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## MBMA Drives Nickel Output Surge as Upstream-Downstream Integration Strengthens 2026 Performance

Jakarta, Indonesia – PT Merdeka Battery Materials Tbk (IDX: MBMA), a subsidiary of PT Merdeka Copper Gold Tbk (IDX: MDKA), reported a sharp increase in production across most of its operations in the first quarter of 2026, reflecting accelerated execution of its integrated nickel strategy from upstream mining to downstream processing.

Upstream performance was the main driver of growth. Nickel mining operations at PT Sulawesi Cahaya Mineral (SCM) recorded limonite production rising 195% YoY to 5.4 million wet metric tonnes (wmt), while saprolite output increased 72% YoY to 2.3 million wmt, supported by higher mining capacity and operational optimization. Sales volumes followed the same trend, with limonite sales climbing 126% YoY to 4.8 million wmt and saprolite sales rising 42% YoY to 1.9 million wmt.

In processing, MBMA's Rotary Kiln Electric Furnace (RKEF) smelters produced 19,990 tonnes of nickel in Nickel Pig Iron (NPI), up 23% YoY, reflecting stable operations following furnace overhauls completed in 2025. Output of High-Grade Nickel Matte (HGNM) rose 9% YoY to 10,361 tonnes, with performance holding steady amid global nickel price volatility.

In the downstream segment, PT ESG New Energy Material produced 5,194 tonnes of nickel in the form of Mixed Hydroxide Precipitate (MHP), as supply integration improved through the Feed Preparation Plant and the slurry pipeline network connecting the SCM mine to the Indonesia Morowali Industrial Park (IMIP).

Meanwhile, the High Pressure Acid Leach (HPAL) project developed by PT Sulawesi Nickel Cobalt (SLNC) continued to progress, with commissioning of its first line targeted for the second half of 2026.

At the same time, the Acid, Iron, Metal (AIM) facility operated by PT Merdeka Tsingshan Indonesia (MTI) showed increasingly stable operations as commissioning advances, strengthening the company's integrated mineral processing value chain.

In addition to higher production volumes, primarily supported by contributions from NPI sales and limonite ore, MBMA also delivered improved margins. This was driven by lower cash costs in NPI supported by increased utilisation of internally-sourced ore as well as a year-on-year decline in limonite costs due to more efficient mining operations. Looking ahead, MBMA targets further production growth across its operations, underpinned by accelerated downstream integration and continued capacity expansion.

On sustainability, MBMA recorded a Sustainalytics ESG risk score of 34.1, outperforming the industry average of 41.4.

President Director Teddy Oetomo said improved production and cost efficiency underpinned the company's early-year performance.

“We are seeing stronger production volumes and improved cost efficiency reflected in our first-quarter performance. Our focus remains on advancing downstream projects and strengthening operational integration,” he stated.

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### About PT Merdeka Battery Materials Tbk

PT Merdeka Battery Materials Tbk (IDX: MBMA) is a leading Indonesian company specializing in the mining and processing of strategic minerals essential for electric vehicle (EV) batteries. Established in 2019, the Company is committed to supporting the global transition to clean energy through sustainable and innovative practices. As a majority-owned subsidiary of PT Merdeka Copper Gold Tbk (IDX: MDKA), MBMA leverages extensive industry expertise to deliver high-quality battery raw materials.

MBMA's integrated operations are strategically located in Central and Southeast Sulawesi, Indonesia, and comprise several key assets:

- Sulawesi Cahaya Mineral (SCM) Mine: Recognized as one of the world's largest laterite nickel resources, the SCM Mine contains approximately 13.8 million tonnes of nickel and 1.0 million tonnes of cobalt within a 21,100-hectare concession area.
- Rotary Kiln-Electric Furnace (RKEF) Smelters: Consisting of eight RKEF lines with a total installed capacity of up to 88,000 tonnes of nickel per annum, processing saprolite ore from the SCM Mine into nickel pig iron (NPI), a key input for stainless steel and battery production.
- Nickel Matte Converter: Processes low-grade nickel matte produced by RKEF smelters into High Grade Nickel Matte (HGNM) with nickel content exceeding 70%, a critical feedstock for battery precursors and Class 1 nickel.
- Acid Iron Metal (AIM) Plant: A modern processing facility that treats high-grade pyrite sourced from MDKA's Wetar Copper Mine to produce acid and steam for HPAL operations, while also recovering metals such as copper, gold, and iron.
- High-Pressure Acid Leach (HPAL) Plants: Designed to process limonite ore into mixed hydroxide precipitate (MHP), a valuable intermediate for EV battery materials. MBMA operates two HPAL plants within the Indonesia Morowali Industrial Park (IMIP) with a combined installed capacity of 55,000 tonnes of MHP, and is currently developing a third HPAL facility with an installed capacity of 90,000 tonnes of MHP.
- Indonesia Konawe Industrial Park (IKIP): Developed in partnership with Tsingshan Group, IKIP is an industrial park focused on battery materials, located within the SCM concession area. It aims to attract downstream industries and establish a comprehensive battery materials ecosystem.

Through these assets, PT Merdeka Battery Materials Tbk is committed to advancing the EV battery value chain, promoting sustainable development, and delivering long-term value to its stakeholders.

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