

AKR NEWS RELEASE



For immediate release

28th June, 2024

The World's Largest Single Line Smelter in the JIPE Special Economic Zone, Gresik Officially Operational To Produce Copper and Gold

Jakarta, 28th June 2024 – In the JIPE Special Economic Zone Gresik, managed by the Industrial Estate Subsidiary of PT AKR Corporindo Tbk (IDX stock code: AKRA.IJ), the Inauguration of Copper Smelter Initial Phase of Operations was held. This event was attended by the Coordinating Minister for Economic Affairs, Dr. (HC) Ir. Airlangga Hartarto, MBA, MMT, Minister of Investment/Head of the Investment Coordinating Board (BKPM) Bahlil Lahadalia, S.E. and Provincial Representatives of East Java Province and Gresik as well as the Management of PT Freeport Indonesia and PT MIND ID.



Starting the event, Mr Tony Wenas, President Director of PT Freeport Indonesia expressed his gratitude for the inauguration of the smelter operation which is the largest single line copper smelter in the world, located in Indonesia, especially in Gresik. Mr. Tony said that this smelter has a production input capacity of up to 1.7 million tons of copper concentrate per year. The output from this smelter produces will be around 600-700 thousand tons of copper cathode per year starting in August 2024 and will processes anode sludge to produce 50-60 tons of gold per year, and 220 tons of silver per year and other metals starting in December 2024.

This smelter operated by PT Freeport was built in 2021 in an area of 103 hectares in the Java Integrated Industrial & Port Estate (JIPE) Special Economic Zone (KEK) located in Gresik, East Java. According to Mr. Tony Wenas, this smelter project has a total investment value of USD 3.7 billion and during the construction period involved 40 thousand workers. .

Coordinating Minister for the Economy Mr. Airlangga Hartarto in his speech also emphasized the ecosystem that is being formed where he believes that efficient industry should be in one location. "With the presence of Freeport here; copper, silver and gold-based industries will definitely be encouraged in this region and this project is a National Strategic Project and Special Economic Zones"

On March 14 2022, PT Berkah Kawasan Manyar Sejahtera (BKMS), the subsidiary of PT AKR Corporindo Tbk which manages the JIPE SEZ Industrial Area and PT PLN Persero (PLN) signed an Electric Power Purchase Agreement (PPA) for 170 MVA where PLN

will distribute and sell electricity to BKMS, on an ongoing basis through the PLN Main Substation 150 kV (one hundred and fifty kiloVolts) High Voltage Supply with a total power of 170 MVA (one hundred and seventy Mega Volt Ampere). On the same occasion, PT BKMS also signed a back to back agreement with PT Freeport Indonesia where PT BKMS will distribute and resell connected power to PTFI according to its needs. This will generate recurring income for JIPE SEZ Gresik.

President Director of AKR Corporindo Tbk, Mr. Haryanto Adikoesoemo, who was also present at the inauguration, said, "The operation of the Single Line Copper Smelter from PT Freeport Indonesia brings optimism to the JIPE Gresik SEZ in building a downstream ecosystem to encourage the growth of value-added industries for Indonesia, and is a positive signal for prospective tenants who want to invest in KEK JIPE. Apart from that, with the availability of industrial utilities operated by PT BKMS, as well as deep sea port services operated by PT BMS, tenants in SEZ JIPE will be supported by world class utility services which will then become a potential source of recurring income for the company. We hope that, with the operation of the PT Freeport Indonesia Smelter, domestic and foreign investors will be increasingly interested in investing in JIPE. "So that JIPE can continue to attract Foreign and Domestic Direct Investment (FDI & DDI), while simultaneously encouraging the East Java regional economy and assisting the Indonesian Government's program in increasing the competitiveness of domestic industry."

Corporate Secretary PT AKR Corporindo Tbk

For more information, please contact:

ir@akr.co.id

corporate.secretary@akr.co.id

PT AKR Corporindo Tbk

PT AKR Corporindo Tbk (the Company) was formally established in Surabaya in 1977 and was listed on the Indonesian Stock Exchange in 1994. The Company is Indonesia's leading integrated supply chain solutions provider and largest private sector distributor of petroleum and basic chemicals to industrial customers. The Company entered retail petroleum distribution since 2010 on being appointed by the Government of Indonesia to distribute subsidized petroleum. Since 2018, the Company has established joint ventures with BP for non-subsidized gasoline stations under BP-AKR retail in various locations in Java, established aviation fuel supply stations in eastern part of Indonesia. The Company has through a number of its subsidiaries also operates third party logistics services, manufacturing and trading and distribution of basic chemicals and lubricants.

The Company is developing Java Integrated Industrial Port Estate ("JIPE") in Gresik, East Java, one of the largest integrated industrial estates in the country with access to deep seaport, multimodal transportation, and utilities to serve the needs of industrial customers. JIPE encompasses a total area of 3,000 ha comprising of 1,800 hectares of Industrial estate operated by company's subsidiary PT Berkah Kawasan Manyar Sejahtera ("BKMS"), 400 hectares of deep seaport developed by affiliate company PT Berlian Manyar Sejahtera ("BMS") and 800 hectares of residential estate developed by PT AKR Land Development (an affiliate of AKR). JIPE has been designated as Special Economic Zone (SEZ) by Government of Indonesia vide President Proclamation No 71 / 2021 which would enable industrial tenants and customers to avail various fiscal and non-fiscal benefits and other facilities which will improve ease of doing business in JIPE. The Company aims to build utilities including Power plants, water supply and other supporting infrastructures which will generate significant recurring income.

The Company is committed to implementing best practices for growth of its business in a sustainable manner and has undertaken various ESG initiatives covering areas of clean energy, Health & Safety, Human Rights, Environment, Energy use, Business Ethics, and Integrity. AKR is now one of the constituent stocks in the IDX ESG leaders index and included in LQ 45 and other indices of the Indonesian stock exchange,

Disclaimer

This communication is solely for the addressee(s) and may contain confidential or privileged information. This publication does not have regard to specific investment objectives, financial situation and the particular needs of any specific person or entity who may receive this report. Accordingly, neither we nor any of our affiliates nor persons related to us accept any liability whatsoever for any direct, indirect, or consequential losses or damages that may arise from the use of information or opinions in this publication. Many factors, including those discussed more fully elsewhere in this release and in PT AKR Corporindo Tbk or its affiliates' filings with the respective regulatory authorities particularly their quarterly financial statements, annual reports, corporate presentations as well as others, could cause results to differ materially from those stated. Opinions expressed may be subject to change without notice.