

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.

Risk Factor Summary

Risks Related to Our Business

Operational Risks

- A material failure in the continuing operations of our network, certain key systems, gateways to our network or the networks of other network operators could materially and adversely affect our business, financial condition, results of operations and prospects.
- New technologies may adversely affect our ability to remain competitive.
- We may in the future be required to share our network infrastructure and capacity with our competitors.
- 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.
- The global 2019 novel coronavirus and its variants ("COVID-19") pandemic and the economic disruption caused by various measures to reduce its spread have had and may continue to have adverse consequences of uncertain magnitude and duration on our operations.
- Our networks face both potential physical and cyber security threats, such as theft, vandalism and acts intended to disrupt our operations, which could 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 life and they may be damaged or destroyed during in-orbit operation or suffer launch delays or failures. The loss or reduced performance of a satellite, whether caused by equipment failure or its license being revoked, may adversely affect our financial condition, results of operations and ability to provide certain services.

Risks Related to our Fixed and Cellular Telecommunications Business

- Competition from existing cellular service providers may adversely affect our cellular services business.
- 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, and an asymmetric reduction in costs incurred by our competitors.
- Applicable regulations on tariffs and their implementation as supervised by the MoCI may affect our revenues and earnings.
- Regulations for the configuration of BTS towers may delay the installation of new BTS towers or changes in the placement of existing towers, and may erode our leadership position by requiring us to share our towers with our competitors.
- We may experience local community opposition to some of our tower sites.
- We are subject to numerous non-tax state revenue payments and 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.

- The interpretation and application of Law No. 27 of 2022 on Personal Data Protection may adversely affect our business, financial condition, results of operations and prospects.
- Our electronic money business is highly regulated.

Risks Related to 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, Telkomsel, a cellular telecommunication services and cellular telecommunication 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.
- The Indonesian legal system is subject to considerable uncertainty and investors may not be able to enforce a judgment of a foreign court against us.
- 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.

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.

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 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. A significant portion of our cellular and international long distance call traffic is routed through the PSTN. We also depend on access to an internet and broadband network and a cellular network. Our integrated network includes a copper access network, fiber optic access network, BTSs, switching equipment, optical and radio transmission equipment, an IP Core network, satellites, and application servers.

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

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

New technologies may adversely affect our ability to remain competitive

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

operations or the competitiveness of our services. Furthermore, we may not succeed in effectively integrating new technologies into our existing business model. For example, 5G is one such technology. Our rollout of 5G may not be as successful as we expect and our customers may not adopt or subscribe to this new technology in the manner and numbers that we anticipate or in a manner that will generate appropriate returns on our investment in this technology in terms of magnitude and/or timeline.

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. In particular, the contribution from cellular phone services to our consolidated revenues continued to declined from 14.3% in 2020 to 10.3% in 2021 and 8.2% in 2022, computed as a percentage of our consolidated revenues for 2020, 2021, and 2022, respectively. In addition, we face a continuing risk of market entry by new operators and service providers (including non-telecommunications players and OTT players) who, by using newer or lower cost technologies, may succeed in rapidly attracting customers away from established market participants such as ourselves. This may result in a loss of market share and could have a material adverse effect on our business, financial condition and results of operations. In particular, the rapid development of new technologies, services, products, and business models has resulted in distinctions between local, long distance, wireless, cable and internet communication services entry barriers being lessened and has brought new competitors into the telecommunications market. For example, the increased availability of high-throughput satellite capacity in Indonesia has increased competition, and adversely affected pricing, for our satellite business.

We 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. 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 want.

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.

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

Government regulations require telecommunication service providers with passive telecommunication infrastructure (e.g., ducts, towers, poles, or communication manholes, among other things) to give access to such passive telecommunication infrastructure to other telecommunication providers. These regulations require that use of passive telecommunication infrastructure must be based on cooperation and mutual agreements between telecommunication service providers in a fair, reasonable and non-discriminative manner.

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

It remains to be seen how these provisions will affect our business and our relations with other telecommunication players in Indonesia. The Government could adopt final terms 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, they 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, which may affect our financial conditions and results of operations. 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.

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. For instance, we contribute and intend to contribute 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 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 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.

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

COVID-19 was declared by the World Health Organization ("WHO") as a pandemic on March 11, 2020 and has spread globally. While the global economy contracted by 3.1% in 2020, it grew by 6.0% in 2021, according to the International Monetary Fund ("IMF"), which was a faster pace than expected. Nonetheless, there remain pressures from the effect of COVID-19 variants such as the Delta variant and Omicron variant, supply chain disruptions that have continued to affect supply and also increases in inflation. In the January 2023 World Economic Outlook Update, the IMF revised upward its earlier projections for global economic growth to 3.4% in 2022 and 2.9% in 2023 as a result of, among other things, rising interest rates and the military conflict in Ukraine.

Various measures have been implemented to contain the outbreak in certain regions and countries, resulting in extensive government-imposed restrictions and containment measures. In Indonesia, the Government implemented various protective measures, including large-scale social restrictions such as the closing of certain schools and workplaces as well as restrictions on religious activities, social-cultural activities and activities in public places or facilities. The Government also imposed temporary travel restrictions in certain regions and local governments enacted their own additional regulations. However, the restrictions previously adopted by the governments at various levels to control the spread of the

COVID-19 pandemic have now largely been revoked or eased. The return of such governmental restrictions may have a material adverse effect on our results of operations.

If the COVID-19 pandemic or other epidemics or outbreaks of infectious diseases such as SARS, avian flu, H1N1 or Ebola were to develop and persist, customers may delay, suspend, or decrease orders for our products and services, and demand for certain of our products and services may decrease. For example, the COVID-19 pandemic also caused a decline of purchasing power, especially for the lower-middle class at the beginning of the pandemic, 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 may also experience significant disruption if physical distancing measures and other containment measures are required. Our ability to provide services to our clients that require our teams to access their homes or offices may also be negatively impacted. For example, our technicians' ability to access customers' premises may affect our customer service levels, which may adversely affect customer satisfaction. Such disruptions occurred in the years ended December 31, 2020 and 2021, although as COVID-19 restrictions decreased in 2021 and were gradually phased out in 2022, we did not face significant effects on our operations, business and results of operations for the years ended December 31, 2020, 2021, and 2022. Finally, the negative impact of the outbreak on the global economy may increase counterparty risks or increase difficulties in collecting fees, which may negatively impact our cash flows, delay certain of our projects, and reduce our ability to access capital or increase financing costs.

There is still substantial medical and economic uncertainty regarding the COVID-19 pandemic. There have been numerous reports of mutations in the virus observed in various countries or regions, and vaccinations may not be effective in protecting against different strains of the virus. In addition to the COVID-19 pandemic and its variants, other epidemics or outbreaks of infectious diseases such as SARS, avian flu, H1N1 or Ebola could also cause governments to reimpose restrictive measures to limit the spread. Any such restrictions could have a material and adverse effect on national economies and the global economy. Further, supply chains have been and may continue to be disrupted by the COVID-19 pandemic and future variants. For example, the COVID-19 pandemic has led to supply chain disruptions that have contributed to a global chip shortage which continues to affect us and our partners, especially in disrupting our ability to obtain data center equipment. Ultimately, there remains uncertainty as to the full extent of the above-described potential delays and disruptions on our business, operations, prospects and results of operations.

Our networks face potential physical and cyber security 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 cyber security 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 2022 because of vandalism, which caused temporary interruptions to our traffic. In addition, telecommunications companies worldwide face increasing cyber security threats as businesses have become more dependent on telecommunications and computer networks, and have adopted or will adopt cloud technologies. Cyber security 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 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 cyber risks that we face, as well as a lack of cyber 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 October 2018, PT Telkom Satelit Indonesia's ("Telkomsat") corporate website was defaced. The content on the homepage was altered, which left customers unable to access the site for part of one day, before the site was restored. Also, 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. Almost all of those threats were non-disruptive and none of them in 2022 rose to the level of requiring us to specifically address them. However, 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. 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 cyber security incidents and maintain sufficient insurance coverage relating to them at commercially reasonable rates and terms. Eliminating computer viruses and other security problems may also require interruptions, delays or suspension of our services, reduce our customer satisfaction and cause us to incur additional costs. Due to the evolving nature of cyber security threats, the scope and impact of any future incident cannot be precisely predicted and the physical and cyber security 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.

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, state-owned companies, 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 cyber security threats, since we provide connections to the internet and host websites for customers and develop internet content and applications, we may be perceived as being associated with the content carried over our network or displayed on websites that we host. For example, in the past, due to an escalation in spam messages generated from email addresses on the Telkom network, Telkom was placed on certain 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 and 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 in 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 life and they may be damaged or destroyed during in-orbit operation or suffer launch delays or failures. The loss or reduced performance of a satellite, whether caused by equipment failure or its license being revoked, may adversely affect our financial condition, results of operations and ability to provide certain services

We operate two satellites: 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. We retired our Telkom-2 satellite in May 2021 when it came to the end of its operational life. A number of factors affect the operational lives of satellites, including the quality of their construction, the durability of their systems, sub-systems and component parts, on-board fuel reserves, accuracy of their launch into orbit, exposure to micrometeorite storms, or other natural events in space, collision with orbital debris, 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 Telecommunication Union regulations specify that a designated satellite orbital slot has been allocated for Indonesia, and the Government has the right to determine which party is licensed to use such slot. While we hold a license to use the designated satellite orbital slot, in the event any of our satellites experience technical problems or failure, the Government may determine that we have failed to optimize the existing slot under our license, which may result in the Government withdrawing our license. 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.

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, but 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.

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 investing in longer-term growth by prioritizing network quality and coverage, increasing their range of services and improving their customer experience. In recent years, competitors have offered promotions such as bonus data packages to attract customers, which has generally made the pricing environment in Indonesia less profitable. However, in 2022, the cellular industry continued the trend of gradually raising prices after a period of lower prices during the COVID-19 pandemic. This price competition occurred as a result of a pandemic-related decrease in consumers' purchasing power that has now largely receded in line with Indonesia's economic growth. It is difficult to predict whether this trend of increased prices will continue in the future, however, as the industry continually seeks to balance long-term profitability with competitive pricing pressures. This is particularly true as telecommunications companies face increased competition from OTT providers who benefit from the COVID-19 pandemic-related acceleration away from legacy communication services to data services. Further, many markets in major cities have become saturated, leaving cellular companies competing for each other's customers. As a result, cellular competitors began intensively extending their 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.

As the first cellular operator to offer 5G in Indonesia, Telkomsel expects 5G competition to increase in the future. Competition will especially include the need to compete and bid for spectrum allocation as it is made available by the relevant regulator as well as the funding of costs of deploying 5G infrastructure. Our 5G strategy increasingly involves IoT (which is mostly enabled by 5G technologies) but customers may not adopt IoT in the manner and numbers we anticipate. Further, if there is insufficient spectrum for us or spectrum is not available at suitable prices, it would negatively impact our 5G deployment strategy and prospects, which could have a material adverse effect on our business, results of operations and financial condition.

Our ability to compete on the basis of price may be limited for certain services. For tariffs that are within the scope of the Job Creation Law 2022, variations in selling prices may be limited because the Government may determine upper and lower price limits based on public interest and fair business competition principles. Upper limits may be determined in areas where only one telecommunications operator operates. Lower limits may be determined based on the Government's assessment of prevailing market conditions (for instance to prevent unfair business competition). MoCI Regulation No.5 of 2021 on Telecommunication Provision ("MoCI Regulation No. 5/2021") also stipulates that implementation of the upper and/or lower limit tariff must be preceded by evaluation by the MoCI, covering, among other things, market review, cost analysis, impact on the public interest, financial performance of the company, and the

continuity of such services. Currently, the MoCI is in the process of issuing an implementing regulation on Procedures for Determining The Tariffs of Telecommunication Services which has yet to be passed.

Our cellular services business, operated through our majority-owned subsidiary Telkomsel, competes primarily with Indosat Ooredoo Hutchison, which was formed upon the completion of the merger between PT Indosat Tbk ("Indosat") and PT Hutchison 3 Indonesia in January 2022, and XL Axiata. However, we are also facing increased competition from smaller operators that provide cellular services in Indonesia, such as PT Smartfren Telecom Tbk ("Smartfren Telecom"), which is part of the Sinar Mas Group.

There has been and we expect there could be further consolidation in our industry in the future. In January 2022, CK Hutchison and Qatar's Ooredoo completed the merger of their respective telecommunications businesses in Indonesia, PT Hutchison 3 Indonesia and Indosat. The merged company has been named Indosat Ooredoo Hutchison. Additional consolidation among cellular services providers may occur which may be driven by competitive factors as well as efforts to reduce operating costs and obtain wider spectrum allocation. In addition, the Government has tended to encourage consolidation, including through the enactment of the Job Creation Law 2022 which regulates telecommunications clusters, among other things, in an effort to promote healthier competition among fewer industry players with a better cost-efficiency profile and wider spectrum allocations. Furthermore, the consolidated entities resulting from past or future mergers within our industry may adversely affect our competitive position in the market and our business, results of operations, financial condition and prospects.

Consolidation of competitors for cellular services may also allow them to expand the geographic coverage of their integrated network infrastructure. In recent years, both Telkomsel and its competitors have acquired wider spectrum allocations as part of the Government's spectrum refarming initiative, or the repurposing of frequency bands. In 2019, we entered into a refarming arrangement with Indosat, a telecommunications operator in Indonesia, which was approved by the Government. This has allowed Indosat to improve the quality of their cellular services as well as to expand the amount of traffic that they can service through their network, which may allow them to expand their services and increase revenues. Further, in 2021, the Ministry of Communication and Information Technology launched refarming in the 2.3 GHz band to encourage more efficient use of spectrum. Furthermore, the Job Creation Law 2022 allows telecommunications operators to share network infrastructure and capacity on a B2B basis while applicable tariffs will remain determined by the operators and/or will remain based on the tariff formula as set out by the ICT ministry. Details relating to the implementation of such law are still unknown as at the date hereof since the implementing regulations have not been passed yet. See "– Risk Factors – Risks Related to Our Business – Operational Risks – We may in the future be required to share our network infrastructure and capacity with our competitors." Because we are the telecommunications operator with the most extensive network infrastructure in Indonesia, if capacity and network sharing pursuant to such regulation were not implemented on a B2B basis and such regulation were to become effective, it would allow our competitors to take advantage of our existing infrastructure without significant capital expenditure, which would have a significant impact on competition.

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 line 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. We seek to secure as much of the available spectrum as we expect to need for our operations but 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.

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

Telecommunication 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 30 MHz spectrum in the 2.3 GHz frequency band that we won at an auction in October 2017, 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. In 2023, we expect the Government to auction 112 MHz in the 700 MHz frequency band to be used for mobile data as a result of freeing up that spectrum from the switch from analog to digital television broadcasting (the analog switch-off). 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 network capability, advantage, and capacity availability and continue to make substantial investments in the construction of our infrastructure network, including our 4G/LTE and 5G infrastructure, to carry increasing 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. We launched our 4G/LTE services in 2014, and since then 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.

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. 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 by seeking opportunities to increase the share of fixed-rate loans in our overall loan portfolio based on prevailing interest rates available in the market at any given time while taking into account expectations of the market and ourselves as to future floating and fixed interest rates. As of December 31, 2022, approximately 56.1% (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.

Changes in the macroeconomic environment worldwide due to the military conflict in Ukraine, ongoing trade disputes between the United States and China, the COVID-19 pandemic, and resulting supply chain disruptions also had an impact on Southeast Asia and Indonesia. In an effort to support the Indonesian Rupiah and the Indonesian economy, Bank Indonesia has changed interest rates multiple times in recent years, particularly by decreasing its benchmark interest in 2020 to 3.75% and, in February 2021, the Bank Indonesia benchmark seven-day (reverse) repo rate was lowered to a record low of 3.50% per annum. Starting in 2022, the rate increased and is currently set at 5.75% per annum as at February

16, 2023. Higher inflation has caused central banks in several advanced and developing economies to increase interest rates in order to curb inflationary pressures. Further interest rate increases would increase financial costs associated with our floating rate loans, which could negatively impact 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, 2020, 2021 and 2022, our consolidated capital expenditures totaled Rp29,279 billion, Rp30,329 billion and Rp34,146 billion (US\$2,194 million), respectively. Our capital expenditures in 2022 remained at historically elevated levels similar to our capital expenditures in 2021. As in 2021, this reflected the impact of practical and operational difficulties relating to the deployment of such expenditures in the context of the COVID-19 pandemic and containment measures implemented in Indonesia, as well as weaker growth in demand from IndiHome subscribers since the number of IndiHome subscribers increased by 611,000 in 2022 compared with an increase of 585,000 in 2021. 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. The COVID-19 pandemic has impacted the financial performance of many businesses that are our customers, in part due to a significant slowdown in commercial activities and reduced demand for products and services in many markets. Challenging macroeconomic conditions and financial market volatility due to several factors such as increased interest rates, global inflationary trends, geopolitical tensions, the military conflict in 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, 2021 and 2022, our accounts receivable were approximately Rp8,705 billion and Rp8,895 billion, respectively. We regularly review the collectability and creditworthiness of our customers to determine an appropriate allowance for 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.

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 (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, we faced the allegation that we had violated the Business Competition Law by selling our bundling program which is marketed under the retail brand "IndiHome." This product allows customers to choose one or more of our services, which consist primarily of broadband internet, fixed wireline phone and interactive TV services, at a competitive price. Although the KPPU held that we did not violate the provisions in the Business Competition Law, the case highlights the risk that our business strategy could be challenged by our customers or regulators. We have from time to time received summons from the KPPU regarding alleged violations of the Business Competition Law, and even if none of them has resulted in rulings adverse to ourselves as of the date hereof, such proceedings and other proceedings could divert our management's attention.

In the future, existing or new regulators could find our business practices to have an anti-competitive effect, or could determine that we have violated relevant laws and regulations relating to anti-competition and anti-monopoly. If we are found to have violated any laws and regulations relating to anti-competition and anti-monopoly, we may be subjected to substantial liability such as payments of fines, the amount of which will be subject to the discretion of the courts, which could have a material adverse effect on our reputation, business, financial condition, results of operations, and prospects.

Regulatory Risks

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

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

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

The Government has stipulated in MoCI Regulation No. 5/2021 that all interconnection services must be migrated from Time Division Multiplexing (TDM)-based to IP-based platforms by December 31, 2024. In order to comply with this regulation, we will need to significantly change our existing infrastructure (which our competitors rely on in carrying out conventional interconnection services and pay tariffs to us) with the new technologies. Consequently, our revenue from interconnection services may decrease, and we will need to expend capital resources to change our infrastructure. The regulation also provides that during the transition period, the interconnection costs charged by us must remain the

same as those agreed in the existing Interconnection Offering Document (*Dokumen Penawaran Interkoneksi*) and Interconnection Agreement.

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

In addition to Indonesian laws and regulations, due to the nature of our business and the services we provide, we may be subject to the laws and regulations of other jurisdictions where we operate or have customers. In particular, regulators in various jurisdictions are increasingly scrutinizing how companies collect, process, use and analyze, store, share and transmit personal data. This increased scrutiny may result in new interpretations of existing laws, thereby further impacting our business. Recent regulations, such as the General Data Protection Regulation ("GDPR"), which went into effect in the EU on May 25, 2018, apply to the collection, use, retention, security, processing, and transfer of personally identifiable information of residents of certain countries, such as EU member states in the case of the GDPR. The GDPR created a range of new compliance obligations, and imposes significant fines and sanctions for violations. In Indonesia, after six years of deliberation, the Personal Data Protection law was issued on October 17, 2022, as Law No. 27 of 2022 on the Personal Data Protection (the "PDP Law"). The PDP Law is Indonesia's first comprehensive set of rules relating to personal data protection, covering both electronic and non-electronic personal data. The PDP Law aligns Indonesian law more closely with international data privacy standards such as the GDPR. It introduces new concepts and removes certain restrictive provisions under the data protection laws that were previously in place, including the requirement for both prior and post notification to the regulator on cross-border personal data transfers. It also allows for cross-border transfers of personal data to occur in certain situations without consent from the personal data subject and provides exemptions from data protections in certain contexts.

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

In addition, licenses obtained by us under applicable Indonesian laws and regulations may be subject to conditions, compliance with which may be expensive, difficult or impossible. It is possible that governmental authorities could take enforcement actions against us for our failure to comply with such regulations, including the aforementioned conditions. These enforcement actions could result, among other things, in the imposition of fines or the revocation of our licenses. Compliance with such regulations could require us to make substantial capital expenditures and consequently divert funds from our planned construction projects. We could also experience delays in our business schedules as a result of such compliance efforts. Each of the above could 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 telecommunication networks and telecommunication services. Tariffs on provisions of telecommunication networks consist of leased network and interconnection fees, whereas the tariffs on provisions of telecommunication services consist of tariffs for basic telephony, value added telephony and multimedia services, including internet services for retail customers. MoCI Regulation No. 5/2021 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 Directorate General on Post and Informatics ("DGPI") of the MoCI supervises the implementation of tariffs. Based on its supervision, the 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. This regulation also allows the public to participate in the supervision process by providing them the right to submit complaints and take other actions regarding tariffs that they may view as being unfairly charged by us. The MoCI, in its regulatory role of ensuring fair competition in the telecommunication industry and protecting public interest may effectively be able to set ceilings and floors on tariffs that we charge.

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

In accordance with Government regulation, the construction of BTS towers requires permits from the local government. 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 regulation requires 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. Practically, this allows our competitors to expand their networks by leasing space on and utilizing our telecommunications towers without having to expend capital expenditures to build their own telecommunications towers. As a result, our competitors may be able to expand their network quickly and grow their business quickly, particularly in urban areas where new space for additional towers may be difficult to obtain. In addition, our subsidiary PT Dayamitra Telekomunikasi ("Mitratel") is therefore subject to network sharing requirements in relation to the deployment of 5G technology. Depending on how such requirements are implemented, or whether more than one operator obtains a 5G license, this may reduce the availability of sites for building new BTS towers in some areas. In addition, any requirement that existing BTS towers be retrofitted to allow more than one operator to use them could create additional costs.

In order to operate our telecommunications towers, Indonesian regulations allow local governments to impose three types of fees: property tax (*Pajak Bumi dan Bangunan/PBB*), fees charged in connection with building approval (*Persetujuan Mendirikan Bangunan Gedung*) and telecommunication 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 difference in the amount of fees that we would be liable to pay to the relevant local governments. If these risks were to materialize, it could have 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 tower sites for various reasons, including aesthetic and alleged health concerns. As a result of such opposition, we could be required by the local authorities to dismantle and relocate certain towers. Opposition to the construction of new towers could also cause delays in the availability and completion of new towers. In extreme cases, vandalism could result in damaged equipment.

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

We are subject to numerous non-tax state revenue payments and 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 operator must pay the Telecommunication BHP and USO Contribution. Telecommunications operators that use a communications satellite must also pay a satellite orbit fee.

According to Law No. 36 of 1999 on Telecommunications (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 telecommunication-related licenses issued by the 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.

The interpretation and application of Law No. 27 of 2022 on Personal Data Protection may adversely affect our business, financial condition, results of operations and prospects

Law No. 11 of 2008 on Electronic Information and Transactions Law as amended by Law No. 19 of 2016 ("EIT Law") sets forth general principles to be further implemented through a series of Government regulations, presidential decrees and ministerial decrees, some of which have not yet been promulgated. In general, the provisions of the law are broad, and few sources of interpretive guidance are available. A number of implementing regulations to the EIT Law have been enacted, among them Government Regulation No. 71 of 2019 on Implementation of Electronic System and Transaction, and MoCI Regulation No. 5 of 2020 on Private Electronic System Operators ("GR No. 71/2019"). These regulations remain applicable so long as they do not contradict the PDP Law. Further, following the enactment of the Job Creation Law 2022, Government Regulation No. 46 of 2021 on Post, Telecommunication and Broadcasting ("GR No.46/2021") was passed which made recent changes to certain regulatory provisions that apply to the telecommunications sector.

The Indonesian government enacted the PDP Law on October 17, 2022. The PDP Law is Indonesia's first comprehensive set of rules relating to personal data protection, covering both electronic and non-electronic personal data, and is to be further implemented through future implementing regulations. Among other things, the PDP Law removes certain restrictive provisions, such as requirements for notifying regulators both before and after cross-border transfers of personal data. In addition, the PDP Law provides for the establishment of a new governmental body (lembaga) to carry out personal data protection, though the name and details of such governmental body remain unclear. The PDP Law also provides a two-year transitional period from the enactment of the PDP Law for personal data controllers, personal data processors and other parties related to the processing of personal data to comply with the PDP Law. At this stage, only limited sources of interpretive guidance are available, and subsequent implementing regulations remain to be issued.

GR No. 71/2019 has implemented a number of significant changes, including requiring us to register our electronic systems with the MoCI and take down prohibited content within 24 hours or, upon receipt of a take-down notice from the MoCI, within four hours.

In light of the above, the full impact of the PDP Law, the related implementing regulations and any change in Indonesian data protection regulations on our financial and operational status cannot be determined at this time. We may not be able to comply with the PDP Law, and compliance may require us to make substantial capital expenditure or delays in our business schedules.

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 Bank Indonesia ("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 carry out e-money activities in Indonesia must first obtain a payment services provider (*Penyedia Jasa Pembayaran* - "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 requirements for licensing.

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 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 telecommunications, such as in the areas of digital life, smart platform and enterprise ICT, as well as international expansion, are necessary to ensure continuing business growth. Risks related to new business development include competition from established players, suitability of 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, 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 fixed-mobile convergence, accompanying and fostering the digitalization of Indonesian businesses and governmental agencies, the implementation of the National Digital Platform, 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, 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 2020, Mitratel entered into a conditional sale and purchase agreement for the acquisition of 6,050 telecommunications towers from our majority-owned subsidiary PT Telekomunikasi Selular ("Telkomsel"), 1,911 of which were transferred to Mitratel in October 2020 with the remaining balance similarly transferred in February 2021. In 2021, Mitratel acquired 4,000 telecommunications towers from Telkomsel and in 2022, Mitratel acquired an additional 6,000 telecommunications towers from Telkomsel. In February 2023, Mitratel further acquired 997 telecommunication towers from Indosat. The success of these acquisitions will depend, in part, on our ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses with our existing businesses. Based on the size and complexity of certain businesses, integrating them into our existing business could require substantial time, expense and effort from our management. The process of integrating an acquired business may also involve unforeseen costs and delays or other operational, technical and financial difficulties that may require a disproportionate amount of management attention as well as financial and other resources. If our management's attention is diverted or there are any difficulties associated with integrating these businesses, our results of operations could be adversely affected.

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

Risks Related to our Corporate Structure

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

We derived 61.5%, 61.0% and 58.0% of our revenue in 2020, 2021 and 2022, respectively, from our mobile business through our 65.0% majority-owned subsidiary, Telkomsel. The remaining 35.0% interest in Telkomsel is held by Singapore Telecom Mobile Pte. Ltd. ("Singtel"). A telecommunication company based in Singapore, Singtel may seek to influence the management, operation and performance of Telkomsel. In the event that there are differences between us and Singtel regarding the business, strategy and operations of Telkomsel, these issues may take time to resolve, or may not result in a positive outcome for our Group. These factors could materially and adversely affect our business, financial condition 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 more efficiently use our resources and unlock their value. As we focus on the development of our digital offerings, including smart platforms and digital services, we have started regrouping our teams, resources and assets under one corporate entity. We also aim to empower our regional entities to foster our ability to better adapt our offering to local markets and react in a more timely fashion to changes in such markets, for instance due to local competitors or the expansion of the offerings or networks of national or regional competitors in such markets. These projects, however, have been delayed and we may experience further delays. In addition, during a transition period, we may incur costs inherent to the implementation of such projects without such projects producing their expected effects on our businesses, competitiveness, costs and synergies, which could have a negative effect on our financial condition and results of operations.

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

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

As of December 31, 2022, the Government through PT Perusahaan Pengelola Aset (Persero), held a 9.63% equity interest in Indosat Ooredoo Hutchison, which competes with us in cellular services, data center services, IT solutions, system integration services, and fixed IDD telecommunication services. The Government's equity interest in Indosat Ooredoo Hutchison also includes a Dwiwarna Share which has special voting rights and veto rights over certain strategic matters under Indosat Ooredoo Hutchison'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 Indosat Ooredoo Hutchison or favor Indosat Ooredoo Hutchison or any other telecommunications operator when exercising regulatory powers over the Indonesian telecommunications industry. If the Government were to give priority to the business of Indosat Ooredoo Hutchison or any other telecommunications operator over ours, or to expand its equity interest in Indosat Ooredoo Hutchison 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, as well as general social and civil unrest. Indonesia also has many political parties, and winning a clear electoral majority has proven challenging for any political party to date. These events have resulted in political instability, as well as 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 Indonesian cities both for and against former presidents Abdurrahman Wahid, Megawati Soekarnoputri and Susilo Bambang Yudhoyono and current President Joko Widodo as well as in response to specific issues, including fuel subsidy reductions, privatization of state assets, anti-corruption measures, decentralization and provincial autonomy, and the American-led military campaigns in Afghanistan and Iraq. Although these demonstrations have generally been peaceful, some have turned violent. In 2016 and 2017, significant demonstrations took place in central Jakarta against the governor of Jakarta. More recently, after Joko Widodo won the presidential election in 2019, allegations of electoral fraud led to a rally against Joko Widodo in Central Jakarta that ended with 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. This situation or future sources of discontent 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 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 Papua by separatist rebels that has led to violent incidents. There have also been inter-ethnic conflicts, for example in Kalimantan, as well as inter-religious conflict such as in Maluku and Poso.

In August 2019, after the arrest of Papuan students for allegedly vandalizing the Indonesian flag, riots broke out in Papua. The riots caused a Telkom customer service building to be damaged in 2019, but this did not result in significant issues, service interruption or damages. Should similar unrest occur in the vicinity of our operations in the future, our business and operations may be adversely affected.

Occasional efforts to reduce labor protections have prompted public protests. Passage of the Job Creation Law 2020 led to numerous protests across Indonesia in 2020 and 2021. This law amended more than 70 existing laws with the stated purposes of easing administrative requirements and increasing investments for creating new jobs, but opponents claimed that the Job Creation Law 2020 would generally undermine existing labor laws and weaken environmental protections. In response to legal challenges, the Constitutional Court of Indonesia declared the law to be "conditionally unconstitutional" in 2021, allowing the law to remain valid but requiring the Government and the house of representative 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 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.

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.

The New Criminal Code is a complete overhaul of the old criminal code. 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, including the May 2005 bombing in Central Sulawesi, the Bali bombings in October 2002 and October 2005 and the bombings at the JW Marriot and Ritz Carlton hotels in Jakarta in July 2009, which resulted in deaths and injuries. On January 14, 2016, several coordinated bombings and gun shootings occurred in Jalan Thamrin, a main thoroughfare in Jakarta, resulting in a number of deaths and injuries. On May 24, 2017, a bombing at a bus station in Jakarta resulted in multiple deaths and injuries. In May 2018, three churches were bombed in Surabaya, killing at least 28 people and injuring at least 50 others. On October 10, 2019, Wiranto, Indonesia's Coordinating Minister for Political, Legal and Security Affairs at that time was stabbed several times by a member of Jamaah Ansharut Daulah, an extremist group, during his visit in Java. More recently, a bombing at a Catholic church in Makassar on March 28, 2021 injured more than 20 people and a bombing in Bandung, West Java on December 7, 2022, killed one person and injured seven people.

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

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

Since 1999, various laws and regulations regarding fiscal decentralization, devolution of power to local governments and regional autonomy, among other things, were implemented, amended, revoked or replaced. As at the date hereof, there is uncertainty in respect of the respective prerogatives, responsibilities and the balance of power between the local and central governments regarding several subject matters. Those include procedures for renewing licenses and approvals, and monitoring compliance with environmental regulations. In addition, local authorities have from time to time sought to levy additional taxes or obtain new contributions. Such uncertainty may not dissipate and our business, financial condition, results of operations and prospects may be adversely affected by dual compliance obligations and further uncertainty as to the legality of new taxes by certain authorities or the ability of such authorities to promulgate other regulations affecting our business.

Macroeconomic Risks

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

Changes in the Indonesian, regional and global economies can affect our performance. Two significant events in the past that impacted Indonesia's economy were the Asian economic crisis of 1997 and the global economic crisis which started in 2008. The 1997 crisis was characterized in Indonesia by, among other things, currency depreciation, a significant decline in real gross domestic product, high interest rates, social unrest and extraordinary political developments. Indonesia entered a recessionary phase with relatively low levels of growth between 1999 and 2002. The rate of growth has stabilized at relatively higher levels in subsequent years, though there has been a moderate slowdown in growth from 2012 to 2016 with slight development over the following years, except in 2020, principally due to the negative impact of the COVID-

19 pandemic and containment measures implemented in response to the pandemic. Indonesia's economy started to recover moderately in 2021. All sectors experienced growth, primarily driven by government spending, production sectors, higher domestic consumption and strong export/import demand, according to the Indonesian Central Bureau of Statistics and Bank of Indonesia. The Indonesian Government raised its budget for the National Economic Recovery program in order to strengthen the economy and aid in economic development. However, the current Indonesian economic situation may deteriorate, which could have an adverse effect on our business, financial condition, results of operations and prospects.

While the global economic crisis that arose from the subprime mortgage crisis in the United States did not affect Indonesia's economy as severely as in 1997, it still put Indonesia's economy under pressure. Global financial markets have also experienced volatility as a result of expectations relating to monetary and interest rate policies of the United States, Brexit, heightened tensions in international economic relations such as trade disputes between the United States and China, concerns over China's economic health, the impact of the COVID-19 pandemic and related restrictions on the global economy, economic protectionism, and most recently, the military conflict in Ukraine and related geopolitical tensions with Russia. The economic and social impact of the COVID-19 pandemic, further escalation of trade and geopolitical tensions, and persistently high inflation are among the possible triggers that could result in a major deterioration in financial market sentiment. Trade tensions between the U.S. and major trading partners, most notably China, have escalated in recent years following the introduction of a series of tariff measures in both countries. Although China is the primary target of U.S. trade measures, value chain linkages mean that other emerging markets, primarily in Asia, may also be impacted. China's policy response to these trade measures also presents a degree of uncertainty. There is some evidence of China's monetary policy easing and the potential for greater fiscal spending, which could result in imbalances in the Chinese economy. This could undermine efforts to address already high debt levels and increase medium-term risks.

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. 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 a regional conflict and otherwise have a lasting impact on regional and global economies. These negative economic developments have adversely affected both developed economies and developing markets, including Indonesia and other economies in Southeast Asia. More recently, 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. There may be a recurrence of economic instability in future that could have an impact on the performance of our business.

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

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

Historically, the Indonesian Rupiah has been subject to significant depreciation and volatility against the U.S. Dollar and other foreign currencies. From a 2021 high of Rp14,219 to US\$1.00 on December 24, 2021, the Rupiah depreciated in 2022 to a low of Rp15,731 to US\$1.00 on November 30, 2022, (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, Bank Indonesia has intervened in the currency exchange markets in furtherance of its policies, either by selling Indonesian Rupiah or by using its foreign currency reserves to purchase Indonesian Rupiah. The current floating exchange

rate policy of Bank Indonesia 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.

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. In 2021, the annual inflation rate in Indonesia was 1.87% (calculated on the basis of the 2018 consumer price index) and rose to 5.51% in 2022. 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 2022, 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. Indonesia's short-term foreign currency debt is rated "A-2" by Standard & Poor's and "F2" 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 due to the effects of the COVID-19 pandemic. 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

Any national or regional inflation of wages will directly and indirectly increase our operating costs and thus decrease our profit margin. Over the past ten 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 convergence zone of three major lithospheric plates. It is subject to significant seismic activity that can lead to destructive earthquakes, tsunamis or tidal waves. Flash floods and more widespread flooding also occur regularly during the rainy season from November to April. Cities, especially Jakarta, are frequently subject to severe localized flooding which can result in major disruption and, occasionally, fatalities. Landslides regularly occur in rural areas during the wet season. From time to time, natural disasters have killed, affected or displaced large numbers of people and damaged our equipment. These events in the past have disrupted, and may in the future, disrupt our business activities, cause damage to equipment, and adversely affect our financial performance and profit.

For example, on September 2, 2009, an earthquake in West Java caused damage to our assets. On September 30, 2009, an earthquake in West Sumatra disrupted the provision of telecommunications services in several locations and caused severe damage to our assets. In June 2016, underwater volcanic activity caused disturbances to a submarine cable, causing disruption in services and loss of revenue. On August 5, 2018, a large earthquake hit Lombok and on September 28, 2018, a large earthquake triggered a tsunami which impacted Central Sulawesi, both of which caused operational disruptions and damage to our assets. In January 2020, landslides and floods triggered by torrential downpours in and around Jakarta, Bekasi and Bogor resulted in approximately 50 deaths and 400,000 displaced. Floodwater reached up to six meters in certain areas, making it the worst rainfall in over a decade. The extreme weather also submerged at least 169 neighborhoods. The landslides and floods caused damage to our civil mechanical and electrical equipment, production equipment, and buildings. This resulted in the congestion of data traffic when transferring data to our backup network and therefore, several hours of service disruption at various automatic telephone center (*Sentral Telepon Otomat* or "STO"). The estimated loss from the damages caused by the landslides and floods was Rp36.2 billion, out of which we had to bear approximately Rp2.0 billion after taking into account reimbursements obtained from insurance companies. There were also incidents of floods, weak tornados (*puting beliung*) and landslides in various regions in Indonesia between January and April 2021. On December 6, 2021, Mount Semeru, an active volcano, erupted and cut the telecommunications cable network (backbone) of cellular operators, requiring Telkom to reroute traffic to maintain telecommunication services in the area. Further, the island of Java has been impacted by strong earthquakes as recently as 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, 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, 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 policy-making 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 have significant impacts on us by increasing potential 'transition risks' for us, including requiring us to invest resources to comply with regulations or pay taxes on greenhouse gas emissions, adding environmental monitoring and reporting, and increasing the regulation and cost of our energy use since the cost of electricity for the operation of our networks is a key energy-related operating expense. In addition, customer and public perception of our efforts to mitigate climate change may limit demand for our products and services if people believe our efforts to be less committed or effective than those of our competitors.

If governments fail to enact policies that limit 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, impacted regions in which we operate, may damage our infrastructure and may cause failures of our 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. In addition, rising temperatures could increase our operating costs due to an increase in the refrigeration needs of our network equipment and an increase in equipment failures, write-offs and early retirement, which 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, including the global and regional impacts of the COVID-19 pandemic;
- sales volumes of our ADSs or ordinary shares, or sales of our ADSs or shares by our senior management, directors or our large shareholders, or the anticipation that such sales may occur in the future;

- stock market price and volume fluctuations of comparable companies and, in particular, companies that operate in the telecommunications industry or with most of their operations in Indonesia;
- investors' general perception of us and our business;
- announcements of new products, services and expansions by us or our competitors;
- changes in financial estimates or recommendations by securities analysts;
- detrimental adverse publicity about us, our services or our industry;
- additions or departures of key personnel; and
- potential litigation or regulatory investigations.

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

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

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

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

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

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

In accordance with the regulations of the OJK and the Indonesia Stock Exchange ("IDX"), we are required to report our financial results to the OJK in conformity with IFAS. We have provided the OJK with our financial results for the year ended December 31, 2022, on March 24, 2023. We furnished such financial results to the SEC on Form 6-K dated March 24, 2023, which contains our Consolidated Financial Statements as of and for the year ended December 31, 2022, 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 would be Rp20,804 billion in 2020, Rp24,760 billion in 2021 and Rp20,753 billion in 2022, and our net income per share would

be Rp210.01 in 2020, Rp249.94 in 2021 and Rp209.49 billion in 2022. For 2020, dividends declared per share were Rp168.01 and dividends declared per ADS were Rp16,801. For 2021, dividends declared per share were Rp149.97 and dividends declared per ADS were Rp14,997. The dividend for 2022 will be decided at the 2023 AGMS, scheduled for May 30, 2023.

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

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

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

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

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

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

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

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

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

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

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.