

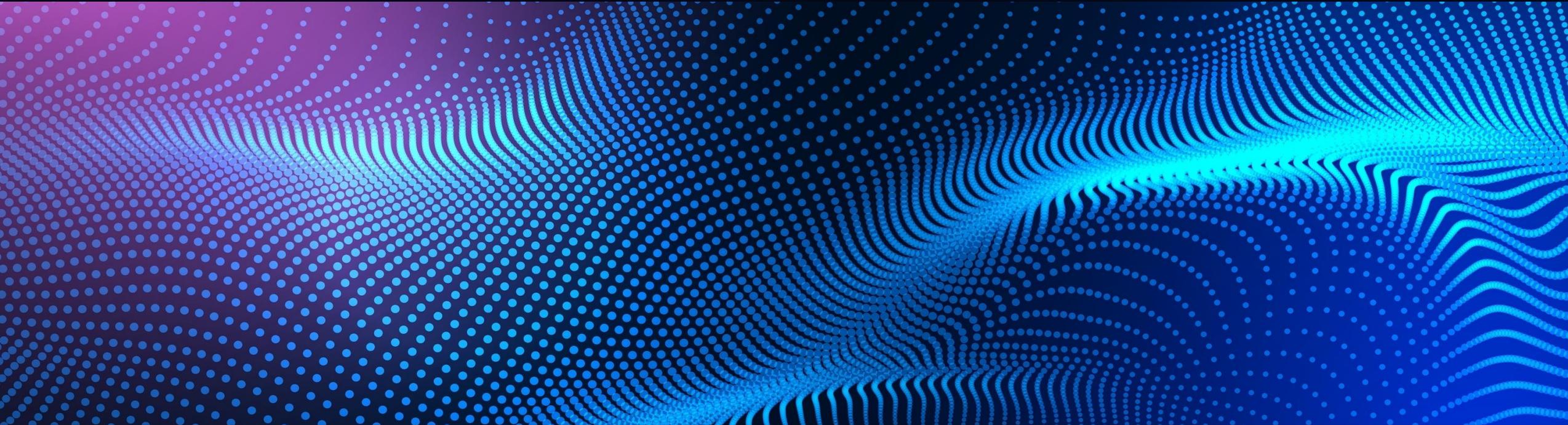
Merdeka Battery Materials

FY2023 Financial Highlights

27th March 2024



**MERDEKA
BATTERY**
MATERIALS



Powering the future, sustainably.

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FY2023 Financial Highlights

Revenue and EBITDA increased to US\$1.3 billion (+192% YoY) and US\$98 million (+103% YoY), respectively, driven by record NPI and nickel matte production.

Revenue growth is underpinned by record production of 65,117 tonnes of NPI and 30,333 tonnes of nickel in nickel matte, following the successful ramp-up of additional RKEF smelter capacity and the acquisition of a high-grade nickel matte conversion facility during the year.

Saprolite ore delivery to MBMA's RKEF smelters commenced in mid-August 2023 and limonite ore sales to PT Huayue Nickel Cobalt ("HNC") commenced in December 2023.

Downstream expansion is well advanced following the establishment of PT ESG New Energy Material ("ESG"), a partnership with GEM Co., Ltd ("GEM") to construct a 30,000 tonnes per annum HPAL processing plant.

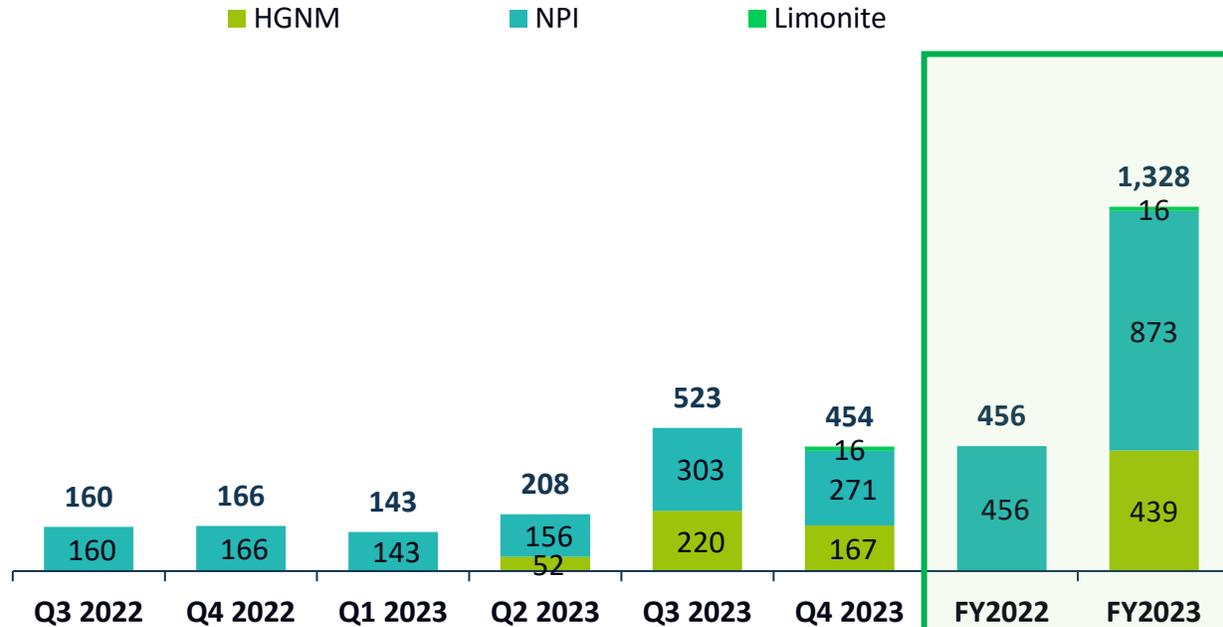
MBMA corporate credit rating was upgraded to 'A' based on a rating certificate issued by PT Pemeringkat Efek Indonesia (Pefindo). MBMA is expecting to complete its first IDR Bond issuance in early April 2024.

Financial Highlights

In US\$ million	FY2023	FY2022	Commentary
Consolidated Profit & Loss			
Revenue	1,328	456	<ul style="list-style-type: none"> A significant increase in revenue of US\$335 million is attributable to higher NPI production volume following the successful commissioning and ramp-up of the ZHN RKEF smelter in June 2023 and US\$439 million from the sale of nickel matte MBMA recorded cash flows from operations of negative US\$15 million, mainly attributable to working capital for SCM Mine and ZHN RKEF smelter. Both projects completed construction in 1H 2023 and entered production in 2H 2023 Cash flow for capital expenditure and acquisition is mainly attributable to the development of the AIM Project, SCM Mine and ZHN RKEF Smelter, acquisition of HNMI and a final payment related to MBMA acquisition Cash flow from investing was mainly supported by financing activities, including IPO proceeds, MTI Term Loan and VAT Facility and shareholder loan facility from parent company, PT Merdeka Copper Gold Tbk
Cost of revenue	(1,251)	(411)	
EBITDA	98	48	
Profit for the year	33	38	
Consolidated Cash Flow			
Cash flow (used in) / from operations	(15)	109	
Capital expenditures	(369)	(528)	
Acquisition	(90)	(421)	
Investment	(3)	(177)	
Cash flow from financing	487	1,305	
Consolidated Financial Position			
Cash and cash equivalents	290	280	
Debt – third parties	288	322	
Net (cash) / debt	(2)	42	

Revenue Contribution

Revenue (US\$ million)



Average Realised Price (US\$/t, US\$/wmt)

NPI	15,510	15,931	17,470	14,118	13,263	12,097	16,489	13,536
Ni Matte	n.a.	n.a.	n.a.	17,196	16,431	14,216	n.a.	15,592
Limonite	n.a.	n.a.	n.a.	n.a.	n.a.	17	n.a.	17

Commentary

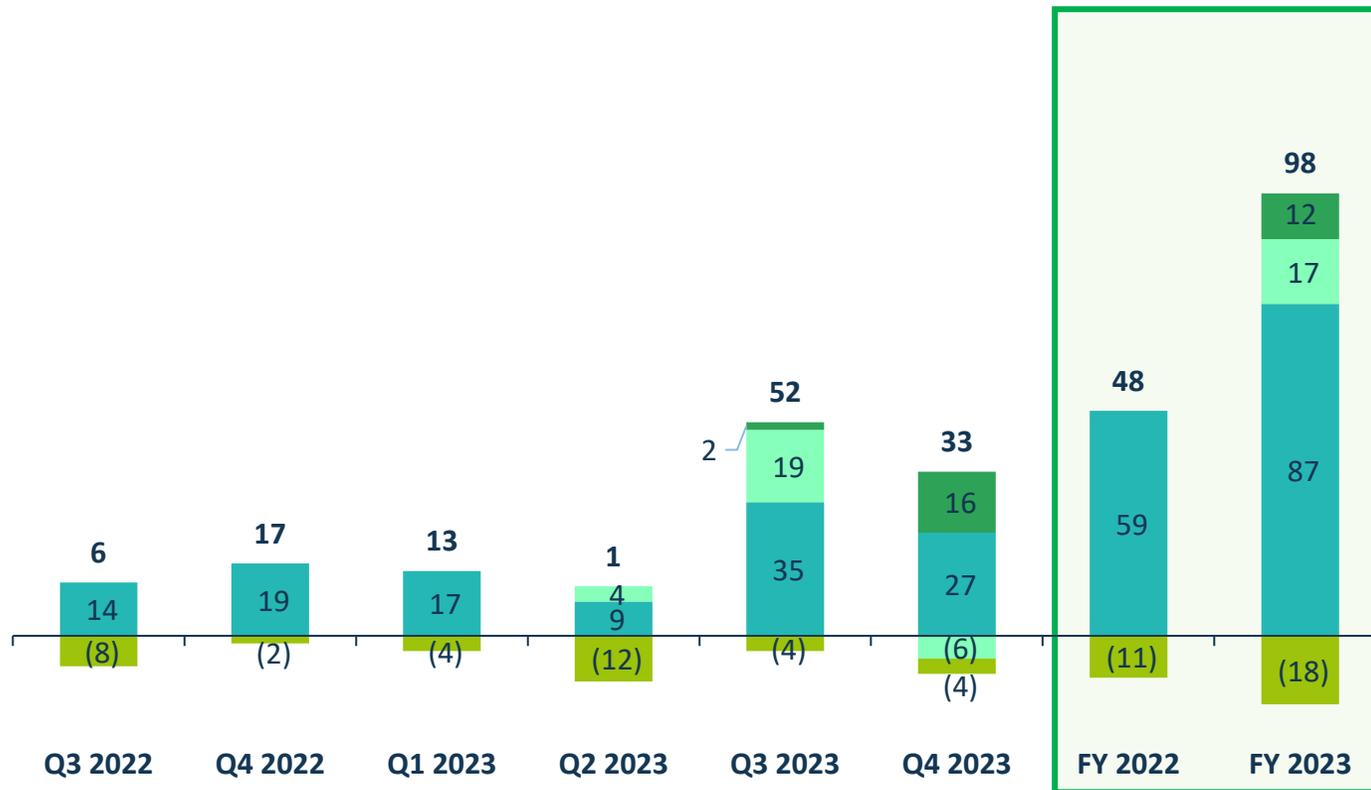
Revenue increase is attributable to:

- A 92% increase in NPI sales for total sales of 64,526 tonnes, following the successful commissioning and ramp-up of the ZHN RKEF smelter in June 2023 and full year of contribution from CSID and BSID RKEF smelters
- Additional revenue of US\$439 million from the sale of nickel matte, following the acquisition of the nickel matte converter in the June quarter
- Additional revenue of US\$16 million from the sale of limonite ore
- FY2024 revenue projected to increase from:
 - Saprolite ore sales of 4.0 to 5.0 million wmt
 - Limonite ore sales of 10.0 to 11.0 million wmt
 - AIM project commissioning
 - Full year of production from ZHN and nickel matte

EBITDA Contribution

EBITDA (US\$ million)

■ NPI ■ Nickel Matte ■ SCM Mine ■ Others



Commentary

- MBMA generated an EBITDA of US\$98 million, representing an increase of 103% compared to FY2022, supported by a strong performance in 2H 2023
- Higher EBITDA is attributable to the additional production of nickel in nickel matte, additional NPI production from ZHN, realising the full 12 months NPI production from CSID and BSID, the commencement of nickel ore sales, offset by lower NPI EBITDA margins (2022: US\$2,126/t vs. 2023: US\$1,347/t)
- EBITDA is expected to continue to increase as mining and haulage activities continue to ramp up at the SCM mine resulting in higher saprolite and limonite ore sales

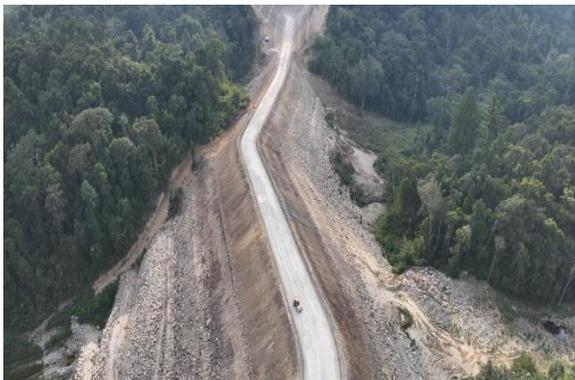
Project Developments

AIM Project



- MBMA is continuing to conduct internal testing in preparation for the commissioning of the AIM Project with the first acid train expected to start production and ramp up to full capacity during 2Q 2024, with the commencement of the second acid train and chloride plant also expected in 2Q 2024

Haul Road & FPP



- Haul road upgrade completed in August 2023, enabling MBMA to commence delivery of saprolite ore to its RKEF smelters at IMIP.
- In December 2023, slurry pipeline linking the HNC FPP to IMIP was completed, allowing the transport of limonite ore.

SCM Mine



- MBMA is targeting ore sales of 4.0 – 5.0 million wmt of saprolite and 10.0 – 11.0 million wmt of limonite in 2024.
- Production increases are planned for 2025 as HPAL processing capabilities are commissioned.

HPAL



- New partnership signed with GEM Co., Ltd (“GEM”) to construct a majority MBM owned HPAL processing plant, located within IMIP, with a nameplate capacity of 30,000 tonnes per annum of contained nickel in MHP.

Summary and 2024 Guidance

NPI and nickel matte production guidance of 85,000 to 92,000 tonnes at a total cash cost of US\$10,000 to 12,000/t and 50,000 to 55,000 tonnes at a total cash cost of US\$13,000 to 15,000/t, respectively.

Ore sales guidance of 4.0 – 5.0 million wmt of saprolite and 10.0 – 11.0 million wmt of limonite.

GEM HPAL is anticipated to commence commissioning and achieve the first production of nickel in MHP by the end of 2024. Additionally, MBMA will develop multiple HPAL processing plants in partnership with leading battery material companies.

MBMA is continuing to conduct internal testing in preparation for the commissioning of the AIM Project with the first acid train expected to start production and ramp up to full capacity during 2Q 2024, with the commencement of the second acid train and chloride plant also expected in 2Q 2024.

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