

PRESS RELEASE

FOR IMMEDIATE RELEASE

## Delta Dunia Group completes acquisition of Atlantic Carbon Group, Inc., a key global ultra-high-grade anthracite producer

- *The transaction is completed via American Anthracite SPV I, LLC, a controlled entity under BUMA International.*
- *The acquisition enhances Delta Dunia Group's geographic and revenue diversification, aligning with its strategic growth objectives.*
- *ACG represents a value-accretive acquisition expected to boost the Group's revenue, backed by secured long-term contracts with key customers.*
- *The acquisition fosters collaboration among ACG, BUMA, and the Group's other businesses, enhancing safety and mining operations through shared experiences and best practices.*

**Jakarta, July 1, 2024 – PT Delta Dunia Makmur Tbk (Delta Dunia Group, IDX: DOID)**, through American Anthracite SPV I, LLC, a controlled entity under PT Bukit Makmur Internasional (**BUMA International**), has completed the strategic acquisition of Atlantic Carbon Group, Inc. (**ACG**) for USD 122.4 million. This acquisition secures ownership of four producing Ultra-High-Grade (**UHG**) anthracite mines in Pennsylvania (USA) and positions Delta Dunia Group as a pivotal player in the global UHG anthracite market, crucial for the production of **low-carbon steel (LC steel)**.

This deal marks a significant milestone for the Group, expanding its operations from a mining service provider to global mine ownership. The deal diversifies the Group's business into future-facing commodities, allowing it to seize opportunities in a key mining region. Acquiring ACG also accelerates the Group's strategy to diversify its geographical presence and reduce its dependence on thermal coal in its revenue mix.

ACG not only holds strategic importance but also serves as a value-accretive acquisition for the Group due to its valuation, leverage, and earnings impact, while expanding relationships with key customers and stakeholders. The addition of ACG is projected to generate USD120 – 130 million in the Group's revenue per year from 2024 to 2028<sup>1</sup>. Moreover, it significantly diversifies Delta Dunia Group's revenue mix, increasing non-thermal revenue from 19% in FY2023 to 28% in FY2024, aligning with the Group's strategic goals of reducing reliance on thermal coal.

**Ronald Sutardja, President Director of Delta Dunia Group**, said, "We are proud to have successfully completed this acquisition, marking a critical milestone in our strategic expansion and diversification efforts. The long lifespan of ACG's four active mines, sufficient to support over 25 years of mining and capable of supporting the production of up to 25 million tons of LC Steel annually, coupled with market strong market demand for UHG anthracite, positions us well for sustained future growth. This acquisition enables ACG and BUMA's operations in Indonesia and Australia, along with our adjacent businesses, to synergistically leverage their extensive experience, best practices, and innovative approaches in safety, mining operations, and management."

BUMA has a strong track record of successfully integrating and growing its portfolio companies' post-acquisition and expect to do the same with ACG. Leveraging its capabilities, BUMA has significantly expanded its global footprint from Indonesia by acquiring BUMA Australia in 2021. Since then, BUMA

<sup>1</sup> Expected revenue in FY24-28 assuming UHG anthracite price at USD250/t.

has not only established a presence in one of the world's premier mining hubs but also broadened its service portfolio to include metallurgical coal. This strategic expansion has resulted in a quadrupling of BUMA Australia's order book by 2022, significantly enhancing the Group's operational performance.

**Eric Martin, Chief Executive Officer, Atlantic Carbon Group, Inc.**, said, "These are exciting times at ACG as we elevate the company to the next level of safety, quality, and production. ACG has consistently demonstrated growth, supported by strong market demand and favorable UHG anthracite prices. Being part of Delta Dunia Group opens new avenues for growth and innovation. With BUMA's renowned expertise in seamlessly integrating acquisitions and their operational excellence, we are poised to significantly enhance our production capacities. We look forward to utilizing their rich industry experience to unlock new potential and drive substantial advancements in our operational strategies."

ACG, known for its strong market position backed by robust anthracite demand and over 30 years of operational excellence, brings significant value to the Group. With 150 employees and a seasoned management team, ACG has secured long-term contracts with industry leaders to support its growth..

Expanding into the US allows the Group to meet the rising demand for UHG anthracite, essential for electric arc furnaces (EAFs) and LC steel production. US anthracite exports have grown at a 10.6% CAGR from FY2014 to FY2023<sup>2</sup>, with EAFs driving future steelmaking capacity expansions in the US and Europe. China, the largest steel producer globally, has also put forward plans to increase EAF production to 15% of total steel production by 2025 and further increasing the proportion to 20% by 2030. Governments in the UK and Germany are also promoting the shift from blast furnaces to EAFs, further boosting demand for ACG's high-quality anthracite.

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**About PT Delta Dunia Makmur Tbk (Delta Dunia Group):**

Established in 1990, PT Delta Dunia Makmur Tbk (Delta Dunia Group) is a prominent holding company operating in Indonesia, Australia and now, America. Our principal subsidiary, PT Bukit Makmur Utama (BUMA), is a leading provider of mining services to some of the largest miners in Indonesia and Australia (through BUMA Australia Pty Ltd).

In 2023, Delta Dunia Group expanded its portfolio with the addition of two new subsidiaries: PT Bukit Teknologi Digital (BTech), offering comprehensive mining technology solutions that empower companies within the mining industry, and PT BISA Ruang Nuswantara (BIRU), a social entity dedicated to education, vocational schools, and fostering a circular economy.

Listed on the Indonesia Stock Exchange (IDX Code: DOID), Delta Dunia Group is headquartered in Jakarta, Indonesia, and is supported by a workforce of over 16,000 employees across Indonesia and Australia.

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<sup>2</sup> McCloskey Official Price Index for Settlements