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For immediate release

29 June 2026

MBMA Reports Strong 1Q26 Earnings as Nickel Ore Volumes and NPI Margins Improve

PT Merdeka Battery Materials Tbk ("MBMA" or the "Company"; IDX: MBMA) reported revenue of US$455.1 million in the first quarter of 2026 ("1Q26"), up 24% from US$366.1 million in the same period last year, supported by higher nickel ore volumes, improved selling prices and stronger Nickel Pig Iron ("NPI") margins.

EBITDA rose 361% year-on-year to US$143 million from US$31 million in 1Q25, while consolidated net profit reached US$82 million, compared with US$6 million in 1Q25. Net profit attributable to owners of the parent, or net profit after minority interests ("NPATMI"), stood at US$29.9 million, compared with a net loss attributable to owners of the parent of US$3.5 million in 1Q25.

"MBMA delivered a strong start to 2026, supported by higher nickel ore volumes, improved selling prices and stronger NPI margins, underpinned by increased limonite and saprolite production. Our focus remains on operational efficiency, disciplined capital allocation and the continued development of our downstream growth projects," said **Teddy Nuryanto Oetomo**, President Director of PT Merdeka Battery Materials Tbk.

Nickel mining remained a key driver of performance. Ore mined increased 143% year-on-year to 7.7 million wet metric tonnes ("wmt"), driven by higher limonite and saprolite production. Limonite sales rose 126% year-on-year to 4.8 million wmt, primarily to support *High Pressure Acid Leaching* ("HPAL") operations, while saprolite deliveries increased 42% to 1.9 million wmt as MBMA continued to maximize supply from the Sulawesi Cahaya Mineral ("SCM") mine to its smelter operations.

Nickel ore margins remained resilient, supported by improved average selling prices and higher delivery volumes. Saprolite and limonite recorded cash margins of US$4.0 per wmt and US$10.1 per wmt, respectively, reinforcing the strategic importance of MBMA's ore base in supporting downstream processing and margin visibility across the value chain.

In the NPI segment, MBMA's RKEF facilities processed 2.2 million wmt of saprolite ore with an average nickel grade of 1.57%, producing 19,990 tonnes of nickel in NPI, including Low-Grade Nickel Matte ("LGNM"). NPI production and sales increased 23% year-on-year following the completion of maintenance work in 2025. NPI recorded a cash margin of US$3,982 per tonne of nickel, supported by higher selling prices and lower reliance on third-party saprolite.

High-Grade Nickel Matte ("HGNM") production increased 9% year-on-year to 10,361 tonnes, while sales declined 19% due to shipment timing. In downstream processing, PT ESG New Energy Material produced 5,194 tonnes of nickel in Mixed Hydroxide Precipitate ("MHP"), supported by more efficient ore delivery following the completion of the SCM Feed Preparation Plant and slurry pipeline to IMIP in 4Q25.

MBMA also continued to advance its next phase of downstream growth through PT Sulawesi Nickel Cobalt ("SLNC"). By the end of 1Q26, construction of the HPAL plant and Feed Preparation Plant had reached 95% and 94%, respectively. SLNC HPAL completed commissioning by the end of 2Q26 and is now awaiting its Industrial Business License, or Izin Usaha Industri ("IUI"). Production is scheduled to ramp up progressively throughout the second half of 2026.

MBMA maintained a solid liquidity position during the quarter. As of 31 March 2026, the Company had cash and cash equivalents of US$350 million. Total debt stood at US$1.06 billion, while net debt was US$710 million. Net debt to EBITDA stood at 2.1 times, remaining comfortably within the required covenant ratio of 5.0 times.

For 2026, MBMA is targeting saprolite ore deliveries of 8.0 million to 10.0 million wmt and limonite ore sales of 20.0 million to 25.0 million wmt. The Company expects NPI production of 70,000 to 80,000 tonnes of nickel and HGNM production of 44,000 to 48,000 tonnes. MHP production from the ESG HPAL operation is targeted at 27,000 to 30,000 tonnes. The 2026 guidance remains subject to the approved Rencana Kerja dan Anggaran Biaya ("RKAB").

Looking ahead, MBMA remains well positioned to build on its 1Q26 momentum, supported by higher nickel ore volumes, improving margin visibility, increased self-supply to RKEF operations and the continued development of its HPAL platform. The Company will continue to focus on operational efficiency, disciplined capital allocation and the development of its integrated battery materials portfolio to support long-term value creation.

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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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