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MBMA Achieved Strong Ramp Up of Nickel Mining and First MHP Production in 4Q 2024

Jakarta, Indonesia – PT Merdeka Battery Materials Tbk (IDX: MBMA) (“MBMA” or the “Company”) is pleased to report strong operational progress for the quarter ended 31 December 2024, highlighted by significant growth in nickel mining and the successful achievement of its first Mixed Hydroxide Precipitate (“MHP”) production.

The SCM mine achieved a quarterly record in ore production, delivering 3.0 million wet metric tonnes (“wmt”) of saprolite and 3.4 million wmt of limonite. This represents a year-on-year (“YoY”) increase of 108% and 110%, respectively. During the quarter, 2.01 million wmt of saprolite ore was delivered to MBMA’s RKEF smelters, while 4.1 million wmt of limonite ore was sold to PT Huayue Nickel Cobalt (“HNC”), generating an unaudited revenue of \$73.2 million at an average sales price (“ASP”) of \$17.9/wmt.

In 2024, the SCM mine enhanced and expanded its mining operations and infrastructure, resulting in a significant increase in ore production and a reduction in mining costs. The operation more than doubled ore production with saprolite production of 4.9 million wmt in FY2024, compared to 2.3 million wmt in FY2023. Additionally, limonite production reached 10.1 million wmt in FY2024.

The substantial increase in ore production was complemented by significant cost reductions. By the end of 4Q 2024, saprolite cash costs decreased to \$21.6/wmt, down from \$28.4/wmt in the first quarter. Likewise, limonite cash costs fell to \$9.0/wmt from \$11.5/wmt during the same period.

During the quarter, MBMA’s refining facility produced a total of 30,716 tonnes, which included 18,823 tonnes of nickel in nickel pig iron (“NPI”) and 11,893 tonnes of nickel in high-grade nickel matte (“HGNM”). This production resulted in an unaudited revenue of \$223.8 million from NPI and \$158.8 million from HGNM, with an ASP of \$11,887/t and \$13,229/t, respectively.

In FY2024, MBMA produced 82,161 tonnes of nickel in NPI¹ at a cash cost of \$10,307/t, which is within the guidance range. This reflects a 26% YoY increase in volume and a 15% YoY decrease in costs. Meanwhile, HGNM production reached 50,315 tonnes at a cash cost of \$13,547/t, also within the guidance range. This represents a 66% YoY increase in volume and an 8% YoY decrease in costs.

Teddy Oetomo, President Director of MBMA, stated, “Our strong operational performance in 2024 reflects our commitment to efficiency, sustainability, and innovation. As we move into 2025, MBMA is on track for significant growth, driven by ramping up our nickel ore production, increasing our nickel production and operating our HPAL facilities. These milestones will further solidify our position as a global player in the battery and electric vehicle value chain.”

Commissioning activities at the AIM plant are progressing well. The pyrite plant is fully operational, and the acid plant has been running since April 2024. During the quarter, the acid plant achieved record production levels, producing 164,985 tonnes of acid and 225,036 tonnes of steam. Construction of the chloride metals plant is complete, and commissioning is currently underway. The copper cathode plant is in the final stages of construction, with partial commissioning starting this quarter. In December 2024, PT ESG New Energy Material (“PT ESG”) successfully produced its first batch of MHP. This production of MHP represents a significant milestone

¹ Includes production of 2,683 tonnes of nickel in lower-grade nickel matte (“LGNM”) in FY2024

in MBMA's strategy for producing downstream battery materials.

For 2025, MBMA aims to deliver 6.0 to 7.0 million wmt of saprolite ore and sell 12.5 to 15.0 million wmt of limonite ore. The cash costs for saprolite and limonite are expected to remain below \$23/wmt and \$11/wmt, respectively, with further cost reductions anticipated. NPI production is projected to be 80,000 to 87,000 tonnes, with an expected cash cost below \$11,000/t and an all-in sustaining cost ("AISC") below \$11,200/t. MBMA anticipates that cash costs will decrease further as saprolite ore delivery from the SCM mine ramps up and following the completion of the BSI smelter overhauls. We expect to achieve approximately 60 – 70% ore self-sufficiency in FY2025. HGNM production is projected to range from 50,000 to 55,000 tonnes, with anticipated cash costs and AISC both expected to be below \$13,500/t. While MHP production is expected to range between 25,000 and 30,000 tonnes, with an average cash cost below \$9,000/t after cobalt credits, once operation reaches its nameplate design capacity.

Teddy stated that MBMA anticipates that cash costs will decrease further in line with the ramp-up of saprolite ore delivery from the SCM mine and following the completion of the BSI smelter overhauls. We are also monitoring the profitability of our refining facilities with the HGNM plant is being closely monitored. When acceptable profit margins are not achieved, MBMA may consider curtailing production if the current market conditions persist.

He added, "As we expand our operations, we focus on sustainability, responsible business practices, and cost optimisation. Our investments in HPAL and the AIM plant are key drivers of our long-term growth, and we are committed to delivering value to our stakeholders while contributing to the global energy transition."

MBMA is well-positioned to strengthen its role as a key player in the global battery materials industry. The Company remains focused on expanding production capacity, optimising costs, and enhancing profitability while driving sustainable growth.

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