

Corporate Update

TRILLION RIGHT - ISSUE, SECOND TIER AMBITION EXPANDS BUSINESS FOOTPRINT

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#WIFI #INET #IRSX

Purpose of Rights Issue:

- **WIFI (PT Solusi Sinergi Digital Tbk)** — Already executed **Capital Increase with Pre-emptive Rights (PMHMETD) first tranche ~Rp5,9 trillion (2.95 billion shares @Rp2,000)**. ~Rp5,8 trillion allocated for *FTTH network expansion aka Fiber to the Home* (target 4 million home-passes via its subsidiary PT. Integrasi Jaringan Ekosistem / IJE) for affordable internet packages. After the rights issue, *NTT e-Asia = subsidiary of Nippon Telegraph & Telephone (NTT) East Group*, entered 49% in IJE as strategic investor. This is a combination of funding + operational validation (Japanese know-how).
- **INET (PT Sinergi Inti Andalan Prima Tbk)** — Targeting **~Rp3,2 trillion through PMHMETD (12.8 billion shares, 57.14% post-action; ratio 3:4; subscription price Rp250)**. Majority shareholder *AKUN (PT. Akun Digital Indonesia Tbk = main shareholder of INET)* committed to fully subscribe + act as standby buyer. About Rp2,8 trillion injected into subsidiary (GPI) to build FTTH, Rp213 billion to PFI for fiber provision costs; the rest for working capital. New shares listing scheduled 1 Dec 2025..
- **IRSX (PT Aviana Sinar Abadi Tbk → renamed: PT Folago Global Nusantara Tbk)** — EGMS 25 Sep 2025 approved **rights issue plan max. 12.39 billion shares (+ optional Series II Warrants ~1.85 billion), equivalent to 66.67% post-action**. Management stated funds for business expansion & development (capex/opex); the company is also revamping identity and structure (lifting suspension, change of control, previous estimated Mandatory Tender Offer / MTO mentioned by media). **Target fund size reported up to ~Rp3 trillion.**

Is it attractive to join a "jumbo" rights issue of second-tier issuers? It can be attractive if:

- 1) Use of proceeds is specific, close to revenue (FTTH capex quickly commercialized, clear customer acquisition metrics);
- 2) There is a strategic partner bringing technology/access (example: NTT in WIFI/IJE ecosystem);
- 3) Healthy action structure (subscription price reasonably discounted vs TERP / theoretical price post-RI, there is a credible standby buyer like INET);
- 4) Governance & execution convincing (timeline, operational KPIs published).

For **WIFI & INET**, FTTH scale-up narrative + investor/standby buyer commitment provides positive weight.

IRSX has potential, but still at brand/controller consolidation stage — execution & KPI transparency are key before assessing upside.

⚠️ *However, caution because:*

- Very large dilution (WIFI ~55.56%; INET ~57.14%; IRSX ~66.67% post-action) — passive non-participants will be heavily diluted;
- FTTH execution is capital & operational intensive (permits, build-out, churn rate to measure retention, ARPU / Average Unit Per User);
- For IRSX, change of control/name + MTO/suspension plan previously adds short-term noise to valuation & action timing. FYI, alongside the new name, management & new controller changes fell to PT Matra Tri Abadi.

💰 **Why are “jumbo” rights issues prevalent in second-tier?**

- Capex story:** Projects like FTTH require front-loaded large capex; rights issue more suitable than debt when cash flow is still growing.
- Window of theme:** Market evaluates connectivity/affordable internet narrative aka Proyek Internet Rakyat is “on”; management exploits price momentum & investor interest.
- Bankability:** Banks tend to be cautious on early-stage projects; equity becomes a bridge to economic scale.
- Strategic signaling:** Bringing a partner (NTT in IJE) strengthens credibility — often seen in non-LQ45 issuers to “move up class”.

📄 *How should investors respond?* **Practical checklist before deciding to join/not:**

- Use of proceeds & KPI** — check quantitative targets: how many home-passes installed, take-up rate, ARPU, payback per cluster. For IRSX, request product/segment pipeline funded by rights issue (not just “expansion”).
- Structure & investor protection** — check HMETD ratio, subscription price vs TERP, rights trading period, standby buyer/controller commitment (example INET: AKUN standby).
- Sponsor/partner quality** — in WIFI, entry of NTT e-Asia at subsidiary level signals technology & network; has operational synergy value.
- Governance & ongoing corporate actions** — for IRSX, observe effects of control/name change, warrant plan, MTO potential, and suspension history; execution transparency determines risk-reward.
- Pro-forma valuation** — recalc market cap & Enterprise Value (EV) post-action; compare with peers (telco/fiber, Internet Service Provider/ISP, digital platform) based on EV per home-passes, EV per Revenue, and margin trajectory.
- Liquidity & volatility** — second-tier prone to swings; discipline in sizing & downside scenario if KPI realization misses.

📄 **Tactical conclusion:**

- WIFI: Positive-constructive** — use of proceeds focus on FTTH + NTT validation provides fundamental catalyst if customer acquisition KPIs are met; still monitor rollout & monetization execution.
- INET: Conditionally attractive** — clear action structure, strong controller commitment, and majority fund to FTTH; subscription price Rp250 provides pro-forma valuation reference. Execution and commercialization speed are decisive.
- IRSX: Wait-and-see** — large dilution & corporate transition (rename/controller) demand detailed roadmap & concrete KPI before joining. Conservative investors can wait for final prospectus/term sheet and initial execution proof.



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