

Investing in the Future: PT Hero Global Investment Tbk (HGII) Launches IPO to Fund Green Energy Projects

Jakarta, December 18, 2024 – PT Hero Global Investment Tbk ("HGII"), a holding company in Indonesia's renewable energy sector, is set to embark on an Initial Public Offering (IPO). This initiative underscores HGII's dedication to advancing Indonesia's green energy goals while supporting government renewable energy initiatives.

Established in 2010, HGII has emerged as one of Indonesia's fastest-growing renewable energy companies. The company operates the Parmonangan-1 mini hydropower plant (PLTM) with a capacity of 9 megawatts (MW) and the Parmonangan-2 PLTM with a capacity of 10 MW, both located in Manalu Dolok Village, Parmonangan District, North Tapanuli Regency, North Sumatra. The Parmonangan-1 PLTM is managed by HGII's subsidiary, PT Seluma Clean Energy (SCE), while the Parmonangan-2 PLTM is managed by PT Bina Godang Energi (BGE). These facilities operate through a power purchase agreement with PT PLN (Persero), Indonesia's state-owned electricity company, ensuring their contribution to the country's rising energy demands.

HGII holds a minority interest in the Ujung Batu Biogas Power Plant (PLTBg), a 3 MW facility in Riau Province, managed by PT Pasadena Biofuels Mandiri, with the participation of HGII's affiliate, PT Pelita Prima Energi Semesta.

Strategic Vision for Growth

Robin Sunyoto, President Director of PT Hero Global Investment Tbk, emphasized that the IPO is a crucial step in realizing HGII's mission to grow its renewable energy portfolio and support Indonesia's transition to sustainable energy sources.

"HGII is committed to contributing to Indonesia's achievement of its net zero emissions (NZE) target by 2060 or sooner. The IPO will enable us to expand our renewable energy capacity to 100 MW by 2031, reflecting our commitment to sustainable practices, strong governance, and operational excellence for sustainability," Robin explained.

With a focus on balanced and sustainable growth, HGII aims to use the IPO proceeds to enhance its leadership in the green energy sector while contributing significantly to Indonesia's renewable energy development.

IPO Details

HGII plans to offer up to 1.3 billion ordinary shares, representing 20% of its total issued and fully paid-up capital post-IPO. The shares will be offered to the public at a price range of IDR200 to IDR230 per share during the book-building period, from December 18 to December 23, 2024. The public offering period is slated for January 3-7, 2025, with the company's shares expected to be listed on the Indonesia Stock Exchange (IDX) on January 9, 2025. Through this IPO, HGII aims to raise IDR299 billion.

HGII has appointed PT OCBC Sekuritas Indonesia and PT UOB Kay Hian Sekuritas as underwriters for this significant corporate action.

This IPO marks an important milestone in HGII's journey towards becoming a leader in renewable energy and reaffirms its commitment to creating a sustainable future for Indonesia.

Renewable Energy Expansion

Robin explained that the proceeds from the IPO will be primarily allocated to the expansion and development of new renewable energy initiatives. Of the total funds, approximately 66 percent will be dedicated to the construction of a 25 MW hydropower plant (PLTA) in North Sumatra, while around 31 percent will be used to establish a 10 MW mini hydropower plant (PLTM) in the same region. A smaller portion of the funds will be allocated as working capital to support the company's exploration efforts and cover initial study costs, such as pre-feasibility studies, for new renewable energy projects, including hydropower, biomass, biogas, and solar power.

He further emphasized HGII's commitment to continuous investment and development within Indonesia's green energy sector, aiming to manage a 100 MW power plant in the future. HGII has outlined several projects within its renewable energy pipeline, including hydro (58 MW), biomass (8 MW), biogas (6 MW), and solar (10 MW). The company remains confident in its ability to sustainably expand, given Indonesia's abundant and diverse green energy potential.

"We also acknowledge and appreciate the capital market authorities for their support in fostering a positive environment for the stock exchange, which contributes to national economic growth. We are optimistic that through this strategic IPO, HGII will establish itself as a leading renewable energy company and make a significant contribution to both the local and national economies," Robin added.

According to the Indonesian Ministry of Energy and Mineral Resources, Indonesia's renewable energy potential reached 3,687 GW as of the second half of 2024. However, only 0.3 percent, or approximately 13,781 MW, of this potential has been utilized to date. Solar energy holds the largest potential, at 3,294 GW, with just 675 MW currently in use. Wind energy has a potential of 155 GW, but only 152 MW is being harnessed. Hydropower stands at 95 GW of potential, with 6,697 MW in operation. The potential for ocean current power is 63 GW, though it remains untapped. Bioenergy potential is 57 GW, with 3,408 MW currently utilized, while geothermal power has a potential of 23 GW, with 2,597 MW in use.

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