



6th June 2023

Completion of Investment in a High-Grade Nickel Matte Conversion Facility

Jakarta, Indonesia – PT Merdeka Battery Materials Tbk (IDX: MBMA) (“**MBMA**” or the “**Company**”) is pleased to announce that the Company has completed the acquisition of a 60% interest in PT Huaneng Metal Industry (“**HNMI**”), a high-grade nickel matte (“**HGNM**”) conversion facility located within the Indonesia Morowali Industrial Park (“**IMIP**”) (the “**Acquisition**”).

HNMI Overview

HNMI was constructed and commissioned by Eternal Tsingshan Group Limited (“**Tsingshan**”) and has been in steady production since 2022. HNMI processes low-grade nickel matte (“**LGNM**”) ¹ produced by RKEF smelters, reducing the iron content, resulting in a HGNM product containing more than 70% nickel. Historically HNMI has sustained an annual production rate of 50,000 tonnes of nickel in nickel matte ². In recent times, HGNM producers in IMIP have achieved superior margins to nickel pig iron, with higher payability on a per tonne of nickel basis.

Downstream Expansion

MBMA now holds a 60% interest in HNMI, with a subsidiary of Tsingshan holding the remaining 40%. This Acquisition allows MBMA to deliver immediate, incremental cash flow and capture added profit margin from producing and selling nickel matte which is a key feedstock for battery precursors and *Class 1* nickel.

As part of MBMA’s strategy to deliver value to its shareholders, the Company continues to evaluate downstream expansion projects to produce value-added *Class 1* battery materials, critical to supporting the fast-growing electric vehicle value chain and a vital part of the energy transition.

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¹ Low-grade nickel matte grade typically ranges from 18 – 22%.

² High-grade nickel matte production volume is a function of the nickel contained in the low-grade nickel matte.



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