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PRESS RELEASE **FOR IMMEDIATE RELEASE**

Delta Dunia Group Achieved Resilient 1H 2024 Results Amidst Extreme Weather Conditions and Weakening Currencies

- *Despite the extreme rainfall throughout 1H 2024 impacting the broader mining industry in Indonesia and other sectors across Asia, the Group's coal volume remains stable YoY, while overburden (OB) removal decreasing by 5%.*
- *YoY revenue remained stable at USD 855 million, while EBITDA decreased by 9% YoY to USD 160 million. The initial increase in cash cost from efficiency initiatives is expected to normalize as these measures take effect.*
- *1H 2024 recorded a net loss of USD 27 million, primarily due to reduced operating profit and a USD 12 million forex loss from the depreciation of IDR and AUD, with no cash impact. It is important to note that the forex loss is unrealized and results from accounting treatment.*
- *Operational expansion drove the majority of the Capex growth to USD 79 million. However, this remains within the full-year guidance range of USD 150 million to USD 190 million.*
- *Operating cash flow increased by 15% YoY, reaching approximately USD 164 million, driven by significantly better working capital management.*
- *Cash position stood at USD 261 million as of June 30, 2024. Free cash flow was impacted due to ACG acquisition, capital expenditures to support the ramp-up of existing sites in both Indonesia and Australia, and investments in financial assets. When normalized with the ACG acquisition, free cash flow would be USD 68 million compared to a negative USD 47 million.*
- *Net debt to EBITDA ratio remains healthy at 1.90x as of June 2024, demonstrating prudent leverage management. The Group expects this ratio to improve with the inclusion of ACG's EBITDA.*
- *The Group has further continued its revenue diversification away from thermal coal. As of 1H 2024, revenue from non-thermal coal has gone up to 25%.*

Jakarta, August 1, 2024 - PT Delta Dunia Makmur Tbk ("Delta Dunia Group" or "the Group") is pleased to announce stable financial results for 1H 2024, reflecting the Group's resilience and operational excellence in the face of extreme weather conditions and weakening currencies.

Operational Efficiency Drives Resilient Financial Performance

The Group's coal volume remained stable YoY at 42 metric tons (MT) while overall OB removal decreased by 5% at 271 million bank cubic meters (bcm) due to the ongoing extreme rainfall affecting production levels over the past six months. The extreme weather conditions have affected the broader mining industry in Indonesia and other sectors across Asia, yet the Group's operational capabilities and strategic adaptations ensured continued progress towards its targets. The Group's recovery-after-rain improvement project has proven successful, achieving a 12% YoY improvement and demonstrating the Group's commitment to operational excellence.

Revenue for 1H 2024 remained stable YoY at USD 855 million. However, EBITDA decreased by 9% YoY to USD 160 million, driven by lower volume. Initial increases in cash costs from ongoing efficiency initiatives are expected to normalize as these measures take full effect. The Group reported a net loss of USD 27 million in 1H 2024, a shift from the net profit of USD 5 million in 1H 2023. This decline is primarily attributed to a USD 12 million forex loss caused by adverse currency fluctuations of IDR and AUD against USD. However, forex losses improved in Q2 2024, decreasing from USD 11.5 million in Q1 2024 to USD 0.7 million in Q2 2024. If the forex loss is normalized, along with the *Secured Overnight Financing Rate* (SOFR) impact and one-off consent costs, the Group would end up with a net loss of USD 1 million, close to breaking even, demonstrating the resilience of the business.

Operating cash flow for 1H 2024 increased by 15% YoY, reaching approximately USD 164 million, driven by significant improvement in working capital management. However, free cash flow decreased due to significant investments in financial assets such as Sun Energy and the recently completed strategic acquisition of Atlantic Carbon Group, Inc (ACG), When normalized with the ACG acquisition, free cash flow would be USD 68 million as compared to a negative USD 47 million.

Operational expansion drove the majority of the Group's Capex growth in 1H 2024, which increased by 78% YoY to USD 79 million. This expenditure supported the ramp-up of existing sites in both Indonesia and Australia and capitalization of Repair and Maintenance (RM) costs, and in line with the Group's full-year Capex guidance of USD 150 million to USD 190 million. As the Group continues to expand its operations, maintaining strict control over Capex remains a key focus.

Dian Andyasuri, Director at Delta Dunia Group, commented, "Despite extreme weather conditions and weakening currencies, Delta Dunia Group delivered stable performance in the first half of 2024. This resilience highlights our strategic foresight in navigating uncontrollable risks and our commitment to transforming our business and diversifying revenue streams, positioning us for sustainable growth towards a low-carbon economy."

Effective Debt Management and Strategic Diversification Support Long-Term Growth

The Group has been proactively managing its liabilities by aligning debt maturities with the lifespan of its equipment, successfully reprofiling most of its debt maturing in 2026. As of 1H 2024, 15% of this debt is due in 2027, with 33% scheduled for repayment in 2028 and beyond. The Group's cash position stands at USD 260 million, with a healthy net debt to EBITDA ratio of 1.90x as of June 30, 2024, reflecting prudent leverage management and positioning the Group fit for future growth. The Group expects this ratio to improve with the inclusion of ACG's EBITDA.

The successful completion of the acquisition of ACG, the second largest producer of ultra-high-grade (UHG) anthracite in the United States transforms the Group into a mine owner, further diversifying the group while maintaining its prominent market position as a Tier 1 mining contractor in Indonesia and Australia. The ACG acquisition is projected to raise the proportion of group revenue from non-thermal sources to 28% by the end of FY2024. This move is aligned with the Group's commitment of reducing revenue from thermal coal to 50% by 2028.

In addition to the successful diversification of its revenue sources, the Group's ESG initiatives have shown significant progress. It has completed carbon baseline consolidation across its Indonesian and Australian operations and implemented site-specific carbon reduction measures. Plans are underway to extend these strategies to other sites in 2H 2024.

Iwan Fuad Salim, Director at Delta Dunia Group, commented, "As we move into the second half of the year, we remain focused on operational excellence and prudent financial management, while at the same time executing our growth strategies. Our recent US expansion demonstrates our commitment to creating long-term value for our shareholders by transforming the Group into a globally diversified mining business. The ACG acquisition has strengthened our position, and we are confident that it will make a positive contribution to our diversification efforts.

The Group's management has demonstrated confidence in its prospects through share buyback and capital reduction initiatives. By July 26, 2024, the Group purchased 483.1 million shares through the buyback program. It also acquired USD 34.8 million of its Senior Notes through open market purchases and USD 153 million through the tender offer. These initiatives aim to optimize shareholder value and enhance returns to shareholders.

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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 USA. Our principal subsidiary, PT Bukit Makmur Utama (BUMA), is a leading provider of mining services to some of the largest miners in Indonesia, Australia (through BUMA Australia Pty Ltd), and USA through PT Bukit Makmur Internasional (BUMA International).

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. In July 2024, the Group established PT Katalis Investama Mandiri to support its long-term strategy in ESG.

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, Australia, and USA. In June 2024, Delta Dunia Group was recognized among the Top 200 in the inaugural FORTUNE Southeast Asia 500 rankings, a prestigious list that identifies the region's largest companies by revenue.

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