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MBMA Records Solid FY2025 Results, Driving Production Growth and Downstream Expansion in 2026

Jakarta, Indonesia – PT Merdeka Battery Materials Tbk (IDX: MBMA) (the “Company”), a subsidiary of PT Merdeka Copper Gold Tbk (IDX: MDKA), today announced its **consolidated financial results for the year ended 31 December 2025 (“FY2025”)**, reflecting resilient financial performance amid a decline in global nickel prices.

The Company recorded **revenue of approximately US\$1.435 billion** and **EBITDA of US\$219 million for FY2025**, supported by increased nickel production and solid contributions from downstream operations. This performance highlights the Company’s operational resilience in navigating commodity market volatility.

Operational Performance and Strategic Projects

MBMA delivered strong operational progress across its integrated nickel value chain throughout 2025. The Sulawesi Cahaya Mineral (SCM) nickel mine remains a key contributor, with significant increases in production volumes driven by improved productivity and operational efficiency. **Total saprolite ore production reached 7.0 million wet metric tonnes (wmt), while limonite production totalled 14.7 million wmt**, supporting feedstock requirements for the Company’s downstream facilities and strengthening operational integration.

On the downstream side, the Company continued to expand its processing capacity to enhance value creation. Downstream operations recorded year-on-year margin improvement, supported by lower production costs and increased internal ore supply. **Nickel Pig Iron (NPI) production reached 73,871 tonnes, while High-Grade Nickel Matte (HGNM) production totalled approximately 19,998 tonnes. Development of the High-Pressure Acid Leach (HPAL) project also progressed positively, with Mixed Hydroxide Precipitate (MHP) production reaching approximately 25,994 tonnes.**

In addition, the **Acid Iron Metal (AIM) Project**, operated by PT Merdeka Tsingshan Indonesia (MTI) - an MBMA subsidiary, continues to demonstrate constructive progress. Its four fully integrated processing facilities remain on track to achieve full production.

Amid weakening global nickel prices throughout 2025, MBMA maintained a resilient performance through higher production volumes, operational efficiency, and optimization of its integrated value chain from mining to downstream products. The Company also maintained disciplined cost management despite rising operating costs, including the impact of implementation and adjustments to biodiesel fuel policy.

Outlook 2026

Entering 2026, the Company is well-positioned to sustain its growth trajectory, supported by higher production volumes, improved ore logistics efficiency, and accelerated development of downstream projects and vertical integration.

For 2026, MBMA targets saprolite ore production of 8–10 million wmt, while limonite production is expected to reach 20–25 million wmt. In the downstream segment, NPI production is targeted at 70,000–80,000 tonnes, while HGNM production is expected to reach 44,000–48,000 tonnes.

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As the Company advances toward full ore self-sufficiency by FY2026, **further cost efficiencies are expected in the NPI segment**. Notably, the 9% year-on-year reduction in 2025 cash costs was partly attributable to greater reliance on internally sourced ore.

In addition, the Company has **commenced operations of its Feed Preparation Plant (FPP)**, enabling the transportation of limonite slurry via pipeline from the SCM mine to the HPAL facility of PT ESG New Energy Material, enhancing operational efficiency. This supports the **MHP production target of 27,000–30,000 tonnes in 2026**. Meanwhile, the **HPAL project of PT Sulawesi Nickel Cobalt (SLNC)**, with an installed capacity of 90,000 tonnes of nickel per annum, remains on track, with **commissioning of its first line targeted in the second half of 2026**.

ESG Commitment and Sustainability

MBMA continues to strengthen the implementation of Environmental, Social, and Governance (ESG) principles as an integral part of its business strategy. Throughout 2025, the Company made progress in improving occupational health and safety, energy and water efficiency, and responsible environmental management. The Company also remains active in community development and local workforce capacity building, while continuing to drive emissions reduction through operational optimization.

This commitment reflects MBMA's focus on delivering sustainable growth while supporting Indonesia's strategic role in the global electric vehicle supply chain.

Teddy Oetomo, President Director of MBMA, stated, "MBMA maintained resilient performance amid global nickel price pressures, supported by increased production volumes and improved margins in our downstream operations. We will continue to accelerate the development of an integrated downstream ecosystem to strengthen the Company's long-term growth."

Looking ahead, MBMA targets sustainable production growth across all business lines, with a focus on increasing contributions from downstream operations. With a strong operational foundation, an integrated asset portfolio, and disciplined cost control and investment management, the Company is well-positioned to capture long-term growth opportunities in the global electric vehicle industry.

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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, MBMA is committed to supporting the global transition to clean energy through sustainable and innovative practices. As a majority subsidiary of PT Merdeka Copper Gold Tbk (IDX: MDKA), MBMA leverages its extensive industry expertise to provide high-quality battery raw materials.

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

- **Sulawesi Cahaya Mineral (SCM) Mine:** Recognized as one of the world's largest nickel laterite 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) Smelter:** Consisting of eight RKEF smelter lines with an installed capacity of 88,000 tons of nickel per year, it processes saprolite ore from the SCM Mine to produce nickel pig iron (NPI), a critical component in stainless steel and battery production.
- **Nickel Matte Converter:** Processes low-grade nickel matte produced by the RKEF smelter into High Grade Nickel Matte (HGNM) with a nickel content of over 70%, a key ingredient for battery precursors and Class 1 Nickel.
- **Acid Iron Metal (AIM) Plant:** A modern processing facility that process high-grade pyrite from MDKA's Wetar Copper Mine to produce acid and steam for use in the HPAL plant, in addition to producing other metals such as copper, gold, and iron.
- **High-Pressure Acid Leach (HPAL) Plant:** HPAL plant is designed to process limonite ore into mixed hydroxide precipitate (MHP), a valuable intermediate product for EV battery materials. MBMA has two HPAL plants in the IMIP area with a total installed capacity of 55,000 tons of MHP and is developing a third HPAL facility with an installed capacity of 90,000 tons of MHP.
- **Indonesia Konawe Industrial Park (IKIP):** Developed in conjunction with Tsingshan Group, IKIP is an industrial park focused on battery raw materials, located within the SCM Mine concession area. The park aims to attract downstream industries and build a comprehensive battery raw material ecosystem.

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

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