

PRESS RELEASE

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Delta Dunia Group expands global business into mine ownership with the acquisition of Atlantic Carbon Group

- *Delta Dunia Group has entered into a Stock Purchase Agreement (SPA) to acquire the Atlantic Carbon Group (ACG), one of the largest American anthracite producers operating four ultra-high-grade anthracite (UHG anthracite) mines in Pennsylvania.*
- *The transaction is the Group's first strategic move to expand into mine ownership and strengthen its portfolio by diversifying into future-facing commodities.*
- *The transaction is supported by the Group's strong cash position and existing syndicated financing facility.*
- *Revenue and profit from ACG are incremental to the Group's previously released revenue guidance for FY2024.*
- *With the addition of the ACG revenues, the Group's non-thermal revenue mix will increase to 28% in FY2024 from 19% in FY2023.*
- *ACG's operations have more than 25 years of mine life and long-term contracts with Tier-1 customers.*

Jakarta, June 5, 2024 - PT Delta Dunia Makmur Tbk (Delta Dunia Group, IDX: DOID), through **American Anthracite SPV I, LLC**, a subsidiary under PT Bukit Makmur Internasional (**BUMA Internasional**), has entered into a Stock Purchase Agreement (**SPA**) for strategic acquisition of **Atlantic Carbon Group, Inc. (ACG)**¹, the second largest UHG anthracite producer in the US². The transaction is expected to complete in June 2024. Further details of the transaction will be announced upon completion of the transaction.

The USD122.4 million deal secures ownership of four producing UHG anthracite mines in Pennsylvania. After the acquisition, the Group will become a key UHG anthracite producer globally. The transaction further diversifies the Group's business geographically and into future-facing commodities, in line with its transformation strategy.

The transaction is financially attractive due to its favorable valuation, leverage, and earnings impact, and it broadens the Group's relationships with key customers and stakeholders. With the transaction, the Group assumes control of ACG's operations. UHG anthracite is essential for the commercial production of low-carbon steel (**LC Steel**) and can reduce carbon emissions from the production process by up to 74%³. The Group's anthracite reserves are sufficient to support mining activities for more than 25 years, and in turn, production capacity of up to 25 million tons of LC Steel annually.

Ronald Sutardja, President Director of Delta Dunia Group, stated, "This transaction is a significant milestone for the Group. Upon completion, we will achieve a number of our strategic objectives. The Group will become a mine owner for a commodity critical for the production of LC Steel. We will expand

¹ ACG includes Atlantic Carbon Group, Inc., Wildcat Carbon Processing, LLC, American Carbon Warehousing, LLC, Newcastle Anthracite Company, and The Central Pennsylvania Anthracite Company, LLC.

² Based on Q1 2024 anthracite production profile.

³ 1 tonne of steel produced in a Blast Furnace – Basic Oxygen Furnace produces 1.36 tonnes of CO₂e, whereas 1 tonne of steel in an Electric Arc Furnace with Anthracite produces 0.35 tonnes of CO₂e.

our geographic footprint into another key mining region. And, the deal further diversifies our revenue towards our ESG target of lowering our thermal coal revenue to below 50% of our total revenue by 2028.”

TRANSACTION BOOST FOR THE GROUP

The Group's expansion into the US enables it to capitalize on the increasing demand for UHG anthracite, which is used in electric arc furnaces (**EAFs**). Over the past decade, anthracite exports from the US have grown at a compound annual growth rate (CAGR) of 10.6% from FY2014 to FY2023⁴. All forecast steelmaking capacity expansions in the US and Europe are for EAFs, and UHG anthracite from the US will be a crucial supply source for EAFs globally. In addition, the governments in a number of key jurisdictions, specifically the UK and German governments, are incentivizing the conversion of Blast Furnaces to EAFs.

The transaction is supported by the Group's strong cash position, and USD750 million syndicated financing facility with PT Bank BNI (Persero) Tbk and PT Bank Mandiri (Persero) Tbk. The ACG operations are expected to add USD120 – 130 million of revenue per year⁵. These projections are also incremental to the Group's revenue guidance for FY2024 which was released previously based on existing operations.

SUSTAINABILITY TRANSFORMATION REMAINS ON TRACK

The transaction advances the Group's strategic goal of diversifying its portfolio and reducing its dependence on thermal coal. With the addition of the ACG operations, revenue from future-facing commodities will increase from 19% in FY2023 to 28% in FY2024.

In addition to cutting carbon emissions through the use of UHG anthracite in EAFs, ACG operations enhance environmental outcomes with sustainable mining practices that remediate historical environmental damage. ACG rehabilitates land mined over a century ago, transforming it into areas suitable for development, recreation, and conservation. This includes reopening old mining tunnels to remove remaining materials, implementing erosion and sediment control measures, reshaping the landscape to its natural contours, and reforesting areas with grass and trees.

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 at the completion of this transaction, 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.

⁴ McCloskey Official Price Index for Settlements

⁵ Expected revenue in FY24-28 based on the Group's forecasts, supported by existing contracts. Stated on a consolidated basis.



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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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