

# QUARTERLY ACTIVITIES REPORT

October to December 2024



6<sup>th</sup> February 2025

## Strong Ramp Up of Nickel Mining and First MHP Production Achieved During the Quarter

Jakarta, Indonesia – PT Merdeka Battery Materials Tbk. (IDX: MBMA) (“MBMA” or the “Company”) is pleased to present its quarterly activities report for the quarter ended 31 December 2024.

### Highlights

- The SCM mine reported substantial year-on-year (“YoY”) increases in ore production during the quarter, with saprolite production increasing by 108% and limonite production increasing by 110%. For FY2024, saprolite and limonite ore production increased by 110% and 150%, respectively.
- MBMA achieved significant cost reductions at its SCM mining operations. By the end of the quarter, saprolite cash costs decreased to \$21.60/wet metric tonnes (“wmt”), down from \$28.40/wmt in the March 2024 quarter. Similarly, limonite cash costs dropped to \$9.0/wmt from \$11.5/wmt during the same period. Cash costs for the quarter fell within FY2024 cash cost guidance, which was below \$25.0/wmt and \$12.0/wmt for saprolite and limonite, respectively.
- In FY2024, MBMA produced 82,161 tonnes<sup>1</sup> of nickel in nickel pig iron (“NPI”) at a cash cost of \$10,307/t, within the FY2024 cash cost guidance of \$10,000 to \$11,000/t. This represents a 26% YoY increase in volume and a 15% decrease in costs. NPI production for the quarter was 18,823 tonnes, 8% lower than the September 2024 quarter, due to scheduled maintenance, at a cash cost of \$10,037/t.
- MBMA improved NPI margins throughout the year, achieving an NPI margin of \$1,850/t during the December 2024 quarter, steadily increasing from \$948/t in the March 2024 quarter. For FY2024, MBMA achieved a positive NPI margin of \$1,301/t, compared to \$1,442/t in FY2023. This is a fantastic result considering the average sales price (“ASP”) of NPI declined by 14% from \$13,536/t to \$11,608/t over the respective periods.
- In FY2024, MBMA produced 50,315 tonnes of nickel in high-grade nickel matte (“HGNNM”) at a cash cost of \$13,547/t, within the FY2024 cash cost guidance of \$13,000 to \$15,000/t. This represents a 66% YoY increase in volume and an 8% decrease in costs. HGNNM production for the quarter was 11,893 tonnes at a cash cost of \$14,312/t. HGNNM margins were volatile throughout FY2024, reaching a high of \$1,832/t in the June 2024 quarter. The HGNNM margin for FY2024 was \$223/t, a 73% reduction compared to FY2023.
- Commissioning activities at the AIM plant are progressing positively. The pyrite plant is fully commissioned, and the acid plant has been operational since April 2024, with production ramping up. Construction of the chloride metals plant has been completed, and the commissioning process is underway. The first sponge copper was produced in January. The copper cathode plant is in the final stages of construction, with the commissioning of some sections beginning during the quarter. During the quarter, the acid plant achieved record production levels, producing 164,985 tonnes of acid and 225,036 tonnes of steam.
- In early December 2024, PT ESG New Energy Material (“PT ESG”) achieved its first production of nickel in mixed hydroxide precipitate (“MHP”). This production of MHP represents a significant milestone in advancing MBMA’s strategy for producing downstream battery materials.
- MBMA reported FY2024 unaudited revenue \$1,844.7 million, a 39% increase compared to FY2023.

### 2025 Guidance

- Saprolite ore delivery is expected to be between 6.0 to 7.0 million wmt with limonite ore sales in the range of 12.5 to 15.0 million wmt. Saprolite and limonite cash cost is expected to be below \$23/wmt and \$11/wmt,

<sup>1</sup> Includes production of 2,683 tonnes of nickel in lower-grade nickel matte (“LGNNM”) in FY2024.

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respectively. Although the increase in fuel prices by the Indonesian government will affect overall costs, MBMA aims to further reduce costs from FY2024 levels.

- NPI production of 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 in line with the ramp-up of saprolite ore delivery from the SCM mine and following the completion of the BSI smelter overhaul. We expect to achieve 60 – 70% ore self-sufficiency in FY2025.
- HGNM production of 50,000 to 55,000 tonnes with an expected cash cost below \$13,500/t and an AISC below \$13,500/t. The profitability of the HGNM plant is being closely monitored. If acceptable margins cannot be achieved, plant production will be suspended and restarted when market prices improve.
- MHP production of 25,000 to 30,000 tonnes is being targeted at an average cash cost of below \$9,000/t after cobalt credit, once the operation reaches its nameplate design capacity.

## Operational Summary

Items	Unit	4Q23	1Q24	2Q24	3Q24	4Q24	QoQ	YoY 4Q23-4Q24	FY23	FY24	YoY FY23-FY24
<b>Saprolite</b>											
Production	m wmt	1.4	0.5	0.4	1.0	3.0	185%	108%	2.3	4.9	110%
Sales <sup>2</sup>	m wmt	0.7	1.1	1.2	1.2	1.4	15%	93%	0.8	4.9	555%
ASP	\$/wmt	34.3	30.3	30.2	28.8	27.4	-5%	-20%	34.6	29.1	-16%
Cash cost	\$/wmt	28.0	28.4	24.9	23.8	21.6	-9%	-23%	28.7	23.4	-18%
<b>Margin</b>	<b>\$/wmt</b>	<b>6.3</b>	<b>1.8</b>	<b>5.3</b>	<b>5.0</b>	<b>5.8</b>	<b>17%</b>	<b>-7%</b>	<b>5.9</b>	<b>5.7</b>	<b>-4%</b>
<b>Limonite</b>											
Production	m wmt	1.6	1.2	1.8	3.7	3.4	-8%	110%	4.0	10.1	150%
Sales	m wmt	0.9	0.6	2.9	3.5	4.1	18%	330%	0.9	11.0	1063%
ASP	\$/wmt	17.2	13.2	16.5	15.3	17.9	18%	4%	17.2	16.5	-4%
Cash cost	\$/wmt	10.2	11.5	12.1	9.9	9.0	-9%	-11%	12.1	10.4	-14%
<b>Margin</b>	<b>\$/wmt</b>	<b>7.0</b>	<b>1.7</b>	<b>4.4</b>	<b>5.4</b>	<b>8.9</b>	<b>66%</b>	<b>27%</b>	<b>5.2</b>	<b>6.1</b>	<b>18%</b>
<b>NPI</b>											
Production <sup>3</sup>	t	22,141	20,900	21,882	20,557	18,823	-8%	-15%	65,117	82,161	26%
Sales	t	22,472	21,621	20,846	18,900	18,831	0%	-16%	64,526	80,199	24%
ASP	\$/t	12,097	11,055	11,536	12,041	11,887	-1%	-2%	13,536	11,608	-14%
Cash cost	\$/t	10,774	10,107	10,288	10,776	10,037	-7%	-7%	12,095	10,307	-15%
AISC	\$/t	10,883	10,223	10,370	10,961	10,376	-5%	-5%	12,252	10,483	-14%
<b>Margin</b>	<b>\$/t</b>	<b>1,324</b>	<b>948</b>	<b>1,247</b>	<b>1,265</b>	<b>1,850</b>	<b>46%</b>	<b>40%</b>	<b>1,442</b>	<b>1,301</b>	<b>-10%</b>
<b>HGNM</b>											
Production	t	12,684	12,041	13,402	12,979	11,893	-8%	-6%	30,333	50,315	66%
Sales	t	11,700	14,404	12,804	13,192	12,005	-9%	3%	28,129	52,406	86%
ASP	\$/t	14,216	13,673	14,819	13,350	13,229	-1%	-7%	15,592	13,770	-12%
Cash cost	\$/t	14,183	13,120	12,988	13,820	14,312	4%	1%	14,755	13,547	-8%
AISC	\$/t	14,199	13,162	13,016	13,830	14,348	4%	1%	14,807	13,576	-8%
<b>Margin</b>	<b>\$/t</b>	<b>33</b>	<b>552</b>	<b>1,832</b>	<b>(469)</b>	<b>(1,084)</b>	<b>-131%</b>	<b>n.m</b>	<b>837</b>	<b>223</b>	<b>-73%</b>

Table 1: Mining and Processing Summary

<sup>2</sup> Sales volume of saprolite is based on delivery volume during 2024, including realisation of pre-sales in 2023

<sup>3</sup> Includes production of 180 tonnes and 2,504 tonnes of nickel in LGNM in June and September 2024 quarter, respectively.

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### SCM Mine

The SCM mine is one of the largest nickel laterite resources globally. The mine exclusively supplies saprolite ore to MBMA's RKEF smelters (CSI, BSI and ZHN) and limonite ore to the feed preparation plant ("FPP") of HNC, located near the SCM mine. The limonite ore is then transported to the HPAL plant at the Indonesia Morowali Industrial Park ("IMIP") via a slurry pipeline. The SCM mine will also supply limonite ore to the PT ESG and PT Meiming HPAL plants once the FPP is complete in 2H 2025.

### Saprolite Mining Activities

In 2024, MBMA enhanced and expanded mining operations at the SCM mine. Infrastructure improvements were made to accommodate a much larger mining operation, aligning with the plans for HPAL processing expansion. As a result, there was a significant increase in ore production to 4.9 million wmt in FY2024 from 2.3 million wmt in FY2023.

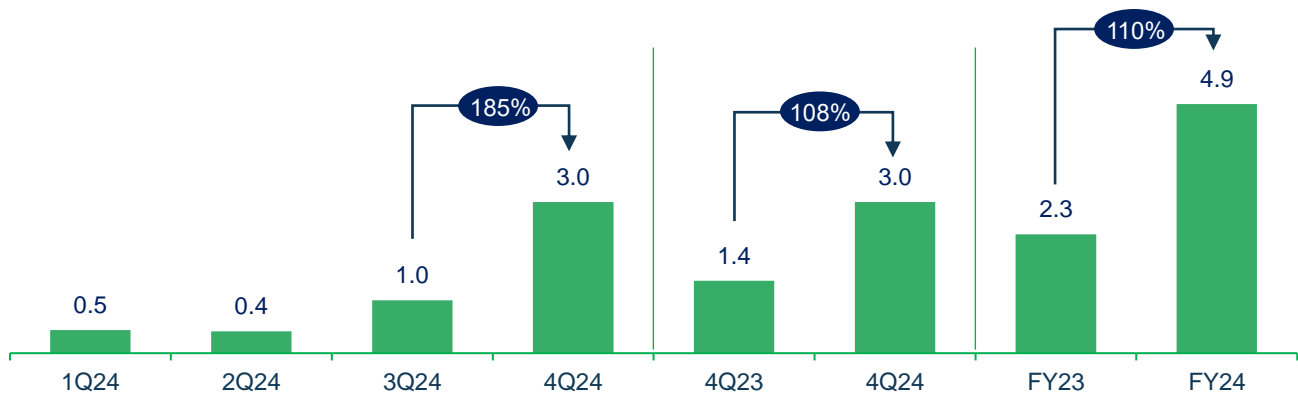


Figure 1: Ore Production Quarterly (1Q24 to 4Q24) and Ore Production Yearly in million wmt

In 2024, the SCM mine saprolite cash costs decreased from \$28.4/wmt in 1Q 2024 to \$21.6/wmt in 4Q 2024. This reduction was attributed to a \$1.5/wmt decrease in hauling costs, a \$4.8/wmt decrease in mining costs, and a \$0.5/wmt improvement in selling costs (including royalties) during the period. The overall cost improvement is a result of structural enhancements and advancements in our mining operations and infrastructure. As a result, the saprolite margin has improved from \$1.8/wmt in 1Q 2024 to \$5.8/wmt in 4Q 2024, despite a \$2.9/wmt decline in ASP over the same period.

MBMA recorded a saprolite cash cost of \$21.6/wmt for FY2024, which is below the \$25/wmt cost guidance.

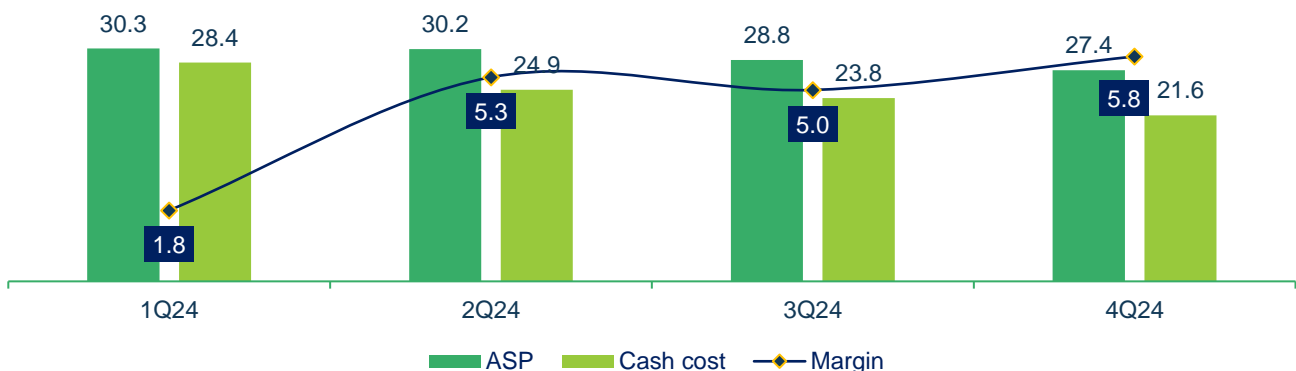


Figure 2: Saprolite ASP, Cash Cost, and Margin per wmt

# QUARTERLY ACTIVITIES REPORT

## October to December 2024



Figure 3: Mine roads (left and centre photo); Road improvement works (right photo)

### Limonite Mining Activities

In 2024, MBMA significantly increased its limonite mining volumes, growing from 1.2 million wmt in 1Q 2024 to 3.7 million wmt in 3Q 2024. Throughout the year, MBMA achieved a total limonite production of 10.1 million wmt in FY2024, representing a 150% increase from FY2023 and the 4Q 2024 limonite production of 3.4 million wmt reflects a 110% YoY increase. This growth is a testament to the enhanced mining capabilities and infrastructure improvements made by our operations in the past 12 to 18 months, representing a fundamentally more robust operation.

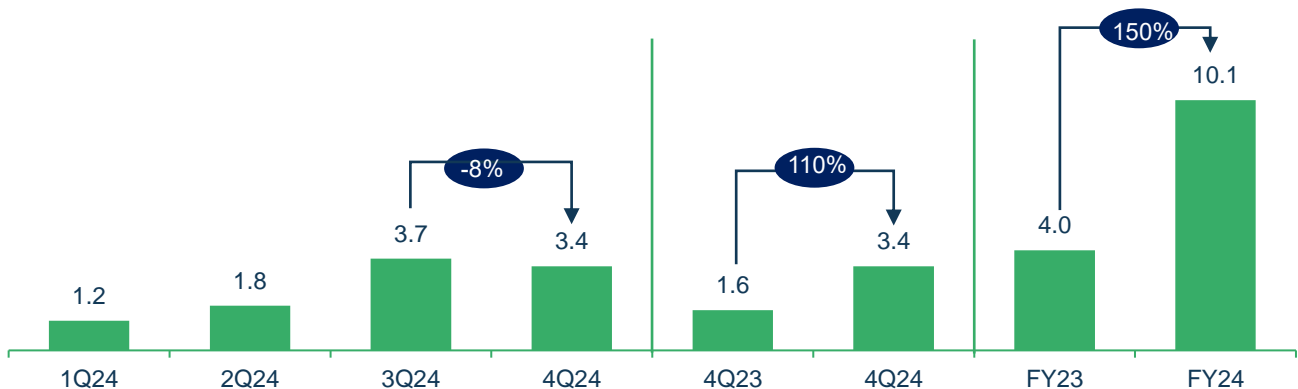


Figure 4: Ore Production Quarterly (1Q24 to 4Q24) and Ore Production Yearly in million wmt

In 2024, we successfully reduced our limonite cash costs. The limonite cash costs for 4Q 2024 were \$9.0/wmt, representing a 9% QoQ and 11% YoY reduction. We have consistently achieved reductions in limonite cash costs, attributable to advancements in our mining contracting capabilities and infrastructure improvements. As a result, the limonite margin improved from \$1.7/wmt in 1Q 2024 to \$8.9/wmt in 4Q 2024.

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## October to December 2024

MBMA recorded a limonite cash cost of \$10.4/wmt for FY2024, which is below the \$12.0/wmt cost guidance.

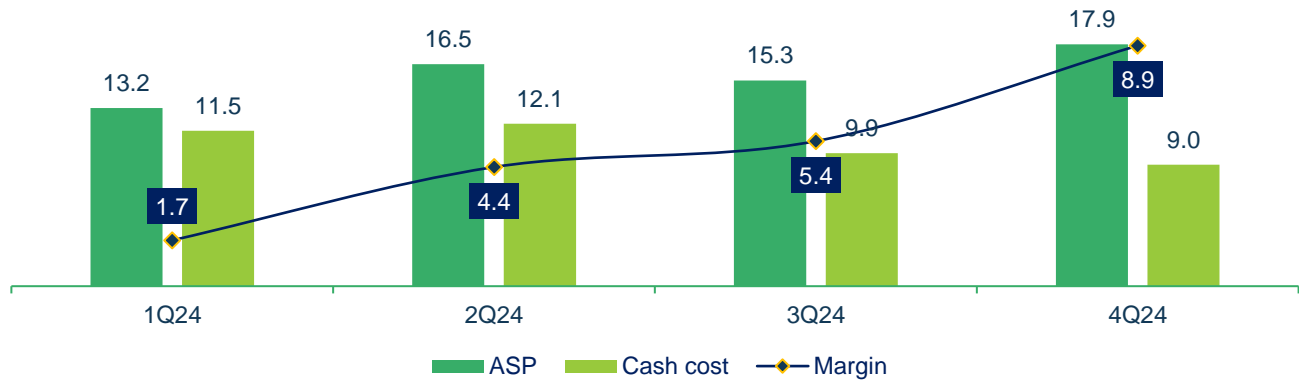


Figure 5: Limonite's ASP, Cash Cost, and Margin per wmt

### RKEF and HGNM Smelters

In FY2024, MBMA produced 82,161 tonnes<sup>3</sup> of nickel in NPI at a cash cost of \$10,307/t (within guidance range). This represents a 26% YoY increase in volume and a 15% YoY decrease in costs. NPI production for the quarter was 18,823 tonnes at a cash cost of \$10,037/t.

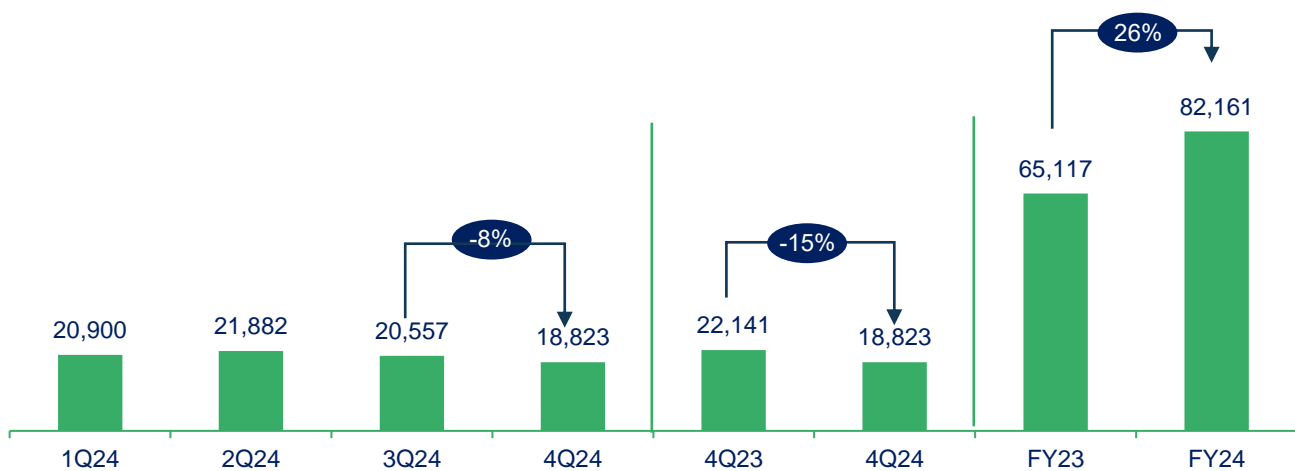


Figure 6: NPI Output Quarterly (1Q24 to 4Q24) and NPI Output Yearly in Tonnes

The NPI margin for 4Q 2024 was \$1,850/t representing a 46% QoQ and 40% YoY increase, respectively. This growth occurred despite higher costs due to an overhaul of one of the BSI lines during this period, which resulted in a production reduction of approximately 2,400 tonnes from the March 2024 quarter. The furnace overhaul has enhanced plant safety and allows it to operate at higher efficiency levels, which is expected to positively impact operating costs. The second BSI line is scheduled for an overhaul in 2025.

MBMA's 4Q 2024 NPI cash costs was \$10,037/t. This figure is based on the purchase of approximately 50% saprolite ore from the market and acquiring electricity from non-integrated power plants. For comparison, if all saprolite ore were sourced from the SCM mine at the HPM price, and if the RKEF had an integrated power plant, the implied cash cost for 4Q 2024 would drop to below \$9,000/t.

The ASP for 4Q 2024 was \$11,887/t representing a 1% QoQ and 2% YoY decrease, respectively. NPI margin and

<sup>3</sup> Includes production of 2,683 tonnes of nickel in LGNM in FY2024.

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ASP for FY2024 was \$1,301/t and \$11,608/t representing an 10% and 14% YoY decrease compared to FY2023.

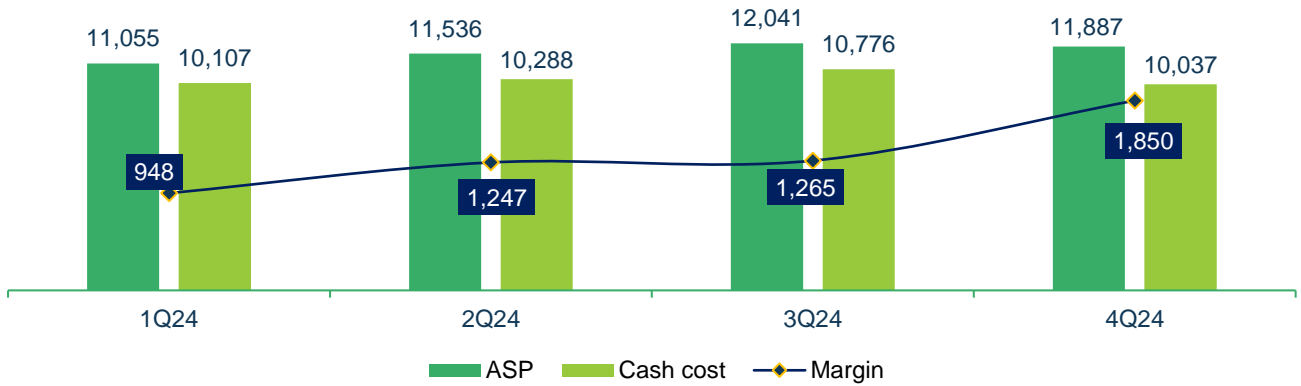


Figure 7: NPI's ASP, Cash Cost, and Margin per Tonne of Nickel

In FY2024, MBMA produced 50,315 tonnes of nickel in HGNM at a cash cost of \$13,547/t (within guidance range). This represents a 66% YoY increase in volume and 8% YoY decrease in costs. HGNM production for the quarter was 11,893 tonnes at a cash cost of \$14,312/t.

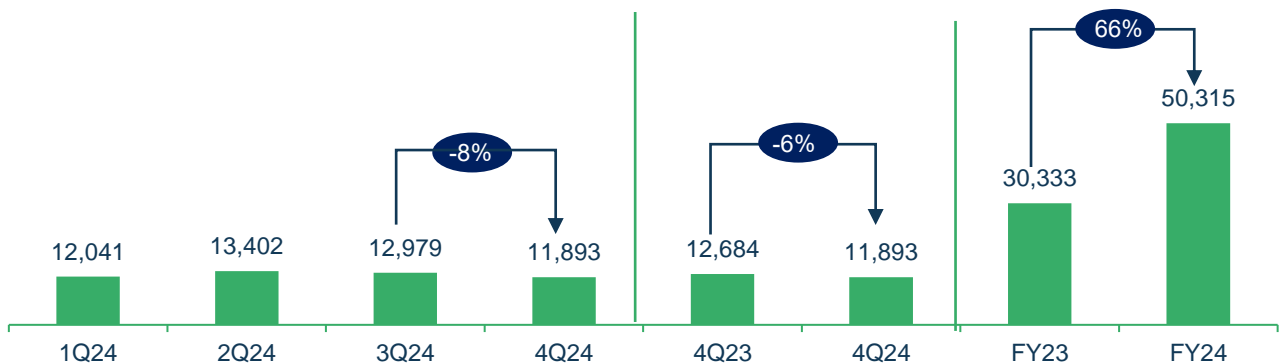


Figure 8: HGNM Output Quarterly (1Q24 to 4Q24) and HGNM Output Yearly in Tonnes

HGNM margins have been volatile throughout 2024, reaching a high of \$1,832/t in 2Q 2024. MBMA continues to evaluate the outlook of the market and the volume of HGNM produced. HGNM margin and ASP for FY2024 was \$223/t and \$13,770/t representing a 73% and 12% YoY decrease compared to FY2023.

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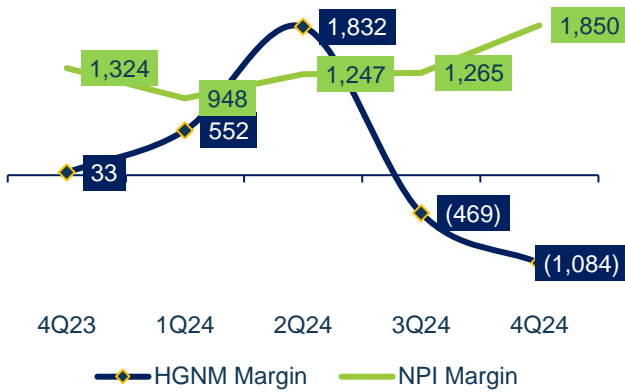


Figure 9: HGNM and NPI Margin (in \$/t)

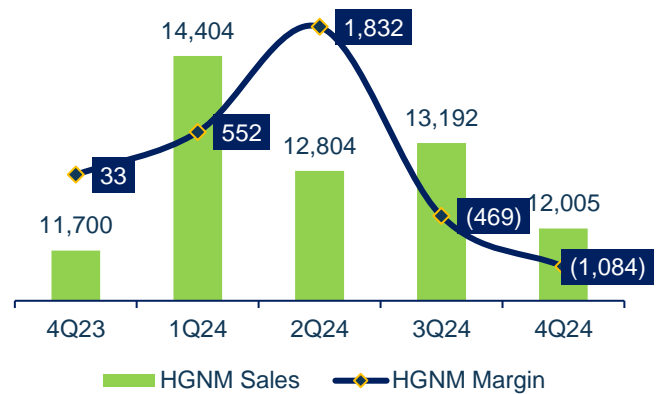


Figure 10: HGNM sales and Margin (in \$/t)

### High Pressure Acid Leach Operations

In FY2024, the SCM mine produced over 10 million wmt of limonite ore and sold 11.0 million wmt to the HNC HPAL plant in IMIP. The limonite ore is transported from the FPP located at the SCM mine site to IMIP via a slurry pipeline, which is significantly lower cost compared to truck transportation. Currently, HNC's slurry pipelines run parallel to MBMA's hauling road for the first 25 kilometers and then transition to a third-party road for the remaining distance to IMIP. Once MBMA completes the new extension of the mine hauling road, establishing a direct route from the mining site to IMIP, new slurry pipelines for MBMA's own HPAL plants will be constructed alongside this new route.

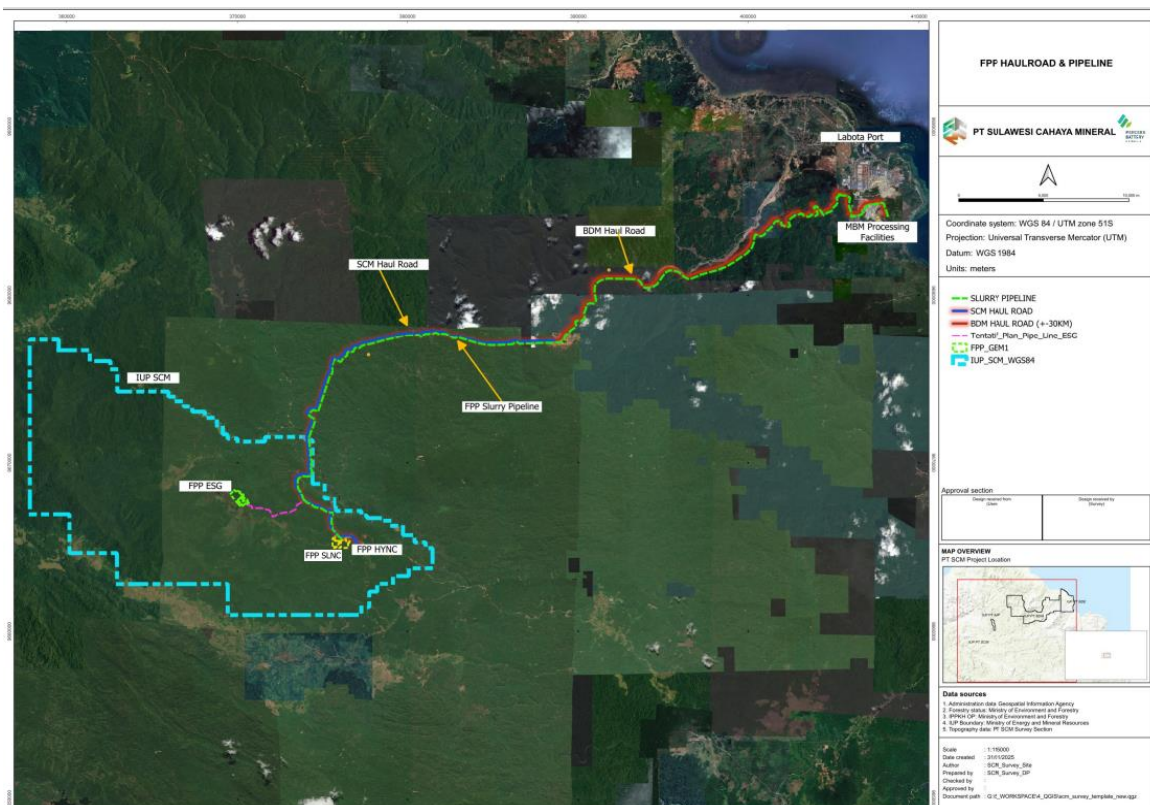


Figure 11: Map of SCM Haul Road, MHR Extension, Huayue Pipeline, and ESG Pipeline

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We expect additional limonite ore demand in FY2025 as PT ESG and PT Meiming New Energy Material (“PT Meiming”) switch their ore supply to the SCM mine once the new SCM FPP and slurry pipelines are completed in 2H 2025.

### PT ESG Operations

MBMA has partnered with GEM Co., Ltd. (“GEM”) to develop and operate PT ESG.

The Train A autoclave, which has a nameplate capacity of 20,000 tonnes per annum of nickel in MHP, reached mechanical completion at the end of October 2024 and commenced production in December 2024. Train B, with a nameplate capacity of 10,000 tonnes per annum of nickel in MHP, is expected to begin production in 1Q 2025. Currently, the plant is operating using the FPP located at IMIP; however, it will transition to the new FPP at the SCM mine once it is completed in 2H 2025.



*Figure 12: Overview of PT ESG operation at IMIP*



### PT Meiming Operations

MBMA has partnered with GEM Co., Ltd. (“GEM”) to develop and operate PT Meiming. PT Meiming has a nameplate capacity of 25,000 tonnes per annum of nickel in MHP. The key elements of the HPAL plant, including the autoclave, began commissioning activities during the quarter supported by the existing GEM FPP located at IMIP in late 2024. Currently the plant is operating using the FPP located at IMIP, the plant will transition to the new FPP located at the SCM mine once it is completed in 2H 2025.



*Figure 13: Overview of PT Meiming operation at IMIP*

### Brunp CATL HPAL

MBMA is partnering with Brunp CATL to establish an HPAL plant with a nameplate capacity of 60,000 tonnes per year of nickel in MHP. During the quarter, China ENFI Engineering Technology Co., Ltd. (“ENFI”) completed the feasibility study report. The report outlines the proposed location for the plant, which includes facilities for ore preparation, HPAL processing, and tailings management at the Indonesia Konawe Industrial Park (“IKIP”) site. The design specifications are consistent with the latest generation of Chinese HPAL plants.

### Indonesia Konawe Industrial Park

MBMA is developing the Industrial Park for Battery Materials (IKIP) in collaboration with the Tsingshan Group, located within the SCM mine concession area. The AMDAL IKIP Type C (minor document revision) and the AMDAL for the Mining Hauling Road and Transmission Line have been approved by the Minister of Environment and Forestry. IKIP is currently in the process of updating its AMDAL in accordance with the scope of tenant activities. For the approval process for the land designation application (APL), it has been continued since organisational restructuring in the Ministry of Forestry is completed. Additionally, the Directorate General of Water Resources at the Ministry of Public Works has granted approval for water utilisation (SIPPA) while the submission of the Building Approval (PBG) application has been finalised.

### AIM Plant

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The AIM plant is designed to process pyrite ore at a nominal rate of 1.0 million tonnes per year and consists of four interconnected processing facilities.

Phase 1: Pyrite plant. The pyrite plant has been in continuous operation with key operational parameters such as mill throughput, flotation concentrate mass pull, key metals recoveries achieved nameplate capacity. During the quarter, the pyrite concentrator plant processed 146,586 tonnes of pyrite and produced 110,851 tonnes of concentrate suitable for feeding the roaster. The performance of the concentrator has significantly improved due to upgrades and modifications. It can now deliver the required quantities and specifications that meet the operational needs of the roaster plant.



*Figure 14: Pyrite Plant operation*

Phase 2: Acid Plant. Acid production was first achieved in April 2024. Both trains of the roaster/acid plant are in operation with post-commissioning debottleneck modifications conducted. In 4Q 2024, 164,985 tonnes of acid and 225,036 tonnes of steam was produced.



*Figure 15: Train 1 Acid Plant operating*

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Phase 3: Chloride Plant. The front-end calcine grinding and iron pelletising plant of the chloride plant have been in continuous operation in producing wet iron pellets. The chloride gas treatment and metal recovery plants have undergone upgrades and improvements following its initial commissioning. The chloride plant commenced adding calcium chloride ( $\text{CaCl}_2$ ) after the quarter, commencing the chlorination roasting and base metals recovery process. The first production of sponge copper was achieved in January 2025.



Figure 16: Chloride plant operations

Phase 4: Copper cathode plant. Commissioning activities of the CCP plant substations and motor control centre were conducted during the quarter. The commissioning of both pyrometallurgy and hydrometallurgy plants is scheduled to be completed during 1H 2025.



Figure 17: Construction of CCP

## Exploration Activities

MBMA employs a systematic approach to exploration to ensure the sustainability and longevity of the SCM mining operations. Our exploration activities include diamond drilling, surface geological mapping, rock chip sampling, petrographic analysis, geochemical analysis, and the use of ground-penetrating radar (“GPR”) technology.

During the quarter, we completed 530 diamond drill holes, totalling 14,005 metres, as part of a resource definition drilling program at 50 and 100-metre intervals. Future drilling plans will align with the long-term mining strategy ensuring sufficient resources are in the measured and indicated categories for continuous mining. The increased density of drilling will support detailed mine planning and scheduling, ultimately enhancing production over time.

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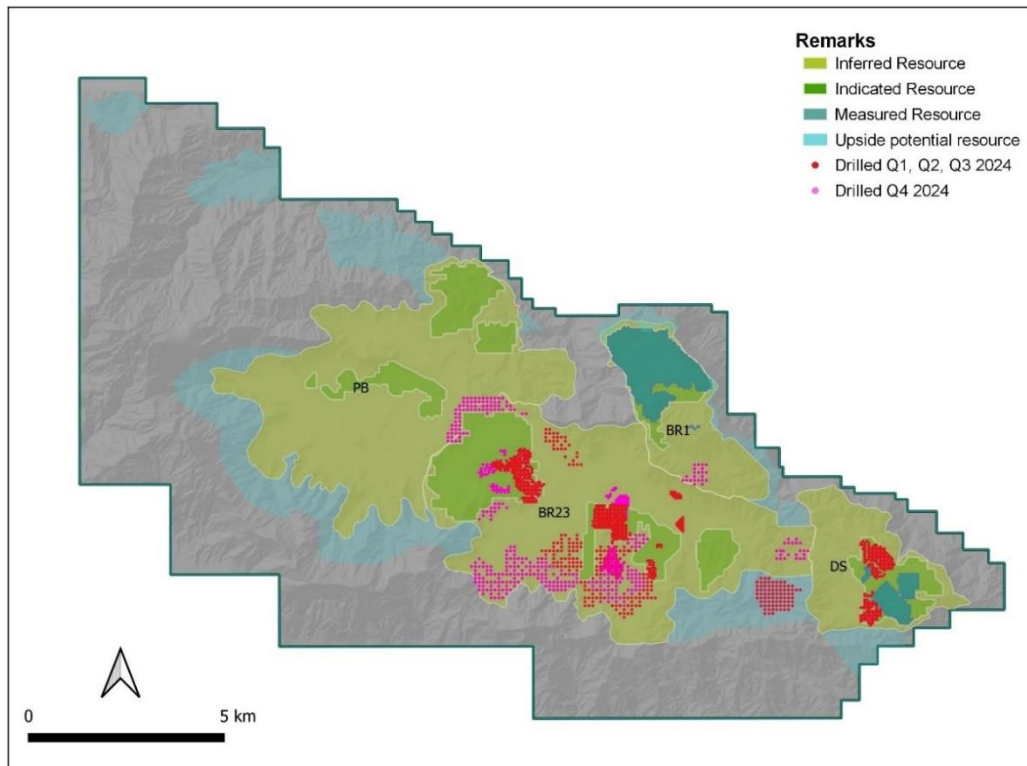


Figure 18: SCM mine concession area showing resource definition drilling completed during the quarter

Other activities included a GPR survey covering a total of 107.7 line kilometres in the PB area, and geological mapping and sampling across 476.9 hectares in BR 23 South. The nickel and cobalt analytical results from surface geochemical sampling in BR 23 South returned promising grades and will be a target area for future drilling programs.

Diamond drilling will continue using nineteen rigs for resource definition / infill and exploration drilling. GPR surveys and geological mapping will continue with the aim of identifying further exploration drilling targets within the IUP.



Figure 19: Infill Drilling Activities in BR23 (left photo); GPR Survey in PB (centre & right photos)

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### Appendices

#### RKEF Operation Summary

Items	Unit	1Q 2024	2Q 2024	3Q 2024	4Q 2024	FY 2024
Nickel ore processed	million wmt	2.21	2.32	2.26	2.01	8.80
Saprolite ore grade	%	1.67	1.65	1.60	1.60	1.62
Nickel in NPI produced	t ni	20,900	21,882	20,557	18,823	82,161
ASP	\$/t ni	11,055	11,536	12,041	11,887	11,608
Cash cost	\$/t ni	10,107	10,288	10,776	10,037	10,307
<b>AISC</b>	<b>\$/t ni</b>	<b>10,223</b>	<b>10,370</b>	<b>10,961</b>	<b>10,376</b>	<b>10,483</b>

Table 2: RKEF NPI Summary

#### HGNM Operation Summary

Items	Unit	1Q 2024	2Q 2024	3Q 2024	4Q 2024	FY 2024
LGNM processed	t	80,732	83,055	84,121	84,517	332,424
Nickel in HGNM produced	t ni	12,041	13,402	12,979	11,893	50,315
ASP	\$/t ni	13,673	14,819	13,350	13,229	13,770
Cash cost	\$/t ni	13,120	12,988	13,820	14,312	13,547
<b>AISC</b>	<b>\$/t ni</b>	<b>13,162</b>	<b>13,016</b>	<b>13,830</b>	<b>14,348</b>	<b>13,576</b>

Table 3: HGNM Summary

#### Risk Management

Risk Management Committee meetings were conducted on schedule at every second Monday of the month during Q4 2024. The following independent Risk Assurance Survey's were also conducted on MBMA interests:

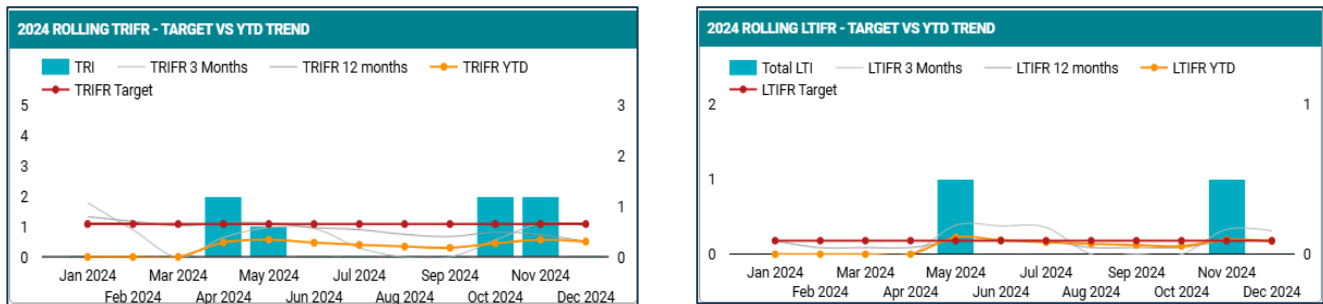
- PT GEM ESG Project FPP & HPAL Plant Risk Assurance Survey on 24-25 September 2024 with the final report issued in October 2024.
- PT Sulawesi Cahaya Mineral (SCM) Mining Haul Road Risk Assurance Survey on 11-12 November 2024 with the final report issued in December 2024.
- PT CSI & PT BSI (Smelter Plant) Risk Assurance Survey on 15-19 December 2024 with the final report expected to be issued in 1Q 2025.

#### Health and Safety Highlights

At the end of the quarter and year end 2024, MBMA safety performance as measured by the Total Recordable Injury Frequency Rate ("TRIFR"), was recorded at 0.30. In comparison with the full year 2023 TRIFR of 0.84, reflecting a material improvement for 2024 year to date. One Lost Time Injury ("LTI") was recorded during the quarter, resulting in a third-quarter 2024 LTI Frequency Rate of 0.09.

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### Total Recordable Injury Frequency Rate (TRIFR)

TRIFR is a measure of the number of serious injuries per million manhours worked.

### Lost Time Injury Frequency Rate (LTIFR)

LTIFR is a measure of the number of serious injuries which resulted in a worker unable to attend work on the following day after the incident, per million manhours worked.

Figure 20: Incident Frequency Rates

- MBMA sent Emergency Response representatives as part of Merdeka Group's two-teams to participate in the National Indonesian Fire and Rescue Challenge (IFRC), which took place on October 22-30 in Balikpapan. The teams were comprised from different sites and aimed at increasing emergency response skill and experience.
- On October 20, 2024, AIM launched Life-Saving Rules, which were developed as part of AIM's safety and legal regulations. The aim is to ensure that all work is carried out with high risks controlled or mitigated.
- AIM received a score of 91.86 from the Labor Inspection Directorate of the Ministry of Manpower of the Republic of Indonesia for its self-assessment implementation of labour norms compliance (Work Norms and Occupational Safety and Health Norms).
- SMK3 (Occupational Health & Safety Management System) audit as required by the government conducted by certification body at AIM with the score of 90,36% (Gold Certificate).
- ISO14001 (Environmental Management System) and ISO45001 (Occupational Health and Safety) surveillance audit were conducted at SCM and AIM in November – December 2024. AIM also passed the ISO9001 (Quality Management System) certification on the same period.
- With respect to Contractor Management Systems (CMS), the MBMA Head Office CMS team conducted an internal audit as a baseline for CMS Implementation for all subsidiaries during the last quarter 2024.

## ESG Highlights

During the quarter, MBMA received a Gold Rank and a Special Commendation for First Year Participation at the Asia Sustainability Report Rating (ASRRAT) 2024. This award reflects the high quality of MBMA's sustainability report in presenting MBMA's sustainability performance, commitments, and strategies with clarity and accountability.

MBMA officially joined the UN Global Compact during the quarter, demonstrating its commitment to sustainability. The UN Global Compact is a voluntary United Nations initiative that encourages companies to adopt sustainable business practices based on the 10 Principles in the areas of human rights, labour, environment, and anti-corruption.

Other ESG highlights during the quarter include:

- SCM continued utilising kitchen waste to produce organic compost manure, with a total quantity of 2.44 tons. Several environmental campaigns have also been conducted for workers, covering topics such as hazardous waste reduction, the prohibition of poaching, a list of protected wildlife within the SCM concession, and domestic waste management.
- AIM carried out a mangrove planting and maintenance project during the quarter to support coastal ecosystem restoration and biodiversity conservation efforts. This included a joint survey with a third party in Tofutito to assess nursery conditions and tagging of 550 mangrove seeds.
- Support for local sustainability initiative was provided through a collaborative project between the AIM plant and several village-owned enterprises (Bumdes), aimed to enhance waste management efficiency.
- Green open space initiatives were implemented in both the AIM Plant and in Makarti Camp in compliance with applicable regulations. The green open space zone in Makarti Camp covers a total area of 5,730.4 m<sup>2</sup>.

# QUARTERLY ACTIVITIES REPORT

## October to December 2024

- During the quarter, MBMA conducted human rights training at the AIM plant and SCM. The human rights training underscores MBMA's commitment to respecting human rights, not only for its internal workforce but also for parties in its supply chain.
- To enhance the local economy, SCM has implemented various training programs focused on agriculture and vocational skills, emphasizing gender equality. Additionally, SCM supports knowledge development of village-owned enterprises (BUMDES) by improving their management practices. In collaboration with the local government, SCM has conducted training sessions to upgrade the skills of local midwives and health officers, which has effectively promoted gender equality. Additionally, support for the national program focused on combating stunting in the Morowali area has been provided.
- During the quarter, MBMA's parent company, PT Merdeka Copper Gold Tbk ("MDKA"), signed a collaboration agreement with the University of Indonesia to conduct a baseline assessment of social health, including MBMA's business entities.

### Finance and Corporate Highlights

#### Cash and Cash Equivalents

As of 31 December 2024, cash and cash equivalents was \$244 million. MBMA also had \$97 million in undrawn debt facilities.

#### Debt

##### MTI Financing

MTI entered into a \$260 million term loan facility (the "MTI Term Loan") and a VAT funding facility valued at IDR430 billion (equivalent to \$26 million) (the "MTI VAT Facility") on 31 August 2022. The MTI Term Loan has a final maturity date of 30 September 2027, with an applicable margin of 3.75% per annum plus SOFR for offshore lenders and 3.95% per annum plus SOFR for onshore lenders. The MTI VAT Facility has an applicable margin of 3.50% per annum plus JIBOR, with a final maturity date of 30 September 2026.

MTI has fully drawn on both the MTI Term Loan and the MTI VAT Facility. In the prior quarter, MTI made an early repayment of the entire MTI VAT Facility, including the accrued interest, by utilising internal funds from a VAT refund related to the project.

##### MBMA Revolving Credit Facility ("RCF")

MBMA entered into a \$100 million RCF on 1 November 2024. The facility has an interest of 2.5% plus SOFR for 12-month tenor with an option to extend. MBMA will use the facility for general corporate purposes.

The outstanding balance of this facility at the end of the quarter was \$78 million.

##### MBMA Shareholder Loans

On 22 May 2023, MBMA entered into a shareholder loan agreement with its parent company, PT Merdeka Copper Gold Tbk ("MDKA"), for a total of \$175 million (referred to as "MDKA Loan 1"). This loan is set to mature on 25 May 2026 and carries an applicable margin of 4.60% per annum plus 3-month SOFR. At the end of the prior quarter the outstanding balance for this facility was \$100 million. During the quarter, MBMA has fully repaid the remaining \$100 million outstanding balance.

Additionally, on 18 December 2023, MBMA entered into another shareholder loan agreement with MDKA, this time for \$100 million (referred to as "MDKA Loan 2"). This loan matures on 18 December 2028 and has an applicable margin of 5.50% per annum plus 3-month SOFR. As of the end of the quarter, the outstanding balance for this facility was \$25 million.

##### MTI Shareholder Loans



# QUARTERLY ACTIVITIES REPORT

## October to December 2024

MTI entered a \$50 million Project Expansion Facility Agreement with MDKA on 29 July 2022 to fund the development of the AIM copper cathode plant. The interest rate for this facility is 5.26% per annum plus SOFR with a maturity date on the later of (i) five years after the signing of the agreement; and (ii) the date falling five business days after the final maturity date as defined in the MTI Term Loan, or such later date agreed in writing by the parties. MTI drew down \$5 million during the quarter. Outstanding balance for this facility is \$50 million.

MTI also entered a \$60 million Parent Support Facility Agreement with MDKA on 23 August 2022 to fund the overall development of the AIM plant. The interest rate for this facility is 5.26% per annum plus SOFR with a maturity date on the later of (i) five years after the signing of the agreement; and (ii) the date falling five business days after the final maturity date as defined in the MTI Term Loan, or such later date agreed in writing by the parties. MTI has fully drawn this facility. On 14 June 2023, MTI, MBMA and MDKA signed a Partial Novation and Amendment Agreement to partially assign and transfer of \$30 million the Parent Support Facility Agreement to MBMA.

The outstanding balance of the MTI shareholder loans from MDKA and MBMA at the end of the quarter each was \$30 million.

### IDR Bond

The outstanding balance of IDR Bond at the end of the quarter was equivalent to \$216.8 million. During the quarter, in October 2024, MBMA successfully completed the issuance of the second Public Offering of Bonds totalling IDR2 trillion. Details of the issuance are as follows:

- Series A: Bond principal amounting to IDR216 billion, coupon rate of 6.80% per annum for 367 calendar days tenor, with IDR215 billion has been swapped to \$14 million at coupon rate of 1.75% per annum; and
- Series B: Bond principal amounting to IDR1,784 billion, coupon rate of 9.00% per annum for a three-year tenor. After the end of the quarter, IDR1,440 billion has been swapped to \$95 million at a coupon rate of 4.74%.

### Sales

During the quarter, MBMA sold 18,831 tonnes of nickel in NPI at an ASP of \$11,887/t, generating revenue of \$223.8 million. Additionally, MBMA sold 12,005 tonnes of nickel in HGNM at an ASP of \$13,229/t, resulting in revenue of \$158.8 million. Furthermore, MBMA's limonite ore sales to HNC during the same period amounted to 4.1 million wmt with an ASP of \$17.9/wmt, generating revenue of \$73.2 million. Intergroup sales<sup>4</sup> during the quarter included saprolite ore sales to MBMA RKEF smelters.

Items	Product Sold	ASP	Revenue (\$m)
<b>4Q 2024</b>			
Nickel in NPI	18,831 tNi	\$11,887/t	223.8
Nickel in HGNM	12,005 tNi	\$13,229/t	158.8
Limonite ore	4.1 million wmt	\$17.9/wmt	73.2
<b>Total</b>			<b>455.8</b>
<b>FY 2024</b>			
Nickel in NPI	80,199 tNi	\$11,608/t	930.9
Nickel in HGNM	52,406 tNi	\$13,770/t	721.6
Limonite ore	11.0 million wmt	\$16.5/wmt	181.3
<b>Total</b>			<b>1,833.8</b>

Table 4: MBMA sales summary

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<sup>4</sup> Intergroup sales are reported by each respective subsidiary but is not recognised in the consolidated group revenue.

# QUARTERLY ACTIVITIES REPORT

## October to December 2024

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