

Skyrocketing Coal Prices Rockets IATA's Profits

Jakarta, 8 September 2022 – PT MNC Energy Investments Tbk (IATA or the Company) reported an increase in operating income in its June 2022 Financial Report. The comparison between H1-2022 and H1-2021 are using 2 methods. The first is using the actual number of IATA as of H1-2021, before consolidation of PT Bhakti Coal Resources (BCR) and the second is in accordance with PSAK 38 DK24 that requires the financial statements to be presented as a proforma after BCR is consolidated.

Actual Comparison using H1-2021 Before Consolidation of BCR

According to the actual results of H1-2021, the Company reported a 1,734.35% increase in operating revenue from USD 4.61 million in H1-2021 to USD 84.50 million in H1-2022. Similarly, the Company's EBITDA grew from USD 545 thousand in H1-2021 to USD 44.72 million in H1-2022, or approximately 8,098.60%. Profits also grew significantly as the Company's net income soar from negative USD 1.70 million to positive USD 32.19 million. This is mainly due to a higher demand and increasing prices for energy resources such as coal as a result of oil and gas dependent countries scrambling to look for alternatives after experiencing difficulties in securing supplies.

Comparison According to PSAK 38 DK24

Compared to the same semester in 2021, operating revenue jumped by 254.36% or USD 84.50 million in H1-2022 from USD 23.85 million in H1-2021. The increase can also be seen in comparison with the same quarter last year from USD 13.63 million in Q2-2021 to USD 44.11 million in Q2-2022 or 223.61%. The Company are committed to increasing coal production, which has now started to reap great results with a higher net profit of USD 32.19 million in H1-2022, an increase of 735.49% in comparison to USD 3.85 million in H1-2021. Net profit is up by 335.55% from USD 3.63 million in Q2-2021 to USD 15.80 million in Q2-2022.

in thousand USD	H1-2022	Before consolidation H1-2021	PSAK 38 DK24 H1-2021
Profit and Loss			
Operating Revenues	84,502	4,607	23,846
Direct Costs	(24,268)	(3,187)	(11,711)
Gross Profit	60,234	1,420	12,135
Income (Loss) Before Tax	41,969	(1,817)	5,299
Net Income (Loss)	32,191	(1,701)	3,853
in thousand USD	H1-2022	H1-2021	FY-2021
Balance Sheet			
Current Assets	45,454	6,012	22,314
Non-Current Assets	104,598	47,627	77,631
Total Assets	150,052	53,639	99,945
Current Liabilities	203,816	27,868	44,095
Non-Current Liabilities	30,610	11,218	29,265
Total Liabilities	234,426	39,086	73,360
Total Equity	(84,374)	14,553	26,585

The profit recorded by the Company came from the subsidiaries of BCR, namely PT Putra Muba Coal (PMC) and PT Bhumi Sriwijaya Perdana Coal (BSPC), each of which targets production of 4.5 million MT and 1.8 million MT for 2022, increasing from 2 million MT and 590 thousand MT in 2021. In addition to PMC and BSPC, another BCR subsidiary, PT Indonesia Batu Prima Energi (IBPE) has started coal production in July 2022. Owing one of the largest concession areas of 15 thousand hectares, the Company believes that IBPE in the next quarter and beyond will make a significant contribution. IBPE is targeted to produce 500 thousand MT of coal by 2022. In addition, PT Arthaco Prima Energy (APE), is also targeted to start production within this year.

IUP	Area (ha)	GAR (kcal/kg)	Resources (MT)				Reserves (MT)	
			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	
PMC	2,947	3,000 - 3,600	60,400,000	12,900,000	3,600,000	76,900,000	54,822,642	
APE¹	1,720	2,500 - 3,250	24,700,000	162,100,000	39,100,000	225,900,000	109,100,000	
IBPE²	960	3,375	10,100,000	16,300,000	4,900,000	31,300,000	6,220,000	
Subtotal	10,335		169,700,000	220,800,000	74,300,000	464,800,000	253,418,162	
Based on Internal Assessment								
APE³	13,280	3,000 - 3,500	272,386,038	101,976,478	191,966,918	566,329,434		
IBPE³	14,040	3,100 - 3,500	201,005,054	171,348,937	156,640,293	528,994,284		884,000
BSPC-S	2,158	3,600 - 3,800	15,777,000	6,581,000	2,028,000	24,386,000		9,831,388
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	62,143		489,565,006	282,594,830	356,182,522	1,128,342,358		10,715,388
Total	72,478		659,265,006	503,394,830	430,482,522	1,593,142,358	253,418,162	10,715,388

Note:

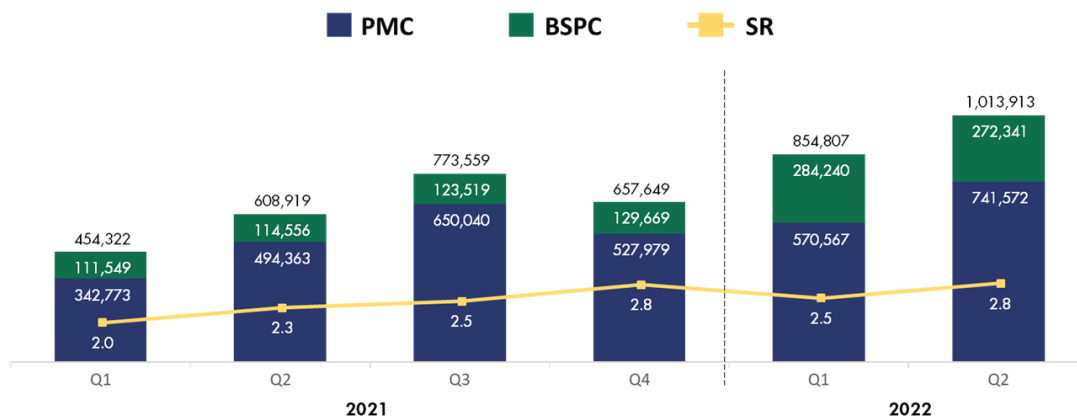
¹ APE Phase 1, 2, and 3 findings only

² IBPE Phase 1 findings only

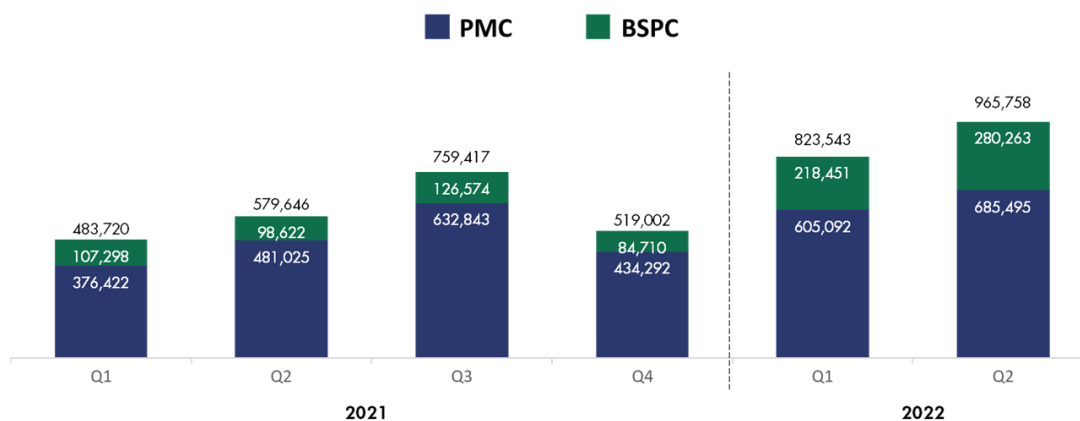
³ Based on internal calculations minus KCMI results (in the process of being finalized)

Drilling activities continue for IUPs which have not been fully explored. Reserves will increase if the results of the ongoing exploration show coal findings.

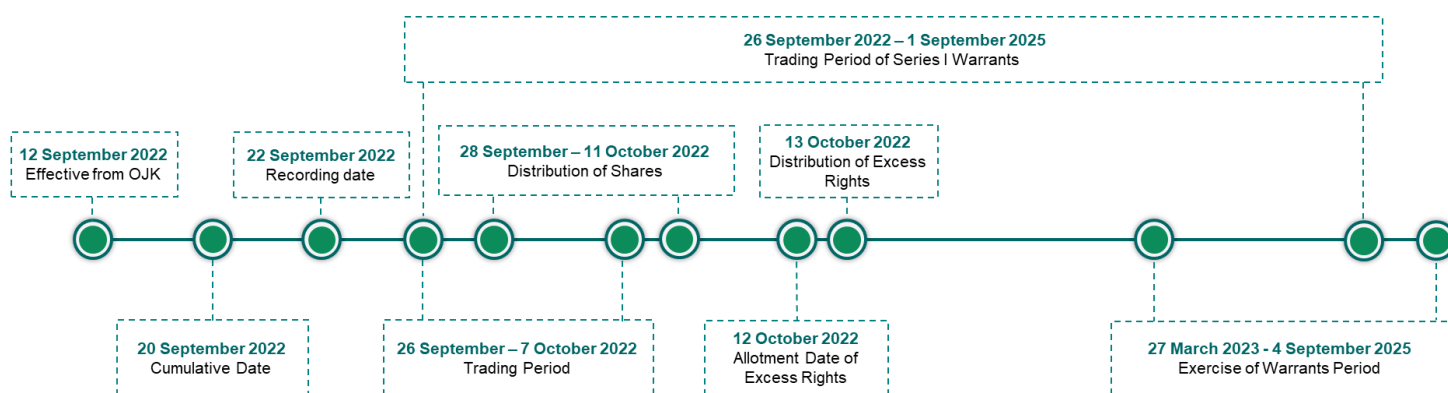
Production in Metric Ton



Sales in Metric Ton



Rights Issue Schedule (Tentative)



The Company is currently carrying out a corporate action of Rights Issuance (HMETD) which has been approved at the Extraordinary General Meeting of Shareholders (EGMS) earlier this year. The Company plans to issue 14,840,555,748 shares, the proceeds of which will be used to pay off all Promissory Notes issued to PT MNC Asia Holding Tbk (BHIT) in the context of the takeover of BCR. In addition, it will be used as a paid-up capital to subsidiary companies that will be used for business development in the coal and oil and gas sector and the Company's working capital. After the Rights Issue, BHIT will have a maximum ownership of 56.97% in IATA.

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