

## DISCLOSURE OF INFORMATION TO SHAREHOLDERS OF PT DELTA DUNIA MAKMUR TBK (THE “COMPANY”)

THIS DISCLOSURE OF INFORMATION TO SHAREHOLDERS IS PROVIDED BY THE COMPANY IN RELATION TO (A) THE ACQUISITION BY THE COMPANY’S CONTROLLED COMPANY, AMERICAN ANTHRACITE SPV I, LLC, OF ATLANTIC CARBON GROUP, INC., WILDCAT CARBON PROCESSING LLC., AMERICAN CARBON WAREHOUSING LLC., NEWCASTLE ANTHRACITE COMPANY, AND THE CENTRAL PENNSYLVANIA ANTHRACITE COMPANY LLC (“ACQUISITION”) AND (B) THE SIGNING OF INTERCOMPANY LOAN BETWEEN THE COMPANY’S CONTROLLED COMPANIES, NAMELY PT BUKIT MAKMUR MANDIRI UTAMA AND AMERICAN ANTHRACITE SPV I, LLC (“INTERCOMPANY LOAN”). THIS DISCLOSURE OF INFORMATION IS PROVIDED IN COMPLIANCE WITH THE FINANCIAL SERVICES AUTHORITY (OTORITAS JASA KEUANGAN / “OJK”) REGULATION NUMBER 17/POJK.04/2020 ON MATERIAL TRANSACTION AND CHANGE OF BUSINESS ACTIVITY (“OJK REGULATION 17/2020”) AND OJK REGULATION NO. 42/POJK.04/2020 ON AFFILIATED TRANSACTION AND CONFLICT OF INTEREST TRANSACTION (“OJK REGULATION 42/2020”).

BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS STATED THAT THE ACQUISITION CONSTITUTES A MATERIAL TRANSACTION, AND THE INTERCOMPANY LOAN CONSTITUTES AS A MATERIAL TRANSACTION AND AFFILIATED TRANSACTION FOR THE COMPANY UNDER OJK REGULATION 17/2020 AND OJK REGULATION 42/2020.

THE INFORMATION AS STATED IN THIS DISCLOSURE OF INFORMATION IS IMPORTANT TO BE READ AND CONSIDERED BY THE SHAREHOLDERS OF THE COMPANY.

IF YOU FIND ANY DIFFICULTY TO UNDERSTAND THE INFORMATION AS STATED IN THIS DISCLOSURE OF INFORMATION OR HESITATE TO MAKE A DECISION, YOU SHOULD CONSULT WITH A SECURITIES TRADER, INVESTMENT MANAGER, LEGAL CONSULTANT, PUBLIC ACCOUNTANT, OR OTHER PROFESSIONAL CONSULTANTS.



### Business Activities

Service, Mining, Trading, Development and/or Construction

Domiciled in South Jakarta, Indonesia

### Head Office:

South Quarter Tower A, Penthouse Floor  
Jl. R.A. Kartini Kav. 8, Cilandak Barat  
Jakarta 12430, Indonesia  
Phone +6221.3043.2080 Fax. +6221.3043.2081  
Website: [www.deltadunia.com](http://www.deltadunia.com)  
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THE COMPANY'S BOARD OF DIRECTORS STATED THAT THE INFORMATION AS STATED IN THIS DISCLOSURE OF INFORMATION IS FOR THE PURPOSE OF PROVIDING INFORMATION AND COMPLETE DESCRIPTION TO THE COMPANY'S SHAREHOLDERS REGARDING THE ACQUISITION AND INTERCOMPANY LOAN AS PART OF THE COMPLIANCE OF THE COMPANY TO OJK REGULATION 17/2020 AND OJK REGULATION 42/2020.

THE BOARD OF DIRECTORS AND THE BOARD OF COMMISSIONERS, SEVERALLY AND JOINTLY, ARE FULLY RESPONSIBLE FOR THE ACCURACY AND THE COMPLETENESS OF THE INFORMATION OR MATERIAL FACTS AS STATED IN THIS DISCLOSURE OF INFORMATION, AND DECLARE THAT AFTER GIVING DUE AND CAREFUL EXAMINATION, EMPHASIZE THAT THE INFORMATION STATED IN THIS DISCLOSURE OF INFORMATION IS CORRECT AND THAT THERE ARE NO RELEVANT AND MATERIAL FACTS OMITTED WHICH CAN CAUSE THE INFORMATION STATED HEREIN TO BE UNTRUE AND/OR MISLEADING.

This Disclosure of Information is issued on 1 July 2024

## DEFINITION

**Affiliate** means parties as referred to in Law 4/2023:

- (i) familial relationships, due to marriage and descent up to the second degree, both horizontally and vertically which consists of a relationship between a person and:
  - a. husband or wife;
  - b. parents of the husband or wife and husband or wife of the child;
  - c. grandparents of the husband or wife and husband or wife of the grandchildren;
  - d. relative of the husband or wife including the husband or wife of the said relative member; or
  - e. husband or wife of a relative.
- (ii) familial relationships due to marriage and descent up to the second degree, both horizontally and vertically, which consists of a relationship between a person and:
  - a. parents and children;
  - b. grandparents and grandchildren; or
  - c. relatives.
- (iii) relationships between a party with an employee, director, or commissioner of that party;
- (iv) relationships between 2 (two) or more companies with at least 1 (one) common director, committee, commissioner or supervisor;
- (v) relationships between a company and a party, either directly and indirectly, in any manner, controlling or being controlled by that company or party in determining management and/or policies of that company or party;
- (vi) relationships between 2 (two) or more companies controlled, directly and indirectly, both directly or indirectly, in any manner, in determining the management and/or policies of that company by the same party; or
- (vii) relationships between a company and its principal shareholders who directly or indirectly own at least 20% voting rights within the company.

**IDX** means Indonesia Stock Exchange.

**Share Registrar** means a party based on contract with the issuer and/or issuer of securities carrying out the recording of ownership of securities and distribution of rights related to securities, in this case PT Datindo Entrycom, domiciled in Central Jakarta.

**BUMA** means PT Bukit Makmur Mandiri Utama, limited liability company, duly incorporated and organized under the laws of the Republic of Indonesia, domiciled in South Jakarta.

**Board of Commissioners** means Board of Commissioners serving in the Company as of the date of this Disclosure of Information is made.

**Directors** means the member of Board of Directors serving in the Company as of the date of this Disclosure of Information is made.

**Board of Directors** means Board of Directors serving in the Company as of the date of this Disclosure of Information is made.

**Public Accounting Firm** means Public Accounting Firm Aria Kanaka & Rekan member of Forvis Mazars Indonesia.

**Disclosure of Information** means this Disclosure of Information provided to the Company's Shareholders in order to comply with OJK Regulation 17/2020 and OJK Regulation 42/2020.

**KJPP** means Ihot Dollar & Raymond, independent appraiser registered in the OJK appointed by the Company to provide an appraisal report and fairness opinion on the Acquisition and Intercompany Loan.

**Commissioners** means the member of the Board of Commissioners serving in the Company as of the date of this Disclosure of Information is made.

**Company Financial Statements** means as Consolidated Financial Statements of the Company as of 31 December 2023, which have been audited by Public Accounting Firm based on report No. 00086/2.1011/AU.1/10/1013-3/1/III/2024 dated 13 March 2024, with an unmodified opinion.

**Share Valuation Report** means Report on Share Valuation Number 00066/2.0110-00/BS/02/0113/1/VI/2024 dated 14 June 2024 prepared and issued by KJPP.

**Target Companies' Audited Report** means Report on Supplementary Information Atlantic Group, Inc and Affiliates as of 31 December 2023.

**Minister** means Minister of Law and Human Rights of the Republic of Indonesia, as amended from time to time.

**OJK** means Financial Services Authority (*Otoritas Jasa Keuangan*), an independent state institution, whose duties and authorities covers regulatory, supervisory, inspection, and investigation as stipulated in Law 4/2023.

**Purchaser** means American Anthracite SPV I, LLC, a limited liability company, duly incorporated and organized under the laws of Delaware, United States.

**Shareholders** means the Company's shareholders whose names are registered in the Company's shareholders register issued by the Share Registrar.

**Fairness Opinion** means Fairness Opinion Report on Proposed Transaction Number 00080/2.0110-00/BS/02/0113/1/VI/2024 dated 25 June 2024 prepared and issued by KJPP.

**Acquisition** means purchase of shares by the Purchaser from the Seller: (i) 100% shares of Atlantic Carbon Group, Inc and its subsidiaries; (ii) 100% shares of Wildcat Carbon Processing LLC; (iii) 100% shares of American Carbon Warehousing LLC; (iv) 100% shares of Newcastle Anthracite Company; and (v) 100% shares of The Central Pennsylvania Anthracite Company LLC.

**Seller** means ACG Holdings, Inc, a limited liability company, duly incorporated and organized under the laws of Delaware, United States.

**OJK Regulation 31/2015** means OJK Regulation No. 31/POJK.04/2015 dated 22 December 2015 on Disclosure of Information or Material Fact by the Issuer or Public Company.

**OJK Regulation 17/2020** means OJK Regulation No. 17/POJK.04/2020 dated 20 April 2020 on Material Transactions and Changes in Business Activities.

**OJK Regulation 42/2020** means OJK Regulation No. 42/POJK.04/2020 dated 1 July 2020 on Affiliated Transaction and Conflict of Interest Transactions.

**Stock Purchase Agreement** means the stock purchase agreement dated 3 June 2024 between the Purchaser and the Seller in connection with the share purchase of the Target Companies by the Purchaser.

**Company** means PT Delta Dunia Makmur Tbk, a publicly limited liability company whose shares are listed on Indonesian Stock Exchange, duly incorporated and organized under the laws of the Republic of Indonesia, domiciled in South Jakarta.

**Target Companies** means Atlantic Carbon Group, Inc and its subsidiaries, Wildcat Carbon Processing LLC., American Carbon Warehousing LLC., Newcastle Anthracite Company, and The Central Pennsylvania Anthracite Company LLC, all of which are a limited liability company, duly incorporated, and organized under the laws of Delaware, United States.

**Controlled Company** means any company which is directly or indirectly controlled by the Company as defined in OJK Regulation 17/2020.

**Intercompany Loan** means intercompany loan agreement dated 25 June 2024 in the amount of maximum USD80,000,000 from BUMA to the Purchaser.

**Transaction** means the Acquisition and the Intercompany Loan.

**USD** means United States of America Dollar, a legal currency of the United States of America.

**Law 4/2023** means Law No. 4 of 2023 on Development and Strengthening of the Financial Sector dated 12 January 2023.

## RECITALS

The information as contained in this Disclosure of Information is made in order to fulfill the Company's obligation to announce information on material transactions carried out by the Company with regards to the Acquisition.

The closing of the Acquisition as disclosed in this Disclosure of Information are follow up actions to the fulfillment of all preliminary conditions of the Stock Purchase Agreement signed by the Seller and the Purchaser on 3 June 2024, which have been previously announced by the Company on 5 June 2024 through the IDX and the Company website in accordance with OJK Regulation No. 31/2015.

The Acquisition constitutes as a Material Transaction for the Company where it exceeds 20% but below 50% of materiality threshold based on the Company's Financial Statement as referred to in OJK Regulation 17/2020, on the basis as below:

- a. The Acquisition value compared to the equity of the Company;
- b. The total assets of the Target Companies divided by the total assets of the Company;
- c. The total net income of the Target Companies divided by the total net income of the Company;
- d. The operating revenue of the Target Companies divided by the operating revenue of the Company.

The Seller is a third party and does not have any affiliated relationship with the Company or the Purchaser, thus, the Acquisition does not constitute an Affiliated Transaction as referred to in OJK Regulation 42/2020. This Acquisition does not constitute a conflict of interest transaction as referred to in OJK Regulation 42/2020 as well.

Further, as one of the funding sources for the Acquisition, BUMA as a Controlled Company of the Company, has provided Intercompany Loan to the Purchaser. The granting of the Intercompany Loan constitutes as an affiliated transaction as referred to in OJK Regulation 42/2020 jo. Law 4/2023 given that BUMA and the Purchaser are companies controlled by the Company, and also constitutes material transaction as referred to in OJK Regulation 17/2020 which is not required to obtain approval in the Company's General Meeting of Shareholders.

Pursuant to Article 33 (a) of OJK Regulation 17/2020, if a transaction constitutes both Affiliated Transaction and Material Transaction, a public company is only required to comply with obligations under OJK Regulation No. 17/2020. In that respect, the Company is required to use an appraiser, announce information disclosure to the public, and submit information disclosure and supporting documents to OJK no later than 2 business days after the signing of the Intercompany Loan.

In accordance with OJK Regulation 17/2020, the Board of Directors hereby announce this Disclosure of Information with the intention to provide a comprehensive information and insights to the Shareholders regarding the Transaction carried out by the Company's Controlled Companies.

The Company has appointed KJPP as an independent appraiser to provide Fairness Opinion on the Transaction. Summary of the Fairness Opinion is reflected in this Disclosure of Information.

## DESCRIPTION OF THE MATERIAL TRANSACTION

### A. Acquisition

#### 1. Object of The Material Transaction

- a. 100% shares of Atlantic Carbon Group, Inc and its subsidiaries;
- b. 100% shares of Wildcat Carbon Processing LLC;
- c. 100% shares of American Carbon Warehousing LLC;
- d. 100% shares of Newcastle Anthracite Company; and
- e. 100% shares of The Central Pennsylvania Anthracite Company LLC.

#### 2. Value of The Material Transaction

The total purchase price is USD122.401.316 (or equivalent to IDR1,995,141,450,800,-, assuming an exchange rate of USD1 = IDR16,300,-).

This Acquisition constitutes a material transaction as referred in OJK Regulation 17/2020 on the following

- a. Based on the Financial Statements, the Company's total equity is in the amount of USD272,604,936, so that the percentage of the purchase price to the Company's total equity is 32%.
- b. Based on the Financial Statements, the total assets of the Company amounted to USD1,874,599,404, whereas based on Target Companies' Audited Report, total assets of the Target Companies is in the amount of USD83,379,690. Therefore, the percentage of the total assets of the Target Companies to the total assets of the Company is 4%.
- c. Based on the Financial Statements, the total revenue of the Company amounted to USD1,833,320,502, whereas based on the Target Companies' Audited Report, the total revenue of the Target Companies amounted to USD71,734,949. Therefore, the percentage of the total revenue of the Target Companies to the total revenue of the Company is 4%.
- d. Based on the Financial Statements, the total profit for the year of the Company amounted to USD 36,010,191, whereas based on the Target Companies' Audited Report, the total net profit of the Target Companies amounted to USD 1,967,939. Therefore, the percentage of the Target Companies' total net profit to the Company's total profit for the year is 4%.

The Acquisition value exceeds 20% but below 50% of materiality threshold, therefore this Acquisition does not require prior approval from the Shareholders as regulated in the OJK Regulation 17/2020. However, based on Article 6 OJK Regulation 17/2020, the Company is obligated to issue a Disclosure of Information, including a summary of appraiser report on the fairness of the Transaction therein, no later than 2 working days after completion date of the Transaction.

### 3. Brief Description of the Acquisition

In connection with the Acquisition, the Purchaser and Seller has signed a Stock Purchase Agreement with terms and conditions as below:

#### Stock Purchase Agreement dated 3 June 2024

- Parties : - American Anthracite SPV I, LLC, as the purchaser;  
- ACG Holdings, Inc, as the seller.
- Object : a. 100% shares of Atlantic Carbon Group, Inc and its subsidiaries;  
b. 100% shares of Wildcat Carbon Processing LLC;  
c. 100% shares of American Carbon Warehousing LLC;  
d. 100% shares of Newcastle Anthracite Company; and  
e. 100% shares of The Central Pennsylvania Anthracite Company LLC.
- Purchase Price : USD 122,401,316.
- Conditions to Closing : Conditions to Closing are, among others:
- All representations and warranties under the Stock Purchase Agreement remains valid and in force; and
  - Completion of fairness opinion by KJPP.
- Governing law : State of New York.
- Dispute Resolution : The federal courts of the United States of America or the courts of the State of New York in each case located in the county of New York.

Completion of the Acquisition, with the completion of full payment, had occurred on 28 June 2024.

### 4. Brief Information on the Parties Undertaking the Acquisition

#### a. American Anthracite SPV I, LLC

The Purchaser, as a Controlled Company of the Company, was established in state of Delaware, United States on 16 May 2024 under Delaware Limited Liability Company Act. Address of the registered office of the Purchaser is c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States.

#### b. ACG Holdings, Inc

The Seller is a company that was established in State of Delaware on 26 December 2019 under and by virtue of the provisions of the General Corporation Law of the State of Delaware. The address of the registered office of the Seller is 251 Little Falls Drive, in the City of Wilmington, County of New Castle 19808, United States. The Seller is a holding company who owns companies that produced ultra high-grade anthracite (“UHG Anthracite”) in United States of America.

## 5. Brief Information on the Company (as the indirect controller of the Purchaser)

### Brief Description

The Company is a publicly limited liability company established under the laws of the Republic of Indonesia based on Deed of Establishment No. 117 dated 26 November 1990, drawn up before Edison Sianipar, S.H., Notary in Jakarta, which deed has been ratified by Decree of the Minister No. C2-1823.HT.01.01.TH.91 dated 31 May 1991.

The Company's Articles of Association have been amended several times with the latest amendment based on Deed No. 03 dated 3 September 2021 drawn before Kumala Tjahjani Widodo, S.H., M.H., M.Kn., Notary in Central Jakarta, which has been notified to Minister based on Receipt of Notification of Amendment to the Articles of Association No. AHU-AH.01.03-0455462 dated 1 October 2021, registered in Company Register No. AHU-0169393.AH.01.11.Tahun 2021 dated 1 October 2021, *juncto* Deed No. 39 dated 29 June 2022 drawn before Kumala Tjahjani Widodo, S.H., M.H., M.Kn., Notary in Central Jakarta, which has been ratified by Decree of the Minister No. AHU-0052988.AH.01.02.Tahun 2022 dated 28 July 2022, registered in Company Register No. AHU-0146238.AH.01.11.Tahun 2022 dated 28 July 2022, *juncto* Deed No. 11 dated 8 June 2023 drawn before Kumala Tjahjani Widodo, S.H., M.H., M.Kn., Notary in Central Jakarta, which has been notified to Minister based on Receipt of Notification of Amendment to the Articles of Association No. AHU-AH.01.03-0081910 dated 22 June 2023, registered in Company Register No. AHU-0117606.AH.01.11.Tahun 2023 dated 22 June 2023.

The Company is currently domiciled in South Jakarta with its head office at South Quarter Tower A Penthouse Floor, Jalan R.A. Kartini Kav. 8, Cilandak Barat, Jakarta 12430.

### Business Activities

Based on Article 3 of the Company's Articles of Association, the purposes and objectives of the Company are to engage in business activities in the fields of services, mining, trade, development, and/or construction.

### Shareholding Composition

Based on Shareholder Register as per 31 May 2024 issued by Share Registrar and published in IDX website, the Company's latest capital shareholders composition are as follows:

Shareholders	Total Share	%
Northstar Tambang Persada, Ltd	3,264,000,000	37.860
Six Sis Ltd.	433,906,647	5.033
Public	4,091,091,785	47.454
Treasury Shares	832,174,800	9.653
<b>Total</b>	<b>8,621,173,232</b>	<b>100%</b>

### Board of Directors and Board of Commissioners

Based on the Deed of Shareholders Resolution No. 36 dated 18 April 2024, drawn before Aulia Taufani, S.H., Notary in South Jakarta, which has been notified to Minister based on Letter No. AHU-AH.01.09-0166504 dated 26 April 2024, registered in Company Register No. AHU-0081474.AH.01.11.Tahun 2024 dated 26 April 2024, the members composition of the Board of Directors and Board of Commissioners of the Company as of the date of this Disclosure of Information is as follows:



**Board of Directors**

President Director : Ronald Sutardja  
Director : Dian Sofia Andyasuri  
Director : Iwan Fuad Salim

**Board of Commissioners**

President Commissioner and Independent Commissioner : Hamid Awaluddin  
Independent Commissioner : Nurdin Zainal  
Independent Commissioner : Peter John Chambers  
Commissioner : Ashish Gupta

**B. Intercompany Loan****1. Brief Description of The Intercompany Loan**

In connection with the Intercompany Loan, BUMA and the Purchaser has entered into the following agreement, with the key terms and conditions of which are set out below:

**Intercompany Loan Agreement dated 25 June 2024**

Parties : - BUMA as the lender;  
- Purchaser, as the borrower.

Loan Value : Maximum USD80,000,000

Use of Proceeds : The Loan is to be used exclusively for the Borrower to finance the acquisition of the Target Companies.

Interest : 12% per annum.

Maturity Date : 180 calendar days after the first drawdown date.

Governing law : English laws.

Based on the Financial Statements, the Company's total equity amounted to USD272,604,936, so that the percentage of the Intercompany Loan to the Company's total equity is maximum 29.35%.

**2. Brief Information on the Parties Executing the Intercompany Loan****a. BUMA (as the lender)**Brief Description

BUMA is a limited liability company established under the laws of the Republic of Indonesia based on Deed of Establishment No. 19 dated 7 December 1998 drawn up before Raden Johannes Sarwono, S.H., Notary in Jakarta, which deed has been ratified by Decree of the Minister No. C-5698 HT.01.01.Th.2000 dated 8 March 2000.

BUMA's Articles of Association have been amended several times with the latest amendment based on Deed No. 69 dated 26 October 2023 drawn up before Humbert Lie, S.H., S.E., M.Kn., Notary in North Jakarta, which has been notified to Minister based on Receipt of Notification of Amendment to the Articles of Association No. AHU0215692.AH.01.11 Tahun 2023 dated 27 October 2023.

BUMA is currently domiciled in South Jakarta with its head office at South Quarter Tower A Penthouse Floor, Jalan R.A. Kartini Kav. 8, Cilandak Barat, Jakarta 12430.

### Business Activities

Based on Deed of Statement of the Shareholders Resolutions No. 18 dated 9 September 2021 drawn up before Humberg Lie, S.H., S.E., M.Kn., Notary in North Jakarta, which has been notified to Minister based on Receipt of Notification of Amendment to the Articles of Association No. AHU-0215692.AH.01.11 Tahun 2023 dated 27 October 2023, the objectives and purposes of BUMA are to conduct business in the field of general mining support services, leasing and leasing without option, employment, other business support travel agents, support services of construction, development, procurement of electricity, gas, steam/hot water and cold air and trading, processing industry, transportation and warehousing, professional, scientific and technical activities. BUMA is currently conducting business in general mining support services.

### Capital Structure and Shareholding Composition

Based on the Deed of Shareholders Resolution No. 53 dated 20 August 2021, drawn up before Humberg Lie, S.H., S.E., M.Kn., Notary in North Jakarta, which has been notified to Minister based on Letter No. AHU-AH.01.03-0439170 dated 20 August 2021, registered in the Company Register No. AHU-0141870.AH.01.11.TAHUN 2021 dated 20 August 2021, BUMA's latest capital structure and shareholders composition as of the date of this Disclosure of Information are as follows:

Authorized Capital : Rp4,250,000,000,000  
 Issued/Paid-Up Capital : Rp2,050,000,000,000  
 Par value per share : Rp1,000,000

Based on the above capital structure, the following is the BUMA shareholders composition:

Shareholders	Number of Shares	Total Nominal Value (Rp)	%
The Company	2,049,999	2,049,999,000,000	99.99995%
Ronald Sutardja	1	1,000,000	0.00005%
<b>Total</b>	<b>2,050,000</b>	<b>2,050,000,000,000</b>	<b>100%</b>

### Board of Directors and Board of Commissioners

Based on the Deed of Shareholders Resolution No. 32 dated 19 September 2023, drawn up before Humberg Lie, S.H., S.E., M.Kn., Notary in North Jakarta, which has been notified to Minister based on Letter No. AHU-AH.01.09-0165133 dated 20 September 2023, composition of the Board of Directors and Board of Commissioners of BUMA as of the date of this Disclosure of Information is as follows:

#### **Board of Directors**

President Director : Indra Dammen Kanoena  
 Vice President Director : Nanang Rizal Achyar  
 Director : Sumardi  
 Director : Elsahmur Asyur  
 Director : Silfanny Fadillah Bahar

#### **Board of Commissioners**

President Commissioner : Dian Sofia Andyasuri  
 Commissioner : Ashish Gupta  
 Independent Commissioner : Peter John Chambers

**b. American Anthracite SPV I, LLC (as the borrower)**

Please see section A (4) on *Brief Information on The Parties Undertaking the Acquisition*.

## INFORMATION ON THE TARGET COMPANIES

### 1. Atlantic Carbon Group, Inc

#### Brief Description

Atlantic Carbon Group, Inc. was established on 22 October 1990 based on Certificate of Incorporation of the State of Delaware with company registration number of 2244454. Atlantic Carbon Group, Inc. was originally established as Coal Contractors (1991), Inc. and the amended to Atlantic Carbon Group, Inc. in 2018. Registered office of Atlantic Carbon Group, Inc. is 100 Hazlebrook Road, Hazleton, Pennsylvania 18201.

Atlantic Carbon Group, Inc. owns 3 subsidiaries as below:

1. Hazleton Hiller, LLC;
2. Hazleton Shaft Division, LLC and
3. Ebervale Mining Division, LLC.

### 2. Wildcat Carbon Processing, LLC

Wildcat Carbon Processing, LLC was established on 28 April 2023 based on Certificate of Formation of the State of Delaware. Registered office of Wildcat Carbon Processing, LLC is 251 Little Falls Drive, Wilmington, DE 19808.

### 3. American Carbon Warehousing, LLC

American Carbon Warehousing, LLC was established on 28 April 2023 based on Certificate of Formation of the State of Delaware. Registered office of American Carbon Warehousing, LLC is 251 Little Falls Drive, Wilmington, DE 19808.

### 4. Newcastle Anthracite Company

Newcastle Anthracite Company was established on 5 February 2013 based on Certificate of Incorporation of the State of Delaware. Registered office of the Newcastle Anthracite Company is 203 North East Front Street, Suite 101, Milford, Kent 19983.

### 5. The Central Pennsylvania Anthracite Company, LLC

The Central Pennsylvania Anthracite Company, LLC was established on 18 January 2012 based on Certificate of Organization Domestic Limited Liability Company issued by Corporation Bureau of Pennsylvania Department of State. Registered office of The Central Pennsylvania Anthracite Company, LLC is 100 Stockton #7, Hazleton, PA 18201.

## EXPLANATION, CONSIDERATION AND REASONING FOR THE ACQUISITION AND THE INTERCOMPANY LOAN

### 1. Background

The Purchaser and the Seller have entered into the Stock Purchase Agreement on 3 June 2024 in connection with the share purchase of the Target Companies by the Purchaser. Completion of the Acquisition, with the completion of

full payment, had occurred on 28 June 2024. There is no affiliation between the Purchaser and the Seller and therefore the Acquisition is not an affiliated transaction as referred to in OJK Regulation 42/2020. Funding of this Acquisition are through Intercompany Loan and capital contribution by shareholders on the establishment of Purchaser.

After the completion of the Acquisition, the Target Companies will be consolidated into the Company's financial statements.

## 2. Benefit of the Transaction to the Company

The objectives of the Acquisition are aligned with the Company's strategic objectives: (i) expand into mine ownership and strengthen its portfolio by diversifying into future-facing commodities, (ii) contribute to the Company's profitability and sustainability, (iii) expand our geographical footprint into another key mining region, and (iv) further diversify revenue towards our target of lowering thermal coal revenue to below 50% of our total revenue by 2028.

## IMPACT OF THE TRANSACTION ON FINANCIAL CONDITION OF THE COMPANY (PROFORMA)

The Transaction is expected to have a positive impact on the Company's financial condition and business activities which will ultimately provide added value to the Company's business group.

Based on proforma of financial information as of 31 December 2023 reviewed by Public Accounting Firm, the following is impact from the Transaction to the Company's financial condition:

- Total asset increase amounted to USD41,714,495, primarily from a fixed asset increase of USD59,690,033, mining assets of USD58,787,040, other assets of USD15,924,342, inventory of USD5,585,353, accounts receivable of USD4,481,477, and net deferred tax assets of USD562,250, with a decrease in cash and cash equivalents of USD103,316,000.
- Total liabilities increased by USD29,139,975, primarily from an increase in other long-term liabilities of USD11,009,468, deferred tax liabilities of USD5,794,100, third-party trade payables of USD4,900,354, long-term debt of USD4,261,681, and accrued expenses of USD3,174,372.
- Total equity increased by USD 2,574,520, mainly from an increase in non-controlling interests of USD13,847,514, and a decrease in retained earnings of USD1,272,994.
- Adjustments, namely USD1,147,840 in operating expenses for professional services related to the Transaction Plan, USD1,050,272 in other expenses related to the proposed Transaction, and income tax benefit of USD 562,250, representing net deferred tax assets arising from professional service expenses and other costs.
- The Company's revenue is projected to experience a compound annual growth rate ("CAGR") of 5.21% or reach USD2,487,057,589 by 2029. The Company's EBITDA is projected to experience a CAGR of 4.55% or reach USD538,501,524 by 2029. The Company's current year profit is projected to experience a CAGR of 33.66% or reach USD96,236,689 by 2029. This growth can be achieved assuming all the Company's businesses have good prospects.

## SUMMARY OF THE APPRAISAL REPORT

The Company has appointed KJPP as the independent appraiser to provide Share Valuation Report and Fairness Opinion on the Acquisition and the Intercompany Loan. KJPP has stated that they have no affiliation either directly or indirectly with the Company.

The following is summary of Share Valuation Report related to Acquisition:

### Scope of Valuation

Share Valuation Report covers 100% equity or shares of Target Companies.

### Valuation Purpose and Objective

The engagement purpose is valuation of 100% equity or shares of Target Companies related to the Acquisition by the Company through the Purchaser. Purpose of the valuation is to meet the needs of requirements to the Transaction and requirements in capital market regulations in Indonesia. As such, to accommodate the above objective, this valuation is based on market value.

### Valuation Method

Considering that the Target Companies will continue to operate in the future as a going concern, the income approach is most appropriate to use. From many approaches and equity valuation methods, we applied the income approach with Discounted Economic Income method or Discounted Cash Flow (“DCF”) Valuation method.

Based on DCF valuation method that will be used, the operations of Target Companies are projected in accordance with the development scenario of Target Companies until 2043. Future income, cash flows generated based on projections will be discounted at a certain rate which takes into account relevant risk factors. Indication value is the total present value of revenues during the projection period.

The second approach that we use as a comparison in valuating equity/shares of the Target Companies is the asset approach with the Excess Earning Method (“EEM”) and the Net Adjusted Book Value (“NABV”) method. In calculations using EEM, the normalized economic profit value obtained is greater than the return on Net Tangible Assets, so there is Excess Economic Income. Based on the NABV method, the value of all assets and liabilities must be adjusted to their market value, except for accounts that have shown market value.

### Conclusion

Based on review and analysis on all related aspects in order to determine the equity/shares value, resulting from the DCF and EEM/NABV method, the Indicated Market Value of 100% equity or shares of the Target Companies as of 31 December 2023 in the amount of USD88,019,583.

The following is summary of Fairness Opinion related to the Transaction:

### Parties to the Transaction

- a) The Company;
- b) BUMA;
- c) The Seller;
- d) The Purchaser; and
- e) Target Companies.

### Transaction Object

Provide a fairness opinion on the Acquisition and Intercompany Loan.

### Purpose Valuation

The purpose of providing this Fairness Opinion is to provide an opinion on whether the Transaction is a fair transaction, as regulated in POJK 17/2020 and POJK 42/2020. Furthermore, in analyzing the Transaction, KJPP considers the qualitative and quantitative aspects as well as the impact on the Company and the Shareholders, including financial risks.

### Assumptions and Limited Conditions

- a) This Fairness Opinion was prepared based on market and economic conditions, general business and financial conditions, as well as government regulations on the date this Fairness Opinion was issued.
- b) In preparing this Fairness Opinion, we also used several other assumptions, such as the fulfillment of all conditions and obligations of the Company and all parties involved in the Transaction, it will be implemented in accordance with

the predetermined time span, as well as the accuracy of the information regarding the Transaction disclosed by Company management.

- c) KJPP also assumes that from the publication date of this Fairness Opinion until the date of the Transaction there will be no changes that materially affect the assumptions used in preparing this Fairness Opinion.

#### Valuation Approaches and Methods

1. Transaction Analysis
2. Qualitative Analysis
3. Quantitative Analysis
4. Fairness Analysis of Transaction Value

#### Transaction Fairness Analysis

The following is a summary of the Fairness Analysis of the Transaction:

##### 1. Transaction Value Analysis

The transaction value for the Acquisition is USD 122,401,316. Such amount is generated using the DCF method and EEM/NABV method, the Indicated Market Value of 100% equity or shares of Target Companies as of 31 December 2023 is in the amount of USD88,019,583.

The Stock Purchase Agreement stated that the Acquisition by the Purchaser does not include taking over the Seller's long-term debt in the amount of USD78,032,472. In the appendix to Fairness Opinion, it is stated that calculation of the two methods which exclude long-term debt of the Seller resulting in the adjusted share market value amounts to USD123,275,704.

Transaction value of the Acquisition is about 0.71% lower than the adjusted share market value. In that case, the Acquisition will be profitable and generate a positive impact to the Company in the future and in line with the Company's development plan.

##### 2. Fairness Analysis of Interest Rate

Based on KJPP's analysis pursuant to Intercompany Loan Agreement, the interest rates on loans provided for similar transactions ranged between 10.00%-14.33% per annum. Conversely, in regards to the loan provided by BUMA as the party affiliated with the Purchaser, its interest rate of 12% per annum is still within that range and therefore in KJPP's opinion, is fair.

##### 3. Feasibility Analysis of Debt Repayment

The Cash Flow Available For Debt Service ("CFADS") analysis is carried out based on the Purchaser's financial projections of the Transaction during 2024 to determine the cash available to meet the principal and interest payment obligations related to the Transaction.

##### 4. Proforma Position Analysis of the Overall Transaction

Fairness analysis of the overall Transaction by comparing the proforma position of the Company's Financial Statements before the implementation of the Transaction and after the implementation of the Transaction. Based on the proforma position analysis of the overall Transaction, the Transaction will result in an increase in the Company's financial position.

##### 5. Incremental and Profitability Analysis

Incremental and profitability analysis of the overall Transaction is carried out to see the ability to generate better revenues and profits for the Company by comparing the Company's financial projections (potential economic benefits) before the implementation of the Transaction and after the implementation of the Transaction. Based on the incremental and profitability analysis of the overall Transaction above, it can be seen that the Transaction that will be carried out by the Company has good prospects and level of profitability.

## Conclusion

Based on consideration of qualitative and quantitative analysis of the Transaction, analysis of the fairness of the transaction and relevant factors in providing a Fairness Opinion on the Transaction, therefore we are of the opinion that the Transaction that will be carried out by the Company is fair.

## STATEMENT OF THE BOARD OF COMMISSIONERS AND DIRECTORS

1. This Disclosure of Information is complete and in accordance with the requirements under OJK Regulation 17/2020 and OJK Regulation 42/2020.
2. Statements in the Disclosure of Information conveyed do not contain statements or information or facts that are untrue or misleading and contain all material information or facts.
3. The Acquisition constitutes a material transaction as referred to in OJK Regulation 17/2020.
4. The Intercompany Loan constitutes a material transaction as referred to in OJK Regulation 17/2020 and constitutes an affiliated transaction as referred to in OJK Regulation 42/2020.
5. The Transaction does not contain a conflict of interest as referred to in OJK Regulation 42/2020.

## ADDITIONAL INFORMATION

For the Company's Shareholders who require further information regarding the Transaction, please contact:

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