



## IATA Will Be Injected With Assets Worth USD 181.9 Million

Jakarta, 1 December 2021 – After announcing the coal mines acquisition plan in October, **PT Indonesia Transport & Infrastructure Tbk (IATA)** has signed a Conditional Sale and Purchase Agreement (CSPA) with **PT MNC Investama Tbk (BHIT)** to acquire 99.33% shares of PT Bhakti Coal Resources (BCR), a holding company of nine coal companies with Mining Business License (IUP) located in Musi Banyuasin, South Sumatra.

The IUPs under BCR include PT Bhumi Sriwijaya Perdana Coal (BSPC) and PT Putra Muba Coal (PMC), which are already in production stage, with an estimated production of 2.5 million metric tons this year. While, PT Indonesia Batu Prima Energi (IBPE) and PT Arthaco Prima Energi (APE) will start to produce coal in 2022. The other five IUPs, PT Energi Inti Bara Pratama (EIBP), PT Sriwijaya Energi Persada (SEP), PT Titan Prawira Sriwijaya (TPS), PT Primaraya Energi (PE), and PT Putra Mandiri Coal (PUMCO) are set to operate within one or two years. The total mining area granted to all the nine IUPs is circa 74,004 Ha.

The estimated total resources of BSPC and PMC are 130.7 million MT and 76.9 million MT with estimated total reserves of 83.3 million MT and 54.8 million MT, respectively. The GAR range of BSPC and PMC are 2,800 – 3,600 kcal/kg. Based on BCR's internal data, the other seven IUPs have estimated total resources of more than 1.4 billion MT.

Companies	Area (Ha)	Resources	Reserves	Calories (kcal/kg)	Production (2021E)
BSPC	6,866	130,700,000	83,280,000	2,800 - 3,600	0.5 million MT
PMC	2,947	76,900,000	54,820,000	2,800 - 3,600	2.0 million MT
<b>Total</b>	<b>9,813</b>	<b>207,600,000</b>	<b>138,100,000</b>		<b>2.5 million MT</b>

Based on KCMI report November 2021

The combined valuation of 100% BSPC and 53.84% PMC from KJPP Kusnanto & Rekan is USD 181.9 million. IATA and BHIT agreed that the 99.33% BCR purchase transaction price is USD 140 million, 23% lower than BSPC and PMC valuation. This purchase price of USD 140 million includes seven other IUPs explained above.

By the end of 2021, BCR revenue is projected to reach USD 74.8 million with EBITDA of USD 33 million. BCR will boost its production to 8 million MT in 2022 and 12 million MT in 2023.

BCR also has supporting infrastructures such as jetties, and 12 km hauling road. BCR will build new jetties and hauling roads to expand its production capacity. It is noteworthy that given a short 12-17 km hauling distance from mining pits to jetties and low stripping ratio, BSPC and PMC production costs are reasonably

low, thus give a huge margin at the current coal selling price.

Since the acquisition is considered a material transaction, IATA will need to satisfy all conditions required by the Financial Services Authority (OJK), the Indonesian Stock Exchange (IDX), and other related regulations, especially to transfer IATA's aviation business license to new subsidiary.

IATA will finance the acquisition through a Rights Issue, and the whole transaction process shall be completed in the 1st semester of 2022.

To gain momentum from the increasing coal prices, further mining exploration will be executed in order to find more new coal resources and reserves, especially at PT Indonesia Batu Prima Energi (IBPE) and PT Arthaco Prima Energi (APE), which are believed to have abundant coal reserves.

## ■ Outlook for Coal in Indonesia

The popularity of Indonesia's coal industry is expected to continue in line with the surge of coal prices, driven by the world's economic recovery of including China, India, South Korea, and Europe, leading to an increase in industrial productions that boost energy demand. On the other hand, China's rejection of Australian coal also continues to contribute positive sentiment towards Indonesia's coal export demand.

**Weekly ICI-5 (GAR3400)**



Statistics Indonesia data shows that the Gross Domestic Product (GDP) from the mining sector in Indonesia increased to IDR 211,890 billion in the third quarter of 2021 from IDR 203,356 billion in the second quarter of 2021. In the long term, Indonesia's mining GDP will reach around IDR 217,170 billion in 2022 and IDR 230,200 billion in 2023. With coal reserves that last up to 65 years, Indonesia is one of the largest coal exporters in the world. At the same time, Indonesia is a developing country that still needs cheap energy for development and consumption. The contribution of coal-fired steam power plants (PLTU) continues to dominate, reaching 50.4% or 31,827 megawatts (MW) of the total national electricity production. The chairman of the Indonesia Mining Association (IMA), Ido Hutabarat, predicts that coal will remain as the primary energy source in Indonesia for the next 30 years.

The same sentiment is shared in the recently concluded COP26 with China and India expressing concern over renewable energy as a substitute for coal. Both cost and technology constraints still need more time to be resolved. There is not enough renewable energy to power development for the foreseeable future. That is the main reason why the wording in COP26 is "phase-down" rather than "phase-out" to accommodate the current mapping of world energy production.

---

For further information, please contact:

**Natasha Yunita** – Head of Investor Relations  
natasha.yunita@mncgroup.com

**PT Indonesia Transport & Infrastructure Tbk**  
MNC Tower, 22/F Floor, MNC Center  
Jl. Kebon Sirih No. 17-19, Menteng  
Jakarta Pusat 10340, Indonesia  
Phone: +6221 3912 935  
www.indonesia-air.com

---

#### **DISCLAIMER**

**By accepting this Press Release, you agree to be bound by the restrictions set out below. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.**

The information and opinions contained in this Press Release have not been independently verified, and no representation or warranty, expressed or implied, is made as to, and no reliance should be placed on the fairness, accuracy, completeness or correctness of, the information or opinions contained herein. It is not the intention to provide, and you may not rely on this Press Release as providing, a complete or comprehensive analysis of the condition (financial or other), earnings, business affairs, business prospects, properties or results of operations of The Company or its subsidiaries. The information and opinions contained in this Press Release are provided as at the date of this presentation and are subject to change without notice. Neither The Company (including any of its affiliates, advisors and representatives) nor the underwriters (including any of their respective affiliates, advisors or representatives) shall have any responsibility or liability whatsoever (in negligence or otherwise) for the accuracy or completeness of, or any errors or omissions in, any information or opinions contained herein nor for any loss howsoever arising from any use of this Press Release.

In addition, the information contained in this Press Release contains projections and forward-looking statements that reflect The Company's current views with respect to future events and financial performance. These views are based on a number of estimates and current assumptions which are subject to business, economic and competitive uncertainties and contingencies as well as various risks and these may change over time and in many cases are outside the control of The Company and its directors. No assurance can be given that future events will occur, that projections will be achieved, or that The Company's assumptions are correct. Actual results may differ materially from those forecasts and projected.

This Press Release is not and does not constitute or form part of any offer, invitation or recommendation to purchase or subscribe for any securities and no part of it shall form the basis of or be relied upon in connection with any contract, commitment or investment decision in relation thereto.