

IATA Finally Posted a Net Profit of USD9.4 Million in The First Quarter of 2022



Jakarta, 21 April 2022 – PT MNC Energy Investments Tbk (IATA or the Company) finally recorded a net profit after years of losses.

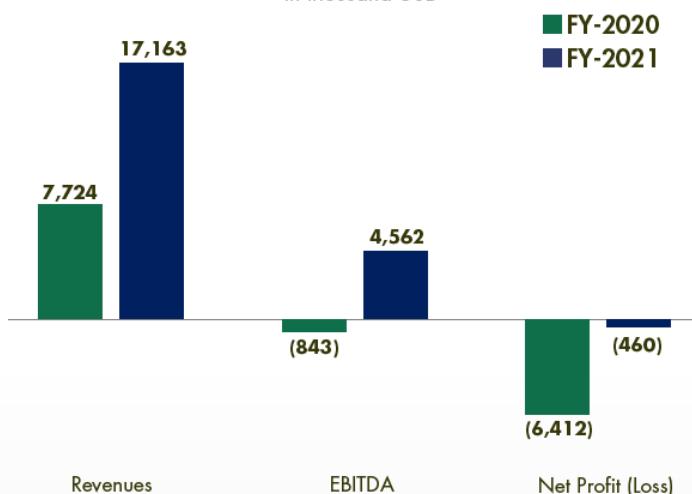
This increase in performance results from the Company's strategic move to acquire PT Bhakti Coal Resources (BCR), a company that owns 9 Mining Business Permits (IUP) in Musi Banyuasin, South Sumatra.

In the first quarter of 2022, IATA recorded revenue of USD40.4 million, up 2,543% compared to USD1.5 million in the same quarter last year. Along with the increase in revenue, the Company's EBITDA also experienced a drastic improvement from negative EBITDA of USD0.3 million to positive EBITDA of USD23.5 million. For the first time since years, the bottom line recorded a net profit of USD9.4 million in Q1-2022.

In fact, the Company's financial performance in Q1-2022 is superior compared to FY-2021 financial performance. As a note, BCR has only been recorded in IATA's financial statements starting 1 December 2021. For the 2021 financial year, the Company recorded revenue of USD17.2 million, EBITDA of USD4.6 million, and a net loss of USD0.5 million.

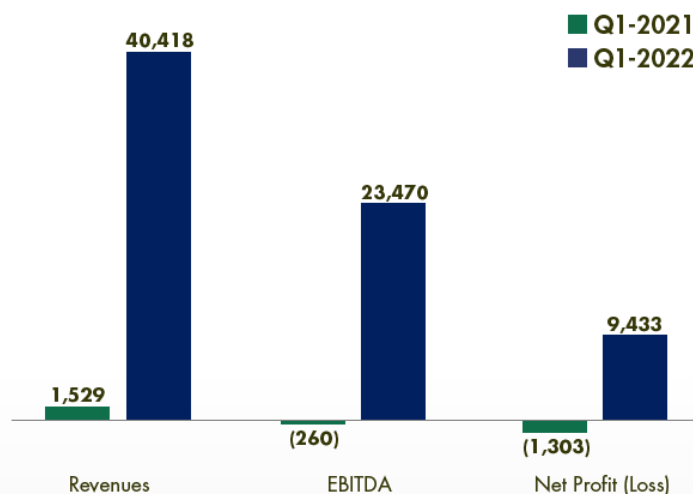
FY-2020 vs FY-2021

in thousand USD



Q1-2021 vs Q1-2022

in thousand USD

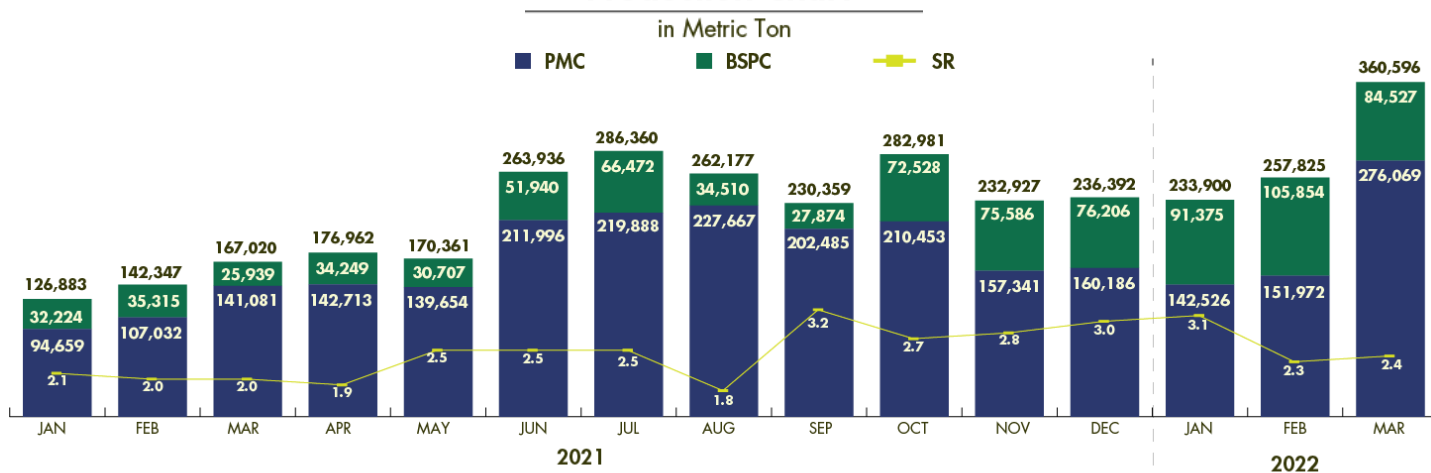


Operational Performance of PT Bhakti Coal Resources

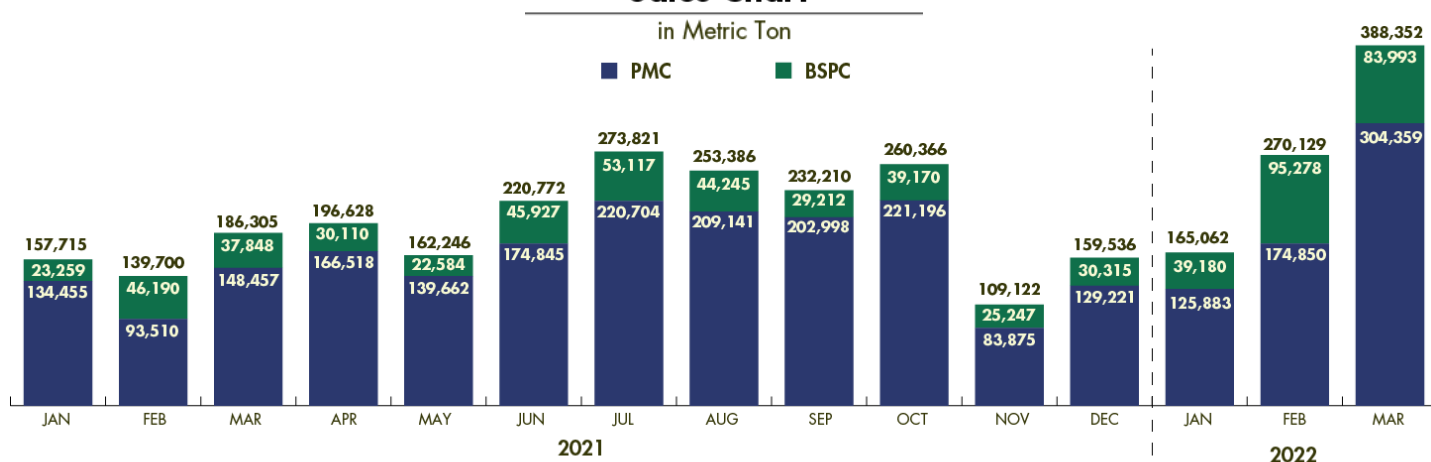
BCR recorded an increase in production in the first quarter of 2022 compared to last year's first quarter. In Q1-2022, BCR achieved a total production of 852,322 MT, up by 95.4% QoQ compared to 436,251 MT of the same quarter last year. Compared to Q4-2021, BCR Production increased by 13.3% from 752,299 MT. PMC accounted for 66.9% of the total production of BCR in the first quarter. Production in 2022 will continue to increase with the addition of 2 new mining areas at PT Indonesia Batu Prima Energi (IBPE) and PT Arthaco Prima Energi (APE), which will operate from the second quarter of this year.

Coal sales also increased in line with the increase in production. The Company recorded sales of 823,543 MT in Q1-2022, up by 70.3% QoQ compared to 483,719 MT in the same quarter last year. China, India, Vietnam, Thailand, and Malaysia are the destination countries for the Company's coal exports.

Production Chart



Sales Chart



This increase in production takes advantage of the momentum of high demand and coal prices in the international market. Several things trigger the increase:

1. The high price of gas and oil causes many to turn to coal.
2. Embargo on Russian energy commodities due to Russia's invasion of Ukraine.
3. Renewable energy is still not reliable to replace the role of coal.
4. Economic recovery after the easing of Covid-19 lockdown.

About BCR, IATA's New Key Business

Acquired at the end of 2021, PT Bhakti Coal Resources (BCR) is the parent company of nine coal companies with Mining Business Licenses (IUPs) in Musi Banyuasin, South Sumatra. BCR targets production of 7.8 million MT by 2022 from the four IUPs owned by PT Putra Muba Coal (PMC), PT Bhumi Sriwijaya Perdana Coal (BSPC), PT Arthaco Prima Energi (APE) and PT Indonesia Batu Prima Energi (IBPE).

IATA reserves & resources

IUP	Area (ha)	GAR (kcal/kg)	Resources (MT)				Reserves (MT)		2022 Production Target
			Measured	Indicated	Inferred	Total	KCMI	Internal Assessment	
Based on Indonesian Joint Committee for Mineral Reserves (KCMI)									
BSPC-N	4,708	3,200 - 3,300	74,500,000	29,500,000	26,700,000	130,700,000	83,275,520		1,800,000
PMC	2,947	3,000 - 3,600	60,400,000	12,900,000	3,600,000	76,900,000	54,822,642		4,500,000
Subtotal	7,655		134,900,000	42,400,000	30,300,000	207,600,000	138,098,162		6,300,000
Based on Internal Assessment									
APE	15,000	3,000 - 3,500	297,086,038	264,076,478	231,066,918	792,229,434		103,827,266	1,000,000
IBPE	15,000	3,100 - 3,500	211,105,054	187,648,937	161,540,293	560,294,284		7,104,000	500,000
BSPC-S	2,158	2,600 - 3,800	15,777,000	6,581,000	2,028,000	24,386,000		9,831,388	
PUMCO	1,526	3,000 - 3,500	9,632,701	756,100		10,388,801		2,876,576	
PE	4,424		295,417	871,883	1,496,160	2,663,460			
TPS	6,015		62,591	1,520,220	3,443,479	5,026,290			
SEP	8,596		38,906	296,312	607,672	942,890			
EIBP	13,630								
Subtotal	66,349		533,997,707	461,750,930	400,182,522	1,395,931,159		123,639,230	1,500,000
Total	74,004		668,897,707	504,150,930	430,482,522	1,603,531,159	138,098,162	123,639,230	7,800,000

“ 2021 is a year like no other. We have seen the drastic changes countries and the people are willing to make in order to adapt to what is now known as the new norm. This sentiment is the same for the Company as we and the shareholders took a leap of faith in transforming the Company into an energy company. It was a decision that took great confidence across the board and we are proud to announce that it had paid off. Now, IATA is growing tremendously. Just recently, the Company expanded our energy portfolio to include oil and gas. We look forward to exploring other investment opportunities within the energy sector, namely renewable resources, and the Company will be ready to assist the nation in building a greener future when the time calls for it.

-Hary Tanoesoedibjo, the Executive Chairman of MNC Group

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