

**INFORMATION TO SHAREHOLDERS
IN RELATION TO THE PROPOSED SHARES BUYBACK OF
PT PROVIDENT AGRO TBK (“THE COMPANY”)**

This Information is important to be read by the shareholders of the Company

If you have difficulty understanding this information or uncertain in making decision, you should consult to stock broker, investment manager, legal counsel, accountant or other professional advisers.

The Board of Commissioners and Board of Directors of The Company, whether individually or jointly, shall take full responsibility for the accuracy and completeness of all information or material facts contained in this information and confirm that to the best of the Company's knowledge, there is no relevant and important facts that are not disclosed that can cause the information or material facts in this information to be incorrect and/or misleading.



Provident Agro

PT Provident Agro Tbk

Business Activities:

Developing and Operating Palm Oil Plantations, Processing Palm Oil and Trading Plantation Products through the Subsidiaries.

Head Office:

Generali Tower, Gran Rubina Business Park, Lantai 17 D, G, H
Kawasan Rasuna Epicentrum

Jl. H.R. Rasuna Said, Jakarta 12940

Telepon: (62-21) 21572008 Faksimili: (62-21) 21572009

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Email: investor.relation@provident-agro.com

The Company hereby informs the shareholders that the Company intends to conduct buyback on the Company's shares that have been issued and listed on The Indonesia Stock Exchange (“**IDX**”) with allocation of the fund up to Rp54.276.000.000,- (fifty four billion, two hundred and seventy six million rupiah) to buy up to 110.000.000 (one hundred and ten million) shares of the Company or up to 1,55% (one point five five percent) of the total issued and paid-up capital of The Company (“**Company Shares Buyback**”) which will be done gradually over a period of 6 (six) months commencing from the approval on the Company Shares Buyback by The General Meeting of Shareholders as regulated under the Law no. 40 of 2007 on Limited Liability Companies (“**Companies Law**”), Otoritas Jasa Keuangan Regulation No. 15/POJK.04/2020 on Plan and Implementation of General Meeting of Shareholders of Public Company (“**OJK Regulation 15/2020**”), and Otoritas Jasa Keuangan Regulation No. 30/POJK.04/2017 on Shares Buyback by Issuers or Public Companies (“**OJK Regulation 30/2017**”).

Extraordinary General Meeting Shareholders (“**EGMS**”) of The Company to approve the implementation of Company Shares Buyback will be on 25 August 2021 in Jakarta.

This Disclosure of Information is published on 19 July 2021

THE TIMELINE OF COMPANY SHARES BUYBACK

1	EGMS Announcement	19 July 2021
2	Announcement of Company Shares Buyback Disclosure through the IDX website, the Company website www.provident-agro.com , and easy.KSEI system	19 July 2021
3	EGMS Invitation	3 August 2021
4	EGMS of The Company to approve the implementation of Company Shares Buyback.	25 August 2021
5	The announcement of summary of EGMS	27 August 2021
6	The Period of Company Shares Buyback	27 August 2021 Until 26 August 2022

INFORMATION REGARDING COMPANY SHARES BUYBACK

The Disclosure of Information as set out in this announcement is made for the benefit of shareholders to have full information on the proposed Company Shares Buyback to decide on the proposed Company Shares Buyback with allocation of the fund up to Rp54.276.000.000,- (fifty four billion,two hundred and seventy six million rupiah) to buy up to 110.000.000 (one hundred and ten million) shares of the Company or up to 1,55% (one point five five percent) of the total issued and paid-up capital of The Company.

A. BACKGROUND, CONSIDERATION AND PURPOSE OF THE COMPANY SHARES BUYBACK

The implementation of the Share Buyback is to increase shareholder value and the performance of the Company's shares, so that it will provide great flexibility to the Company in managing capital to achieve an efficient capital structure.

B. ESTIMATED COST OF COMPANY SHARE BUYBACK, ESTIMATED NOMINAL VALUE OF THE COMPANY SHARES BUYBACK

The fund to be allocated by The Company in relation to the Share Buyback will be up to Rp54.276.000.000,- (fifty four billion,two hundred and seventy six million rupiah) including transaction fees, brokerage fees and other expenses in relation to the Share Buyback.

The aggregate amount of shares to be bought back by the Company is up to 110.000.000 (one hundred and ten million) shares of the Company or up to 1,55% (one point five five percent) of the total issued and paid-up capital of The Company.

C. THE COMPANY'S PLAN IN THE RESPECT OF THE BUYBACK SHARES

The Company plans to keep the shares that have been bought back as treasury shares for maximum 3 (three) years, however, The Company can at any time transfer these treasury shares (according to article 15 OJK Regulation 30/2017) through the following methods:

1. Sell in the market of off market;
2. Cancellation through capital reduction;
3. Employee stock option plan or employee stock purchase plan; or

4. Equity conversion funding

The shares that have been bought back do not have voting rights in the general meeting of shareholders and cannot be counted to define a quorum and those shares are not entitled to dividend.

D. LIMITATION of THE COMPANY SHARES BUYBACK PERIOD

The Company plans to commence the Company Share Buyback after the Company obtains the approval from the EGMS, which falls on 27 August 2021 until 26 August 2022 and/or other date as determined by EGMS by taking into consideration the applicable rules and regulations.

E. LIMITATION OF SHARE PRICE IN RELATION TO THE COMPANY SHARES BUYBACK

The offering price for Company Shares Buyback conducted through the IDX shall be lower or equal to the transaction price that occurred previously as regulated in Article 10 OJK Regulation 30/2017.

F. PROCEDURE FOR THE COMPANY SHARES BUYBACK TRANSACTION

1. The Company will appoint PT Indo Premier Sekuritas as the member of IDX, to buy back the shares from 27 August 2021 until 26 August 2022 and/or other dates as determined by the EGMS by taking into considerations applicable rules and regulations.
2. The Company Shares Buyback will be done through IDX.
3. The Company Shares Buyback price shall be less than or equal to the previous transaction price.
4. The Following parties :
 - a. Commissioner, director, employee and the majority shareholder;
 - b. Any individual due to its profession or business relationship with The Company which may give that particular individual insider information; or
 - c. Any Party who is in the past 6 months no longer be a party as disclosed in point a and b above, is prohibited to conduct transaction on the Company's shares on the same days as the day of Company Shares Buyback or any sale or shares resulting from the Company's shares buyback through the Stock Exchange.

MANAGEMENT DISCUSSION AND ANALYSIS

I. ESTIMATED DECREASE OF COMPANY'S EARNING AS A RESULT OF THE COMPANY SHARES BUYBACK AND THE IMPACT OF FINANCING COST OF THE COMPANY

The Company believe Company Shares Buyback may not reduce the income of The Company. Using the assumption that The Company will use the total fund amounted to Rp54.276.000.000,- (fifty four billion,two hundred and seventy six million rupiah), total assets and total equity of The Company will decrease. However The Company believes that the implementation of The Company Shares Buyback transaction will not give significant negative impact to The Company's operation considering that the Company has enough working capital and cash flow availability to fund the transaction as well the Company's operations.

II. PROFORMA COMPANY'S EPS AFTER THE COMPANY SHARES BUYBACK BY TAKING INTO ACCOUNT THE DECREASE IN EARNINGS

Due to the Company Shares Buyback may not reduce the income of The Company, there is no changes on The Company's pro forma earnings.

III. MANAGEMENT DISCUSSION AND ANALYSIS RELATED TO THE IMPACT OF COMPANY SHARES BUYBACK TO THE COMPANY'S OPERATIONS AND GROWTH.

The Share Buyback is expected not to have any impact to the business and operational activities of the Company. The Company Shares Buyback also expected to maintain the stability of stock prices in the future and have a positive impact on shareholders and the Company.

REKOMENDATION

Regarding the explanations and descriptions above, The Board of Directors explain that the Company Shares Buyback plan has been approved in the meeting of The Board of Directors and Board of Commissioners. Therefore The Boards of Directors propose to the shareholders to approve The Company Shares Buyback plan at EGMS that will be held on 25 August 2021 and/or other date that the as the delay or the sequel.

THE GENERAL MEETING OF SHAREHOLDERS

The Company intends to obtain the approval of the shareholders regarding The Company Shares Buyback at The EGMS that will be held on Wednesday, 25 August 2021.

Pursuant to the Company's Article Association, OJK Regulation 15/2020, and OJK Regulation 30/2017, the Company Share Buyback requires EGMS approval which must be attended by shareholders or their valid proxies representing at least 2/3 (two thirds) of the total shares with lawful voting rights and must be approved by more than 2/3 (two thirds) of the total votes cast at the EGMS.

ADDITIONAL INFORMATION

For further information in respect of the above, shareholders may contact The Company during business hour at:

PT Provident Agro Tbk.

Corporate Secretary

Generali Tower, Gran Rubina Business Park, Lantai 17 D, G, H

Kawasan Rasuna Epicentrum

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