM to inspect the installation and specifications of TELKOMSEL's equipment, as well as for the inspection of Disruption and/or other purposes, both in relation to the guaranteeing the continuity of the services and guaranteeing the implementation of this Agreement to ensure that the Wholesale Services can function properly;
 - c. Pay the Service Fee to TELKOM as referred to in this Agreement;
 - d. Cooperate with TELKOM to resolve the Disruption to ensure the smooth operation of telecommunications;
 - e. Pay indemnification costs if proven to have committed an act of violation of this Agreement which results in losses to TELKOM in the amount of losses that is suffered directly (excluding opportunity loss);
 - f. Provide access to TELKOM for devices and/or tools to obtain relevant and necessary data related to the Wholesale Services; and
-

- g. Provide data and information as referred to in Article 17 Paragraph (3) Letter (b) of this Agreement.
2. In addition to the obligations set out in the other provisions of this Agreement, the following shall be the obligations of TELKOM, at its own cost and expenses, as follows:
- a. Implement all provisions related to the scope of cooperation of the Wholesale Services as referred to in this Agreement;
 - b. Provide and be fully responsible for all matters required in relation to the provision of Wholesale Services to TELKOMSEL under the terms of this Agreement;
 - c. Provide information to TELKOMSEL on the fulfilment of service requests related to the Wholesale Services in accordance with the Service Level Guarantee;
 - d. Fulfil the Service Level Guarantee [REDACTED]
 - e. Pay indemnification costs if proven to have committed an act of violation of this Agreement which results in a loss to TELKOMSEL in the amount of the loss that is suffered directly (excluding opportunity loss);
-

- f. Provide access to TELKOM's devices and/or tools to TELKOMSEL to obtain relevant and necessary data related to the Wholesale Services;
 - g. Resolve any issues that occur in relation to anything related to the Wholesale Services (including regarding their performance and operation);
 - h. Provide written reports in relation to the work and provision of the Wholesale Services to TELKOMSEL with due regard to the Reconciliation period, in the form and content prescribed from time to time by TELKOMSEL;
 - i. Be fully responsible for the performance of the Wholesale Services and for any risks and consequences arising from the non-functioning of the Wholesale Services in accordance with the terms of the Service Level Guarantee;
 - j. Provide a service desk for TELKOMSEL which includes a supporting facility (first line support) for the Wholesale Services to handle TELKOMSEL's queries, complaints and/or requests in relation to the Wholesale Services;
 - k. TELKOM shall keep all accounts, documents and records providing access to all such accounts, documents and records to TELKOMSEL and
-

TELKOMSEL's designees and TELKOMSEL's representatives upon request for the purposes of and/or in relation to (i) any audit and/or inspection that is, has been or will be conducted; and/or (ii) any other reasonable purpose to determine TELKOMSEL's compliance or fulfilment of this Agreement. The implementation of this provision shall remain in compliance with the prevailing internal regulations of TELKOM; and

1. Upon written request from TELKOMSEL, provide monitoring visibility [REDACTED] based on the readiness and availability of TELKOM's systems on the Effective Date of this Agreement and TELKOM's internal compliance mechanisms.
 3. In addition to the rights set forth in the other provisions of this Agreement, matters that are also TELKOMSEL's rights are as follows:
 - a. Use the Wholesale Services for the implementation of the telecommunication network and/or services in accordance with what have been agreed;
 - b. Receive information from TELKOM upon mutually agreed request on the possibility of the
-

availability of the Wholesale Services in accordance with the Service Level Guarantee;

- c. Obtain stable, reliable service and continuous operation of the Wholesale Services that it uses, in accordance with the Service Level Guarantee [REDACTED]
 - d. Submit invoice claims to TELKOM if it is believed that the invoices submitted by TELKOM do not match or exceed the usage;
 - e. Obtain access to TELKOM's devices and/or tools to obtain relevant and necessary data related to the Wholesale Services; and
 - f. Receive indemnification costs if TELKOM is proven to have committed an act of violation of this Agreement which results in a loss to TELKOMSEL in the amount of the loss that is suffered directly (excluding opportunity loss).
4. In addition to the rights set forth in other provisions of this Agreement, the following shall be TELKOM's rights are as follows:
- a. If required under the prevailing laws and regulations or in the event of an official request by an authorized institution, TELKOM
-

is entitled to isolate and/or terminate the Wholesale Services if there are allegations of misappropriation that can be proven and that are contrary to the prevailing laws and regulations;

- b. Obtain access to TELKOMSEL's devices and/or tools to obtain relevant and necessary data related to the Wholesale Services;
- c. Obtain payment for the Wholesale Services from TELKOMSEL; and
- d. Receive indemnification costs if TELKOMSEL is proven to have committed an act of violation of this Agreement which results in a loss to TELKOM in the amount of the loss that is suffered directly (excluding opportunity loss).

ARTICLE 6

JOINT PLANNING PROGRAM (JPP)

1. The Parties may hold a Joint Planning Program meeting at any time, with reasonable prior notice to the other Party. The Joint Planning Program shall be held at least 2 (two) times in 1 (one) year. Based on the agreement of the Parties, such meeting may involve
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the third-party suppliers if deemed necessary in technical matters.

2. Details related to matters to be delivered during the Joint Planning Program will be carried out with the mechanism [REDACTED]

ARTICLE 7

REQUEST AND FULFILLMENT PROCEDURES

1. Any request in connection with changes, additions and / or reductions that constitute a dismantle (permanent deactivation) of SSL in the Wholesale Services [REDACTED] must be submitted through a Work Order equipped with the required data. Such Work Order shall be signed or approved electronically by TELKOMSEL's person-in-charge who is in charge of the deployment function in the relevant customer area, and shall be used as the basis for the rights and obligations of the Parties.
 2. [REDACTED]
[REDACTED]
 3. In the event that there is a request for Wholesale Services from TELKOMSEL in the Apartment and Premium
-

Cluster areas that have cooperated with TELKOMSEL, the following provisions shall apply:

- a. TELKOM's responsibility is limited to the provision of the Wholesale Services in accordance with the scope as referred to in Article 3 of this Agreement.
- b. [REDACTED]
- c. [REDACTED]

ARTICLE 8

WORK ORDER ISSUANCE PROCEDURE

1. If TELKOMSEL requires the provision of the Wholesale Services under this Agreement, TELKOMSEL will issue a Work Order, and TELKOM is willing to perform such Work Order in accordance with the terms and conditions of this Agreement, in the following manner:
-

- a. TELKOMSEL provides the Work Order that is signed or has been approved electronically by TELKOMSEL's person-in-charge who is in charge of the deployment function in the relevant cluster area, in accordance with TELKOMSEL's company regulations to TELKOM directly;
 - b. TELKOM receives the Work Order that is signed or has been electronically approved by TELKOMSEL, with due observance of the provisions of Paragraph (4) of this Article;
 - c. The Work Order issued by TELKOMSEL shall be subject to the terms and conditions of this Agreement and shall contain all information reasonably necessary for TELKOM to perform such Work Order, which shall include at least the following:
 - 1) Date of the *Work Order*;
 - 2) Name of the customers;
 - 3) Installation address;
 - 4) Contact number (handphone and email);
 - 5) Service package (in accordance with the order required by TELKOMSEL's customer); and
 - 6) other information required by TELKOM to provide the Wholesale Services.
-

2. If the Work Order issued by TELKOMSEL does not contain all sufficient and appropriate information required by TELKOM as mentioned in Paragraph (1) of this Article, then TELKOM shall as soon as practicable contact TELKOMSEL upon receipt of such Work Order and in good faith, cooperate with TELKOMSEL to ensure sufficient information is required for TELKOM to comply with such Work Order. TELKOMSEL will then rectify the Work Order and send it back to TELKOM to commence work as set out in the rectified Work Order.
 3. If there is any inconsistency between the provisions in the Work Order and this Agreement, the provisions in this Agreement shall prevail.
 4. Any Work Order issued by TELKOMSEL shall be immediately binding on TELKOM commencing from the receipt of the complete and correct receipt of such Work Order by TELKOM, upon receipt of the Work Order:
 - a. TELKOM must fulfil the Work Order issued by TELKOMSEL as long as it is within the scope of this Agreement and has fully understood the terms of and agrees to the scope and level of support related to the Work Order, provided that the Work Order is issued in accordance with the provisions of this Article;
-

- b. The Work Order shall not contain any addition to or modification of any provision of this Agreement, except as expressly permitted by this Agreement. Any purported addition to or modification of any provision of this Agreement contained in a Work Order shall not be binding on the Parties unless such addition or modification has been made in accordance with Article 9 of this Agreement.

ARTICLE 9

CHANGES OF WORK ORDER

- 1. TELKOMSEL can only issue the Work Order related to the changes of the Wholesale Services through the following mechanism:
 - a. In the event that a Work Order has been submitted into the order fulfilment process, TELKOM must complete the Work Order for a customer and TELKOMSEL will subsequently issue a revised Work Order for a customer.
 - b. Notwithstanding the readiness of TELKOM's system, in the event that the Work Order has not been submitted into the order fulfilment process, TELKOMSEL may issue a revised Work
-

Order for a customer that replaces the previous Work Order.

2. If TELKOMSEL has provided a Work Order and TELKOM can only partially fulfil the requests in the relevant Work Order, TELKOMSEL will issue a revised Work Order in accordance with TELKOM's fulfilment of the relevant Work Order or cancel the Work Order as described in Article 10 of this Agreement.
3. In the event that changes to the Wholesale Services as referred to in Paragraph (1) of this Article result in additional costs to TELKOM, TELKOM is entitled to invoice such additional costs to TELKOMSEL.
4. The Parties agree that the provision on the changes of the Work Order related to the changes of the Wholesale Services in this Article shall not be considered as an adjustment to the Service Fee.

ARTICLE 10

WORK ORDER CANCELLATION

TELKOMSEL may cancel the Work Order if the following events occur:

- a. There is a failure in fulfilling the Work Order that is caused by the unavailability of TELKOM's local fixed network at the location requested by TELKOMSEL;
-

- b. TELKOM is late in fulfilling the Work Order beyond the period agreed by the Parties as stipulated in the Service Level Guarantee; and/or
- c. If TELKOM can only fulfil part of the requests in the relevant Work Order and there is a cancellation request from the customer to TELKOMSEL.

ARTICLE 11

INTEGRATION AND INSTALLATION

- 1. TELKOM must conduct acceptance test on the installation of the Wholesale Services referred to in this Agreement.
 - 2. For the interest of TELKOMSEL in validating the acceptance test that has been carried out, the authorized representatives of TELKOM and TELKOMSEL (in this case for TELKOMSEL is an official at least at GM level who is in charge of the Deployment Area function) shall sign the Acceptance Test Minutes ("BAUT"), manually or electronically, accompanied by supporting documents [REDACTED]. To the extent TELKOMSEL has signed the BAUT, TELKOMSEL agrees that the implementation of the installation work has complied with this Agreement.
-

3. If there are any errors, defects, abnormalities or technical deviations that do not meet the QC fulfilment [REDACTED] (hereinafter referred to as "Defect") which are caused by TELKOM's fault and are identified no later than 60 (sixty) days after the signing of the BAUT, TELKOM shall be obliged to repair such Defect.
 4. If TELKOM can prove that such Defect is not caused by TELKOM's fault, TELKOMSEL shall release TELKOM from the obligation to repair such Defect in accordance with QC fulfilment [REDACTED]
[REDACTED]
 5. Each Party's device that will be integrated must have technical specifications in order to ensure that the connection made by the Parties can operate, therefore the Parties agree to carry out integration and acceptance tests.
 6. [REDACTED]
[REDACTED]
 7. Costs incurred during the performance of the integration and acceptance test shall be the burden and responsibility of each Party.
-

ARTICLE 12

OPERATION AND MAINTENANCE

1. The operation and maintenance of TELKOM's equipment for the Wholesale Services including costs arising from such activities shall be the responsibility of TELKOM.
 2. Each Party shall endeavour and realize efforts to improve the quality of the Wholesale Services by carrying out the operation and maintenance activities, in the following manner:
 - a. Establish technical benchmarks and network service levels in a measurable manner in accordance with the Service Level Guarantee [REDACTED]
 - b. Provide each other with information of the performance data related to the Wholesale Services;
 - c. Coordination of the operations and maintenance of the Parties may be carried out by providing coordination telephone numbers;
 - d. Coordination in handling the Disruption in accordance with the procedures [REDACTED]
[REDACTED]
-

ARTICLE 13

SERVICE FEES

1. [REDACTED]
 2. TELKOM warrants that the Service Fees provided to TELKOMSEL are fair market rates with equivalent scope and Service Level Guarantees during the term of this Agreement.
 3. The Parties agree that for: (i) additional Services as referred to in Article 3 Paragraph (2) Letter (b) of this Agreement; (ii) changes to the Service Level Guarantee as referred to in Article 14 Paragraphs (1) and (2) of this Agreement; (iii) adjustments to the Service Credit as referred to in Article 15 Paragraph (4) of this Agreement iv) changes to the business process [REDACTED] and/or (v) changes to the measurement point [REDACTED] the following provisions shall apply:
 - a. If such addition and/or change incurs costs outside of the Service Fees, the Parties agree to regulate such addition and/or change in an amendment/addendum to this Agreement.
-

b. If such addition and/or change does not incur any costs, the Parties agree to regulate the such addition and/or change in a minutes of agreement which will be signed by the officials:

- 1) [REDACTED]
[REDACTED]
- 2) [REDACTED]
[REDACTED]

ARTICLE 14

SERVICE LEVEL GUARANTEE

1. The Parties agree on Service Level Guarantee, which include Key Performance Indicators (KPIs), [REDACTED]
[REDACTED] The Parties agree to evaluate the Service Level Guarantee in the first 6 (six) months from the Effective Date of this Agreement.
 2. The Parties may develop, improve and adjust the Service Level Guarantee from time to time, including if there are changes to the scheme and Service Fees
-

that will be agreed by the Parties with the mechanism as set out in Article 13 Paragraph (3) of this Agreement.

3. TELKOM shall implement the measurement, monitoring tools and procedures that are required to measure the performance of the Wholesale Services based on the Service Level Guarantee by using the tools from TELKOM and/or TELKOMSEL with priority to use the tools from TELKOM.
 4. If the Service Level Guarantee parameters [REDACTED] could not be fulfilled by TELKOM, TELKOMSEL shall be entitled to compensation in the form of Service Credit from TELKOM, unless TELKOM can prove that such non-fulfilment of the Service Level Guarantee is caused by TELKOMSEL's fault and/or negligence. [REDACTED]
 5. TELKOM shall ensure that there is no Disruption to the Wholesale Services, if there is any Disruption to the Wholesale Services, TELKOM will carry out research and examination to find out about the causes of the Disruption to the service, and if necessary TELKOM will propose a backup plan for the Wholesale Services that are affected by the Disruption.
-

6. In the event that a continuous Disruption occurs to the Wholesale Services without any reporting on the progress of the repair of the Disruption to the Wholesale Services to TELKOMSEL during the agreed time [REDACTED] and TELKOM does not make its best efforts to resolve the Disruption to the Wholesale Services, TELKOMSEL may, without limiting TELKOMSEL's other rights under this Agreement, terminate the relevant Work Order with a termination notification letter.

7. In the event of termination of the Work Order for the above reasons, such termination shall take effect in accordance with the provisions of Article 33 Paragraph (1) of this Agreement.

8. [REDACTED]

[REDACTED]

9. [REDACTED]

[REDACTED]

ARTICLE 15

SERVICE CREDIT

1. Subject to the provisions of Article 14 Paragraph (4) of this Agreement, TELKOM agrees that compensation in the form of Service Credit will be provided by TELKOM to TELKOMSEL through a deduction of the Service Fee to be paid by TELKOMSEL to TELKOM [REDACTED]. The Parties agree to evaluate the Service Credit in the first 12 (twelve) months from the Effective Date of this Agreement.
 2. The imposition of compensation in the form of Service Credit by TELKOMSEL to TELKOM shall not reduce or eliminate TELKOM's obligation to repair the Disruption to the Wholesale Services.
 3. [REDACTED]
 - a. [REDACTED]
-

- [REDACTED]
 - b. [REDACTED]
[REDACTED]
 - 4. [REDACTED]
 - a. [REDACTED] or
-

b. [REDACTED]

ARTICLE 16

TRANSITION OUT

1. Upon the occurrence of an event that giving rise to a right of termination of this Agreement under Article 33 Paragraph (2) of this Agreement, TELKOMSEL may at any time, or at its discretion engage a third party to undertake the provision of all Wholesale Services by giving prior written notification to TELKOM ("Transition Out").
 2. For the purposes of the Transition Out, TELKOM will give TELKOMSEL 14 (fourteen) Business Days for all Wholesale Services to the third party. If after such time there are still Wholesale Services remaining with TELKOM, TELKOM will terminate the Wholesale Services and will not be responsible for any disruption in the performance of the Wholesale Services to the TELKOMSEL's Customers.
-

ARTICLE 17

EVALUATION

1. As applicable and relevant, TELKOM must maintain the performance including but not limited to the work progression level in accordance with the work performance schedule and the Service Level Guarantee.

2. **Annual Evaluation**

The Parties must evaluate the performances as referred to in Paragraph (1) of this Article, including but not limited to the parameters, limits and population of the Service Level Guarantee, once every 1 (one) year.

3. [REDACTED]

a. [REDACTED]

[REDACTED]

b. [REDACTED]

[REDACTED]

1) [REDACTED]

[REDACTED]

2) [REDACTED]

[REDACTED]

3) [REDACTED]

[REDACTED]

4) [REDACTED]

[REDACTED]

c. [REDACTED]

[REDACTED]

d.

[Redacted]

e.

[Redacted]

1)

[Redacted]

2)

[Redacted]

[Redacted]

f.

[Redacted]

4.

[Redacted]

a.

[Redacted]

b.

[Redacted]

1)

[Redacted]

- [REDACTED]
- 2) TELKOMSEL: Vice President of Network Strategic Collaboration and Settlement or equivalent official who is in charge of similar functions.

ARTICLE 18

SUBCONTRACTOR

1. TELKOM must obtain TELKOMSEL's prior written consent if TELKOM will appoint a Subcontractor or assign any of its obligations under this Agreement to a Subcontractor. TELKOMSEL agrees not to withhold or delay without clear reason the provision of the written consent if the performance or products of the Subcontractor meet TELKOMSEL's technical requirements.
 2. [REDACTED]
 3. TELKOM is the sole responsible party for any and every part of the work performed by the Subcontractors and
-

every act or omission of the Subcontractors and all persons, whether directly or indirectly employed or instructed by TELKOM. TELKOM must ensure the compliance of the Subcontractor and its employees on the terms and conditions of this Agreement.

4. Coordination conducted by Subcontractors to TELKOMSEL and/or vice versa that has an impact on commercial aspects must be done with TELKOM's written approval.

5. Notwithstanding any other provision of this Article,



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

a. [REDACTED]

[REDACTED]

b. [REDACTED]

[REDACTED]

c. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]
d. [REDACTED]
[REDACTED]

e. [REDACTED]
[REDACTED]

ARTICLE 20
RECONCILIATION

1. **Monthly Reconciliation**

- a. The Parties agree to conduct Monthly Reconciliation to calculate the utilization of the Wholesale Services, either for the existing Wholesale Services and the changes, additions and reductions to the Wholesale Services.
-

b.

[REDACTED]

c.

[REDACTED]

d.

[REDACTED]

- [REDACTED]

e. [REDACTED]

[REDACTED]
 - f. [REDACTED]

[REDACTED]
 - g. [REDACTED]

[REDACTED]
-

[Redacted]

1) [Redacted]

[Redacted]

2) [Redacted]

[Redacted]

[Redacted]

2. [Redacted]

a. [Redacted]

[Redacted]

b. [Redacted]

[Redacted]

c. [Redacted]

[Redacted]

d. [REDACTED]

1) [REDACTED]
[REDACTED]

2) [REDACTED]
[REDACTED]

e. [REDACTED]
[REDACTED]

1) [REDACTED]
[REDACTED]

2) [REDACTED]

3.

ARTICLE 21

BILLING OF SERVICE FEES

1. The billing of the Service Fees by TELKOM shall be made monthly based on the minutes of Reconciliation made and signed either electronically or manually by the Parties.
2. TELKOM bills TELKOMSEL by sending the invoicing documents, namely:
 - a. Invoices;
 - b. Tax invoices; and
 - c. Minutes of Reconciliation.

ARTICLE 22

PAYMENT PROCEDURES AND TIME

1. Payment of Service Fee and/or difference of Annual Reconciliation shall be made by TELKOMSEL no later than the 2nd day of the month following the performance of the Reconciliation (month N+2),
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- [REDACTED]
3. TELKOM is entitled to impose a penalty for each day of late payment by TELKOMSEL under the payment schedule, which shall be 1‰ (one per mil) for each day of late payment by TELKOMSEL under the above payment schedule with a maximum imposition of 3% (three percent) of the amount of the invoices that has been matured.

ARTICLE 23

TAXES AND DUTIES

1. All taxes, duties, and other costs incurred in the context of implementing this Agreement shall be the burden and responsibility of each Party in accordance with the prevailing tax regulations and determined by the government.
 2. In the event of changes in taxation and duty provisions by the government, the Parties agree to refer to the new taxation and duty provisions.
 3. The Parties agree to assist each other in fulfilling the obligations of each Party relating to taxes, duties and other costs based on the prevailing tax provisions arising from the implementation of this Agreement.
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ARTICLE 24

INTELLECTUAL PROPERTY RIGHTS

1. The Parties agree that any IPR brought by each Party in the provision of the Wholesale Services to implement this agreement will remain the property of and/or in the possession of each Party.
 2. Each Party is responsible and obliged to maintain ownership and/or possession of the IPR and anything related to the IPR, in connection with the provision of the Wholesale Services under this Agreement, and represents and warrants that ownership and/or possession of the IPR by each Party is legally obtained without any violation of any law.
 3. Each Party represents and warrants that the use of IPR owned by and/or in the possession of each Party in the provision of the Wholesale Services does not (and will not) violate or conflict with prevailing laws and regulations and does not violate and/or harm the rights and/or valid interests of any third party.
 4. Each Party protects, indemnifies, defends, releases, and fully discharges the other Party from and against and in connection with any legal proceedings (both civil and criminal), claims, suits, demands, objections, losses, liabilities, responsibilities,
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costs, arising from or caused by the use and/or utilization of any IPR carried by each Party in the provision of the Wholesale Services under this Agreement.

ARTICLE 25

SECURITY, CYBERSECURITY AND PERSONAL DATA PROTECTION REQUIREMENTS

Notwithstanding the obligations undertaken by each Party under this Agreement, specifically in the case of the provisions below relating to the provision of the Wholesale Services and/or the acquisition of access by a Party to the systems, data and/or customer data of the other Party, the Parties shall comply with the provisions set forth in this Article, as follows:

1. Security

- a. Each Party must follow the valid and reasonable instructions that have been determined and given by the other Party within the scope of this Agreement; and
 - b. If necessary and with the agreement of the Parties, in the event that there is a need for access to a hardware location owned by one of the Parties relating to the scope of this Agreement, it is mandatory for the Party that
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requires access to such location to follow the provisions or regulations that have been determined and given by the other Party (or third party) that manages and owns the hardware location.

2. Cyber Security

During the term of this Agreement, each Party must comply with the cyber security provisions as set out in Article 26 of this Agreement.

3. Protection of Data & Customer Data

a. Any personnel, agents, subcontractors, partners, or affiliates of each Party, or other parties acting for or on behalf of or for the benefit of each Party of either Party that (will) has access to the internal, confidential, restricted and registered information and data of the other Party must be prior approved by the other Party with a period of time as determined by the Parties so that the relevant party can process such information and data. Each Party must ensure its personnel report as soon as possible (maximum within 24 (twenty-four) hours of initial identification) on any event that will or may harm, jeopardize, and/or affect the

security of such information and data directly to the other concerned Party.

- b. Without the prior written consent of the other Party, either Party must not (i) use any data or information provided or used by the other Party or obtained or received from the other Party in the course of, for the purposes of, and/or in connection with the performance of this Agreement (including but not limited to the customer data of each Party), other than for the purposes of performing what is provided for in and by this Agreement; (ii) disclose, provide, or transfer or assign in any manners, including by way of lease or sale, such data to or for the benefit of any party and in any manners; or (iii) cause such data to be accessed or viewed in any manners by any third party.
 - c. Further, in the event that the consent is given by either Party, the other Party must ensure that any processing activities of such Party's data and such Party's customer data by the other Party or its subcontractors and other personal information:
-

- 1) comply with all prevailing laws, rules and regulations in the Republic of Indonesia, including but not limited to (i) the Law No. 27 of 2022 on Personal Data Protection; (ii) the Law No. 11 of 2008 on Electronic Information and Transactions, as amended by the Law No. 19 of 2016; (iii) the Government Regulation No. 71 of 2019 on the Organizing Electronic Systems and Transactions; (iv) the Regulation of the Minister of Communication and Informatics No. 20 of 2016 on the Data Protection in Electronic Systems and (v) other laws and regulations related to personal data issued from time to time;
 - 2) the processing of personal data is carried out in accordance with the principles of personal data protection which are carried out (i) in limited and specific manners, lawful and transparent, (ii) in accordance with its purposes, (iii) by guaranteeing the rights of the individual who owns such personal data (personal data subject),
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(iv) accurately, completely, not misleading, up-to-date and accountable, (v) by protecting the security of the personal data from unauthorized access, unauthorized disclosure, removal of personal data, (vi) by informing the purposes and activities of the processing, as well as the failure of personal data protection, (vii) destruction and/or deletion of personal data after the end of the retention period or based on the request of the individual who owns the personal data (personal data subject), unless otherwise provided by laws and regulations, and (viii) carried out responsibly and can be clearly demonstrable;

- 3) ensure the accuracy, completeness and consistency of personal data by verifying, recording the personal data processing activities, protecting and ensuring the security of the personal data being processed by formulating and implementing operational technical
-

measures against the disruption to the personal data processing and determining the level of personal data security, storing and keeping the customer data of the other Party in strict confidentiality, using appropriate measures to avoid unauthorized processing of the customer data of each Party and preventing unauthorized access to personal data by using reliable, secure and responsible electronic security systems, supervising each party that is involved in the personal data processing under its control;

- 4) must ensure that the electronic systems used for such data processing are reliable, secure and responsible;
 - 5) having regard to the prevailing laws and regulations and/or instructions from the Party in control of the personal data, must terminate the processing activity on the basis of:
 - a) the expiration of the agreed retention period;
-

- b) achievement of the purpose of the data processing;
 - c) a request from one of the Party (including from a customer of such Party); and/or
 - d) not related to the completion of the legal process of a case, and/or personal data obtained and/or processed by unlawful means;
- 6) cease or postpone the processing of personal data no later than 2x24 (two times twenty-four) hours from the written request of either Party (including customers of such Party);
- 7) If the cessation or postponement of the processing of Personal data could not be fulfilled within the period referred to in Number (6) of this Letter, the Party that performs the processing of personal data must notify the Party that controls the personal data within the above period. The notification provided by the Party performing the processing of personal data must also include an
-

- estimate of the time that is required to cease or postpone the processing of personal data;
- 8) in the event of failure of personal data protection, must give written notification to the Party controlling the personal data no later than 2x24 (two times twenty-four) hours;
 - 9) must provide audit trail records in accordance with the prevailing laws and regulations;
 - 10) if further required by the prevailing laws and regulations, must provide, educate, train, and ensure the personnel in charge and responsible for the protection of personal data.
- d. Further, without limiting any other provision of this Agreement, each Party must:
- 1) only use and/or collect the data of the other Party and/or personal data of the other Party's customers under this Agreement for the purpose of performing this Agreement or as required by law, regulation and/or court order;
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- 2) not disclose the data of the other Party and/or the other Party's customers (including personal data);
 - 3) protect the other Party's data and/or personal data of the other Party's customers under this Agreement from misuse, unauthorized processing, loss and unauthorized access, modification or disclosure, storage that does not comply with security standards, and deletion or destruction of data that is not in accordance with its purpose;
 - 4) unless otherwise agreed by the other Party, ensure that the other Party's data and/or personal data of the other Party's customers are stored in Indonesia and not available in other countries;
 - 5) endeavour to ensure that any person employed by such Party, its Affiliates, and subcontractors, who has a specific, inherent and non-shareable access level, which would allow such person to gain access to the other Party's data and/or the personal data of the other
-

Party's customers will not access, use, disclose or store the data provided under this Agreement in an unauthorized manner; and

- 6) establish, warrant and implement appropriate policies, procedures and roadmaps, and related access control and other technological measures, to ensure that the other Party's data and/or the personal data of the other Party's customers provided to such Party under this Agreement, including: (i) identification of the other Party's data and/or the personal data of the other Party's customers from its own data and the personal data of its Party's customers, (ii) limitation of access rights to the other Party's data and/or the personal data of the other Party's customers, and (iii) mechanisms for protecting the other Party's data and/or the personal data of the other Party's customers.
-

[REDACTED]

1. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

b. [REDACTED]

c. [REDACTED]

- d. [REDACTED]
[REDACTED]
 - 3. [REDACTED]
[REDACTED]
 - 4. [REDACTED]
 - a. [REDACTED]
[REDACTED]
 - b. [REDACTED]
[REDACTED]
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ARTICLE 27

CONFIDENTIALITY

1. The Parties agree to treat all terms and conditions mentioned in this Agreement and any data, information or knowledge obtained in connection with the negotiation or execution of this Agreement as Confidential Information that could not be disclosed to third parties without obtaining prior approval from either Party, except for the performance of work, provided that the foregoing shall not apply to information or knowledge where: (i) a Party can show that it has previously legally possessed it prior to disclosure by the Party in question; (ii) has been commonly known by the public and such knowledge was not obtained through a violation of laws and
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regulations; (iii) has been commonly known by the public without any wrongdoing by the relevant Party; (iv) obtained by a Party later without violating the confidentiality of other sources; (v) ordered to be disclosed by Court order or based on the prevailing laws and regulations, where the disclosure must be coordinated in advance with the other Party.

2. Notwithstanding the foregoing, the Parties may disclose information of one of the Party limited to its employees and subcontractors which are in connection with the provision of the Wholesale Services where such disclosure is required to enable the provision of the Wholesale Services, provided that the Party disclosing the Confidential Information must ensure that its employees and agents are subject to, and must require its subcontractors and employees to be subject to the confidentiality provisions under this Agreement.
 3. This confidentiality provision shall remain in effect for 5 (five) years from the expiration of the term of this Agreement.
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[REDACTED]

[REDACTED]

1. [REDACTED]

[REDACTED]

2. [REDACTED]

[REDACTED]

[REDACTED]

- [REDACTED]
3. [REDACTED]
[REDACTED]
4. [REDACTED]
[REDACTED]

ARTICLE 29

FORCE MAJEURE

1. In the event of the occurrence of a Force Majeure, the Party experiencing the Force Majeure must notify the other Party in writing, as follows:
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- a. The occurrence of Force Majeure within 7 (seven) Calendar Days from the occurrence of the Force Majeure,
- b. The end of the Force Majeure within 7 (seven) Calendar Days from the time of the end of the Force Majeure,

by including the supporting documents to prove the circumstances or development of the Force Majeure, including photographs, chronological documents and/or copies of Force Majeure statements issued by authorized parties/agencies and officially stated by authorized Government Officials in accordance with the prevailing laws and regulations, if available.

- 2. Force Majeure is an event, circumstance/condition, or occurrence that occurs beyond the reasonable ability, power, or control of a Party and not caused by the fault of such Party, and such event, circumstance/condition, or occurrence hinders, prevents, or delays that Party in performing its obligations under this Agreement. What is called or categorized as Force Majeure includes but is not limited to:

- a. Natural disasters, such as floods, landslides, volcanic eruptions, hurricanes, storms, earthquakes or lightning;
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- b. An outbreak of an infectious disease;
 - c. Rebellion, riot, war (whether declared or not), or military action;
 - d. Fire;
 - e. Embargo;
 - f. Strike;
 - g. Sabotage;
 - h. Unavailability of electrical power;
 - i. Disruption to the telecommunications networks, both terrestrial and extraterrestrial (space), which are caused by events occurring in space including, but not limited to, sun-outages, solar eclipses, astronomical events, or meteorite events;
 - j. The issuance of a decision, policy, regulation, or the performance of an action, by the competent authority that directly hinders, prevents, or delays the performance of a Party's obligations under this Agreement.
3. The negligence or delay of the Party experiencing Force Majeure in fulfilling the notification obligation referred to in Paragraph (1) of this Article, shall result in the non-recognition of the events referred to in Paragraph (2) of this Article as Force Majeure.
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4. If the Party experiencing Force Majeure is unable to take the necessary countermeasures so as to hamper the implementation of its obligations as stipulated in this Agreement, then the Party that does not experiencing the Force Majeure event shall be entitled to do the following:
 - a. If the Force Majeure lasts for a period of 1 (one) month after the Force Majeure notification is given as referred to in Paragraph (1) of this Article, the Parties may agree to discuss the continuation of the cooperation under this Agreement including agreeing to temporarily suspend or terminate the affected Work Order;
 - b. If the Force Majeure lasts for 2 (two) consecutive months since the Force Majeure notice is given as referred to in Paragraph (1) of this Article, the Parties may agree to discuss the continuation of the cooperation under this Agreement including agreeing to temporarily suspend the affected Wholesale Services or, if the Force Majeure has a national impact, it may be agreed to terminate this Agreement.
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5. Non-fulfilment or performance of an obligation of either Party under this Agreement due to the Force Majeure conditions shall not be deemed as a default or breach of this Agreement. All losses and costs suffered by either Party as a result of the occurrence of Force Majeure shall not be the responsibility and will not be the responsibility of the other Party.
6. Force Majeure could not be used as an excuse by either Party to delay the payment obligations to the other Party that have arisen and are due before the occurrence of Force Majeure.

ARTICLE 30

FRAUD

1. Either Party is prohibited from committing Fraud against the other Party.
 2. If either Party is suspected of committing Fraud against the other Party, such other Party may submit a claim to the Party suspected of committing Fraud.
 3. The Party suspected of committing Fraud must immediately clarify to the other Party by submitting supporting evidence, no later than 14 (fourteen) Calendar Days from the receipt of the claim.
 4. If Fraud is suspected of originating from persons, other companies/legal entities, certain organizations
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that work or cooperate for the Party suspected of committing Fraud or its customers/users, then for clarification until the Fraud Settlement becomes the obligation and responsibility of the Party suspected of committing Fraud in accordance with the existing evidences.

5. If within a period of more than 14 (fourteen) Calendar Days from the receipt of the claim as referred to in Paragraph (2) of this Article, the Party suspected of committing Fraud does not do clarification, then the other Party may give a written warning of 3 (three) times with a grace period of 7 (seven) Calendar Days for each warning letter to the Party suspected of committing Fraud.
 6. If the allegation of Fraud is proven, the Party who committed the Fraud must be responsible for the Fraud Settlement and the Party affected by the Fraud is released from any claims and responsibilities of any kind and from any Party.
 7. If no agreement is reached between the Parties in the Fraud Settlement, then the settlement is carried out through the dispute resolution mechanism as referred to in this Agreement.
 8. If Fraud is proven as referred to in Paragraph (6) of this Article, by still complying with the provisions
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of Article 28 of this Agreement, the Party committing Fraud must pay compensation and/or recalculate the costs that should be paid to the Party affected by the Fraud and/or third Parties, if any.

9. In addition to the indemnity sanction as referred to in Paragraph (8) of this Article, the Party committing Fraud may also be subject to the sanction of unilateral termination of the Agreement by the Party affected by Fraud without waiting for a decision of the court judge that has permanent legal force, but does not remove the obligation of indemnity and other obligations that should be carried out under this Agreement.

ARTICLE 31

VIOLATIONS AND SANCTIONS

1. If either Party violates the prevailing laws and/or regulations to the detriment of the other Party and/or third parties, the Party committing the violation will hold harmless the other Party from all lawsuits and liabilities submitted by the third parties.
 2. In the event of a loss due to a violation of the prevailing laws and/or regulations, while remains complying with the provisions of Article 28 of this Agreement, the Party committing the violation must be
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responsible for and indemnify the loss in the amount suffered directly to the Party affected by the violation including third parties if any. The Party affected by further violations also has the right to terminate this Agreement by giving prior 3 (three) warnings with a grace period of 7 (seven) Calendar Days for each warning.

ARTICLE 32

ASSIGNMENT OF AGREEMENT

1. Unless required by laws and regulations or orders from judicial bodies, either Party may not transfer the rights, benefits and obligations under this Agreement, in whole or in part, to any third party without the prior written consent of the other Party.
2. If the assignment of this Agreement is approved, the approving Party may determine whether the contents of this Agreement need to be updated after the assignment of this Agreement is performed with the transferee.

ARTICLE 33

TERMINATION

1. **Termination of Work Order**
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- a. The Work Order may be terminated by either Party in the event of the occurrence of Force Majeure which results in either Party being unable to perform its obligations under this Agreement and the related Work Order, within a period of 1 (one) month from the Force Majeure notice is given as referred to in Article 29 of this Agreement.
 - b. Notwithstanding any other provisions under this Agreement, TELKOMSEL, by giving written notice, may terminate the Work Order without providing any indemnity or compensation in any form to TELKOM, if:
 - 1) All Wholesale Services contained in the relevant Work Order could not be performed by TELKOM;
 - 2) TELKOMSEL has issued a written warning letter to TELKOM to rectify the Wholesale Services under the relevant Work Order and TELKOM is unable to complete the rectification of the Wholesale Services based on the Service Level Guarantee [REDACTED]
[REDACTED] then TELKOMSEL may terminate the
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relevant Work Order by giving written notice in accordance with a further agreed period.

2. **Termination of the Agreement**

- a. This Agreement shall terminate if the term of this Agreement expires as referred to in Article 4 of this Agreement and is not extended by the Parties;
 - b. This Agreement may be terminated earlier provided that as follows:
 - 1) Based on the agreement of the Parties, with an effective date of termination of this Agreement no later than 14 (fourteen) Business Days after being agreed; or
 - 2) By either Party with prior notice to the other Party no later than 14 (fourteen) Business Days prior to the date of termination of this Agreement, if any of the following occurs:
 - a) The other Party is negligent or intentionally does not fulfil part or all of the provisions of this Agreement and the Party who commits such negligence has been
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given a written warning by the Party that does not violate the provisions of this Agreement and does not have a good faith intention to rectify its mistakes within a period in accordance with a further agreed period;

- b) The other party is declared bankrupt based on a court decision that has permanent legal force;
 - c) The license to operate the telecommunications network/services of the other Party, partially or wholly, is terminated or revoked by the competent authority (government); and/or
 - d) Force Majeure events occur which result in one of the Party or the Parties being unable to carry out its obligations to the other Party by taking into account the Force Majeure provisions under
-

this Agreement, and based on the agreement of the Parties.

3. If either Party violates the provisions related to the Representations and Warranties, IPR, Confidentiality, Fraud and Violations and Sanctions under this Agreement, then the other Party is entitled to terminate the entire contents of this Agreement without any claims from the terminated Party and obtain compensation from the Party that committed the violation, while still complying with the provisions of Article 28 of this Agreement.
 4. For the purposes of termination of this Agreement, the Parties waive the implementation or the application of the provisions in Article 1266 of the Indonesian Civil Code insofar as it relates to the necessity or requirement of a decision or determination of court or judge for the termination of an agreement, so that for the purposes of terminating this Agreement, no decision or determination of court or judge is necessary or required.
 5. In the event of termination of this Agreement, each Party is obliged to complete all obligations arising before termination and have not been completed.
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ARTICLE 34

NOTICES

1. All notices, consents, waivers and other communications under this Agreement ("**Notices**") shall be in writing and shall be deemed to be duly given if (a) delivered in person or (b) sent by internationally recognized overnight delivery service (receipt required), in each case addressed to the correct address as set out below:

PT TELEKOMUNIKASI SELULAR

Address : Telkom Landmark Tower, Menara-1 12th Floor, Jalan Gatot Subroto No. 52, Jakarta, 12710.



PT TELKOM INDONESIA (PERSERO) Tbk.

Address : Graha Merah Putih 8th Floor, Jl. Gatot Subroto No. 52, Jakarta, 12710.

Republic of Indonesia and has full authority to enter into this Agreement and carry out all transactions contained therein;

- b. The signing, delivery and execution of this Agreement will obtain all necessary corporate approvals, and does not and will not require any approval or permission that has not been obtained;
 - c. This Agreement shall be duly made and executed by each Party and shall be legally binding as to each of its obligations and enforceable in accordance with the terms contained herein;
 - d. The individual who will represent each Party in signing this Agreement is an authorized officer in accordance with the articles of association and corporate rules applicable in each Party;
 - e. Each Party is not in insolvency and there is no event which may materially affect the ability of any Party to perform its obligations under this Agreement;
 - f. Each Party obtains and maintains the validity of all permits, approvals and licenses required for and related to the provision of the Wholesale Services, including, but not limited to, permits, approvals and licenses that must be obtained from the competent authorities and from other parties as necessary or required; and
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- g. The deliverables, materials or other outputs of the relevant Work Order, when provided by one of the Party to the other Party, are free from any form of ownership and/or security and/or foreclosure and/or any form of third party interest, either directly or indirectly, which may affect the right to use of the relevant Party of the deliverables or materials or other outputs of the Work Order.

ARTICLE 36

GOVERNING LAW AND DISPUTE RESOLUTION

1. This Agreement shall be governed by, construed and enforced in accordance with the Laws of the Republic of Indonesia.
 2. If in the future there is a dispute in the interpretation or implementation of the provisions of this Agreement, the Parties agree to first resolve the dispute by deliberation to reach an agreement within 60 (sixty) Calendar Days.
 3. If the settlement of the dispute as referred to in Paragraph (2) of this Article does not result in an agreement, then the Parties agree to submit the settlement through the Indonesian National Arbitration Board established in 1977 by the Indonesian Chamber of Commerce and Industry (*Kamar*
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Dagang Industri Indonesia or KADIN) through the Decree No. SKEP/152/DPH/1977 dated 30 November 1977, which at the time of signing this Agreement has a registered address at Wahana Graha, 2nd Floor, Jl. Mampang Prapatan No. 2, Jakarta 12760 ("**BANI**") in accordance with all prevailing BANI Arbitration Rules and Procedures ("**BANI Rules**"). The BANI arbitration hearing shall be held in Jakarta, Indonesia in the Indonesian language.

4. The Arbitration Tribunal ("**Tribunal**") shall consist of 3 (three) arbitrators who understand and have knowledge of the subject matter of the Dispute, 1 (one) arbitrator shall be appointed by the Party submitting the request for arbitration as the Claimant, and 1 (one) arbitrator shall be appointed by the Party who is the respondent in the request for arbitration at BANI, and the third arbitrator shall be selected in accordance with the BANI Rules.
 5. The arbitration award rendered shall be final, binding and non-appealable and may be used as the basis for a court decision thereon in Indonesia or elsewhere. Each Party hereby expressly waives the requirement of Indonesian law granting the right to file an appeal on the arbitral award and agrees that, pursuant to Article 60 of Law No. 30 of 1999 on Arbitration and
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Dispute Resolution Alternatives neither Party shall have the right to file an appeal on the arbitral award.

6. Neither Party shall be entitled to commence or file any actions through the courts in respect of any dispute arising out of and relating to this Agreement until the same is determined by arbitration as provided in this Article and only for the enforcement of the arbitral award rendered thereunder.
7. While any dispute is in the process of being resolved, each Party must continue to perform its obligations under this Agreement.

ARTICLE 37

GENERAL PROVISIONS

1. **Amendment/ Addendum/ Side Letter**

In addition to the provisions agreed in the other Articles of this Agreement, matters that have not been sufficiently regulated under this Agreement will be regulated later according to the agreement of the Parties and will be set forth in an amendment/addendum/side letter made and signed by the Parties and have the same legal force as this Agreement.

2. **Entire Agreement**

This Agreement and any related written agreements and which are signed simultaneously with this Agreement contain the entire agreement and understanding of the Parties with respect to the subject matter of this Agreement, and all prior agreements, understandings and negotiations relating to such subject matter are superseded and merged into this Agreement.

3. **Counterparts**

This Agreement may be executed in counterparts, each of which shall be deemed an original of this Agreement and together shall constitute one and the same agreement.

4. **Severability**

Any provisions under this Agreement, which are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent that such prohibition or unenforceability does not invalidate the remaining provisions of this Agreement, and any prohibition or unenforceability in any such jurisdiction shall not invalidate or cause to be invalidated any such provision in any other jurisdiction. In the event that any provision of this Agreement becomes invalid, the Parties must promptly renegotiate in good faith to agree on a new provision

to re-enact this Agreement as closely as possible to its original intent and purposes. To the fullest extent permitted by the prevailing laws, the Parties to this Agreement hereby waive any provision of law that causes a provision under this Agreement to be prohibited in any matters.

5. Surviving Obligations

The expiration of the term of this Agreement or the termination of this Agreement shall not release either Party from any obligations incurred during the term of this Agreement or of any of their respective obligations which, under this Agreement, survive the expiration of the term of this Agreement or the termination of this Agreement.

6. Prohibition of Giving Gratification

a. Each Party or the personnel, representatives, agents, subcontractors, partners, or affiliates of each Party, or any other party acting for or on behalf of or for the benefit of each Party, shall not and must not (i) commit acts of corruption or fraudulent conduct; or (ii) offer or provide gifts, commissions, rebates, or compensation in any form or of any nature to the personnel of the other Party; or (iii) attempt or endeavour to

do, or agree to do, any of the acts mentioned in the preceding items (i) or (ii), in connection with and/or in the context of each Party entering into or implementing this Agreement, and/or in connection with and/or in the context of the business of each Party for the purposes of making or implementing this Agreement, and/or as an inducement or reward for the performance or non-performance of an act by the personnel of the other Party in connection with and/or in the context of (a) any matter or affair relating to this Agreement; (b) the making or implementation of this Agreement by each Party; and/or (c) the business of each Party for the purposes of making or implementing this Agreement.

- b. In the event of any breach of the provisions of Letter (a) of this Paragraph, regardless of the time of such breach, either Party shall have the right to terminate this Agreement without any obligation to pay any compensation to the other Party.

7. **Change of Authorized Officer**

In the event that either Party intends to make changes to the signing officers of the derivative documents

(including but not limited to Work Orders, minutes of Reconciliation) of this Agreement, such changes must be notified to the other Party through a side letter stating the effective date of such changes. Regarding the issuance of the side letters, each Party appoints its representatives as follows:

a. [REDACTED]

[REDACTED]

b. [REDACTED]

[REDACTED]

8. Misspelling of one or more words in this Agreement shall not invalidate this Agreement or any related provision. Such misspellings shall be read and translated in accordance with the intent of the Parties.

Thus, this Agreement is prepared in good faith, made in 2 (two) original copies and affixed with sufficient stamps, binding on the Parties and has the same legal force after being signed by the Parties.

PT TELKOM INDONESIA (PERSERO) Tbk

PT TELEKOMUNIKASI SELULAR

[has been signed]

[has been signed]

[initialed]

[initialed]

Bogi Witjaksono

Wong Soon Nam

Director of the Wholesale and International Service

Director of Planning and Transformation

[has been signed]

[initialed]

Nugroho

Director of Network

SCHEDULE I

DEFINITIONS AND TERMS

The Parties agree to define the definitions and the terms in this Agreement, which shall be set forth in this Agreement, as follows:

1. **Apartments and Premium Clusters** means areas or buildings that are built or developed or managed by a development company or developer to be sold to end-users (single owners) that require special cooperation with the development company, developer or designated third party.
2. [REDACTED]
3. **Service Fee** means the amount of fees charged to TELKOMSEL periodically for the provision of the Wholesale Services calculated based on the usage time.
4. [REDACTED]
5. **Force Majeure** means any occurrence or event beyond the control of each Party, including but not limited to, the following events: fires, explosions, floods, earthquakes, other disasters, strikes, riots, government bans, acts of violence by governments or enemies or war.
6. **Fraud** means a variety of acts of fraud, deception or embezzlement in the implementation of telecommunications and/or the utilization of

the telecommunications facilities which are carried out by one party including but not limited to persons, companies/other legal entities, certain organizations that work or cooperate for them and customers/users to the other parties either by means of technical engineering, administration, and/or other forms for the purpose of avoiding costs and/or gaining profit.

7. **Disruption** means any obstruction and/or unavailability of service (broken connection) under this Agreement which is caused by the malfunctioning of telecommunication facilities starting from the time TELKOMSEL submits an open ticket through the system.

8. **Intellectual Property Rights (IPR)** referred to in this Agreement include, but are not limited to, copyright, performing rights, mechanical rights, patents, trademarks, service marks, trade secrets, industrial designs, logos, and other similar rights in accordance with the prevailing laws.

9. [REDACTED]

10. **Calendar Day** means a day pursuant to the Gregorian calendar.

11. **Business Day** means a day on which the banks are generally operate in Jakarta, other than Saturdays, Sundays or public holidays.

12. **Homes Passed** means the number of potential locations that can be connected to the FTTH network in a service area within a radius of 150 m from FTTH production equipment (optical lines and ODP).

13. [REDACTED]

[REDACTED]

14. [REDACTED]

[REDACTED]

15. **Laws of the Republic of Indonesia** means all provisions of laws and regulations and their implementing provisions, including but not limited to the company law and the telecommunications law which are prevailing in the Republic of Indonesia.

16. **Confidential Information** means all information, ideas, concepts, technology, manufacturing processes and know-how (in its various natural forms) on the industry, marketing and commercial that are related to/or developed to support the business of an organizer.

17. **Service Level Guarantee** has the meaning given to such term [REDACTED]

18. **Joint Planning Program (JPP)** means a bilateral meeting between TELKOM and TELKOMSEL to discuss and agree on the fulfilment plan and needs of the Wholesale Services (including but not limited to the submission of the performance requirements and information of the Wholesale Services) during the agreed period.

19. [REDACTED]

[REDACTED]

20. **TELKOMSEL Services** means TELKOMSEL services in the form of fixed broadband services (on the Effective Date known as IndiHome services), internet protocol television (IPTV) services, and Voice Services.
21. **Main Service** means a service provided by TELKOM as the main service with the scheme as has been determined in this Agreement. The Main Service provides a guarantee to TELKOMSEL to be able to properly provide TELKOMSEL Services and its derivatives to the customers in accordance with the Service Level Guarantee guidelines.
22. [REDACTED]
23. **Wholesale Services** means the provision of services by TELKOM to TELKOMSEL for TELKOMSEL's retail customers with the scope as set out in Article 3 Paragraph (2) of this Agreement.
24. **Legal Day-1** means the date when the Minister of Law and Human Rights issues an approval and/or receipt of notification of the deed related to the restatement of resolution of shareholders of TELKOMSEL approving the spin-off and issuance of shares to TELKOM which shall be no later than 1 July 2023 or such other date as agreed in writing by the Parties as referred to in the CSA.
25. **LIS** or Line-in Service means an active SSL.
26. **Fraud settlement** means an effort made by the Party suspected of committing Fraud to the Party affected by Fraud from the claim to the implementation of the Fraud settlement agreement.

- 27. **FBC Transition Agreement** means the Fixed Broadband Core Transition Service Agreement made by the Parties and entered into simultaneously with this Agreement.
- 28. **IT System Transition Agreement** means an IT System Transition Service Agreement made by the Parties and entered into simultaneously with this Agreement.
- 29. [REDACTED]
- 30. [REDACTED]
- 31. [REDACTED]
- 32. [REDACTED]
- 33. **Fee Scheme I** means the Service Fee scheme [REDACTED]
- 34. [REDACTED]
- 35. **Subcontractor** means a third party appointed by TELKOM and approved by TELKOMSEL to perform the work.

36. [REDACTED]
[REDACTED]

37. [REDACTED]
[REDACTED]

38. **Work Order** means a request letter for the Wholesale Services which is issued by TELKOMSEL in accordance with the terms and conditions under this Agreement.

39. **SSL** or Service Connection Unit means a unit of customers who subscribe to TELKOMSEL Services.

40. [REDACTED]
[REDACTED]

41. [REDACTED]
[REDACTED]

SCHEDULE II



[This schedule is redacted because it is part of Telkom's trade secret and is not material for investors]

7
[initials]

SCHEDULE III



[This schedule is redacted because it is part of Telkom's trade secret and is not material for investors]

8
[initials]

SCHEDULE IV



[This schedule is redacted because it is part of Telkom's trade secret and is not material for investors]

9
[initials]

SCHEDULE V



[This schedule is redacted because it is part of Telkom's trade secret and is not material for investors]

SCHEDULE VI



[This schedule is redacted because it is part of Telkom's trade secret and is not material for investors]

SCHEDULE VII



[This schedule is redacted because it is part of Telkom's trade secret and is not material for investors]

12
[initials]

SCHEDULE VIII



[This schedule is redacted because it is part of Telkom's trade secret and is not material for investors]

SCHEDULE IX



[This schedule is redacted because it is part of Telkom's trade secret and is not material for investors]

SCHEDULE X



[This schedule is redacted because it is part of Telkom's trade secret and is not material for investors]

SCHEDULE XI



[This schedule is redacted because it is part of Telkom's trade secret and is not material for investors]

SCHEDULE XII



[This schedule is redacted because it is part of Telkom's trade secret and is not material for investors]

SCHEDULE XIII



[This schedule is redacted because it is part of Telkom's trade secret and is not material for investors]

SCHEDULE XIV



[This schedule is redacted because it is part of Telkom's trade secret and is not material for investors]

SCHEDULE XV

[REDACTED]

[This schedule is redacted because it is part of Telkom's trade secret and is not material for investors]

20
[initials]

Exhibit 8.1

As of December 31, 2022 and 2023, the Company has consolidated the following directly and indirectly owned subsidiaries.

Direct subsidiaries:

Subsidiary	Nature of business	Start year of operation commencement	Percentage of ownership*		Total assets before elimination	
			2022	2023	2022	2023
PT Telekomunikasi Selular ("Telkomsel")**	Mobile telecommunication, fixed broadband, network service, and IPTV	1995	65	70	100,085	112,326
PT Dayamitra Telekomunikasi Tbk. ("Mitratel")	Leasing of towers and digital support services for mobile infrastructure	1995	72	72	56,050	56,996
PT Multimedia Nusantara ("Metra")	Network telecommunication services and multimedia	1998	100	100	18,740	18,425
PT Telekomunikasi Indonesia International ("Telin")	International telecommunication and information services	1995	100	100	13,949	15,175
PT Telkom Satelit Indonesia ("Telkomsat")	Telecommunication - provides satellite communication system and its related services	1996	100	100	6,463	7,927
PT Sigma Cipta Caraka ("Sigma")	Hardware and software computer consultation service	1988	100	100	8,491	7,603
PT Graha Sarana Duta ("GSD")	Developer, trade, service and transportation	1982	100	100	5,845	5,592
PT Telkom Akses ("Telkom Akses")	Construction, service and trade in the field of telecommunication	2013	100	100	5,308	4,777
PT Telkom Data Ekosistem ("TDE")	Data center	1996	100	100	3,189	4,037
PT Metra-Net ("Metra-Net")	Multimedia portal service	2009	100	100	1,731	1,654
PT Infrastruktur Telekomunikasi Indonesia ("Telkom Infra")	Developer service and trading in the field of telecommunication	2014	100	100	1,360	1,261
PT PINS Indonesia ("PINS")	Trade in telecommunication devices	1995	100	100	797	775
PT Napsindo Primatel Internasional ("Napsindo")	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
PT Telkom Infrastruktur Indonesia ("Infracco")	Network telecommunication and information services	not yet operating***	-	100	-	0

*Percentage of ownership amounting to 99.99% is presented with rounding of 100%.

***Commencement of commercial operation starts in 2024.

All direct subsidiaries are domiciled in Indonesia.

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 1, 2024

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 1, 2024

By: /s/ Heri Supriadi
Heri Supriadi
Director of Finance and Risk Management / Chief Financial and Risk 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, 2023 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 1, 2024

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.

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and is not being filed as part of the Report or as a separate disclosure document.

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, 2023 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 1, 2024

By: /s/ Heri Supriadi
Heri Supriadi
Director of Finance and Risk Management / Chief
Financial and Risk 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.

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and is not being filed as part of the Report or as a separate disclosure document.

Exhibit 97



No. : SK.12/UM 000/TEL-00000000/2023
Appendix : 1 (one) file
Subject : Obligations of the Clawback Policy

BOARD OF DIRECTORS' STATEMENT

I, the undersigned below:

Name : Ririek Adriansyah
Title : President Director
Company Name : Perusahaan Perseroan (Perseroan) PT Telekomunikasi Indonesia Tbk
Company Address : Jalan Japati Nomor 1, Sadang Serang, Coblong, Bandung

Hereby have the right and authority to act on behalf of and represent the Board of Directors of Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia Tbk (“Company”) pursuant to Article 12 paragraph (15) of the Company’s Articles of Association as stated in the Deed of Statement of the General Meeting of Shareholders Resolution No. 37, dated June 22, 2022, made before Ashoya Ratam, a Notary in South Jakarta. I hereby declare truthfully that:

1. In order to realize the principles of Good Corporate Governance, the Company, as a company registered as a Foreign Private Issuer in the U.S Securities and Exchange Commission, has observed the provisions in the Final Rule on Listing Standards for Recovery of Erroneously Awarded Compensation (**SEC Final Rule**) that regulate the Company’s obligation to enforce a written guideline on the suspension and clawback mechanism of incentive-based compensation for errors in financial reporting. This regulation is also stated in the Regulation of the Minister of State-Owned Enterprises No. Per-03/MBU/03/2023 concerning the Organization and Human Resources of State-Owned Enterprises (**SoE Regulation 3/2023**).
2. On May 30, 2023, the Company has approved and ratified SoE Regulation 3/2023 in the Annual General Meeting of Shareholders 2023 (**Company’s AGMS 2023**), as stated in the Minutes of the Annual General Meeting of Shareholders of the Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia Tbk No. 73, dated May 30, 2023, made before Ashoya Ratam, a Notary in South Jakarta. Through this ratification, the Company has, in principle, submitted to and complied with Article 107 of SoE Regulation 3/2023, which regulates the recovery or clawback of incentives to executive employees for errors or mistakes in financial reporting. The Company has implemented this provision since the date of the Company’s AGMS 2023, namely since May 30, 2023.
3. Following the provisions of Article 107 of SoE Regulation 3/2023, the Ministry of State-Owned Enterprises further regulates through the Letter of Assistant Deputy for Telecommunication and Media Services No. SR-76/Wk2.MBU.C/07/2023, dated July 5, 2023 concerning the Mechanism of Deferred Bonuses, as a derivative of SoE Regulation 3/2023 that has been ratified in the Company’s AGMS 2023, which also regulates the recovery or clawback of incentives to executive employees for errors or mistakes in financial reporting.
4. In connection with the obligation to implement a written guideline as stated in point 1 above and considering the conditions in points 2 and 3, the Company declares that the appendix to this statement is a Clawback Policy applicable to the Company and to fulfil the obligations as regulated in Roman numeral I of the SEC Final Rule.



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Based on the foregoing, the Appendix to this Statement constitute an integral and inseparable part of this Statement, and is considered a binding internal provision or regulation for the Company.

Jakarta, 29 December 2023,

/s/Ririek Adriansyah

Ririek Adriansyah
President Director



**APPENDIX OF DIRECTORS' STATEMENT
GUIDELINES FOR THE DEFERRED BONUS MECHANISM OF
PERUSAHAAN PERSEROAN (PERSERO) PT TELEKOMUNIKASI INDONESIA Tbk**

The deferred Bonus is implemented with the following provisions:

1. Recipients of the deferred Bonus are the Board of Directors and the Board of Commissioners who served during the 2022 Fiscal Year or the 3 years before the date of the financial statement restatement, which serves as the basis for determining the Bonus.
2. The deferred Bonus is provided in the form of:
 - a. Shares for members of the Board of Directors and non-independent members of the Board of Commissioners.
 - b. Cash for independent Commissioners.
3. Shares as referred to in point 2a must be available no later than 10 (ten) working days from the date of the determination of the deferred Bonus.
4. The deferred Bonus is paid annually on a pro-rata basis over 3 years, starting in the following year, together with the payment of the bonus for that year.
5. Adjustment of the payment of the deferred Bonus can be made in case of conditions such as:
 - a. legally proven abuse of position and/or authority and/or commission of a crime by the recipient of the deferred bonus, resulting in losses for the Company;
 - b. restatement of the Company's financial statements, which is the basis for determining the bonus;
 - c. risk rating in the last quarter before the implementation of the deferred bonus is a rating of 4 (four) (Moderate to High) or worse;
 - d. Annual General Meeting of Shareholders (AGMS) decides to reject the accountability of the Board of Directors and/or the Board of Commissioners for the Company's performance for the fiscal year decided in the AGMS; and/or
 - e. other considerations deemed important by the General Meeting of Shareholders.
6. Adjustment of the payment of the deferred Bonus includes:
 - a. delaying the payment of the deferred Bonus (malus);
 - b. reducing the amount of the deferred Bonus; or
 - c. non-payment.
7. Adjustment of the payment of the deferred Bonus applies to individual members of the Board of Directors and members of the Board of Commissioners and/or applies to all members of the Board of Directors and the Board of Commissioners.
8. The difference between the amount of the deferred Bonus that has been determined and the amount of the deferred bonus paid as a result of adjustments as referred to in point 5 is returned to the Company.
9. The adjustment of the deferred Bonus is determined by the Board of Commissioners, with prior approval from the Series A Dwiwarna Shareholder.



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10. Determination of the adjustment of the deferred Bonus by the Board of Commissioners is made after considering proposals from the Nomination and Remuneration Committee.
11. The Board of Directors must follow up and administer all processes related to the implementation of the governance of the deferred bonus.
12. Administration of the deferred Bonus management must include at least:
 - a. establishing an escrow account;
 - b. managing shares;
 - c. designating a securities company to manage shares; and
 - d. making payments for the deferred Bonus.
13. In the event that the recipient of the deferred Bonus passes away, the right to the deferred Bonus as referred to in this deferred Bonus mechanism is transferred to the heirs of the recipient of the deferred Bonus, and the heirs of the recipient of the deferred Bonus must comply with this deferred Bonus mechanism.
14. All income and/or expenses arising from the administration of the deferred Bonus become the right/obligation of the recipient of the deferred Bonus.

