

10 November 2025

MBMA Delivers Solid Operational Results and Steady Advancement Across Its Nickel Value Chain

Jakarta, Indonesia – PT Merdeka Battery Materials Tbk (IDX: MBMA) ("MBMA" or the "Company") is pleased to report its quarterly operational performance for the period ended 30 September 2025 ("3Q 2025"), highlighted by strong growth in nickel ore production at the SCM mine, significant improvements in unit operating costs across the mine and processing operations, and continued progress on the Company's strategic downstream projects.

During the quarter, the **PT Sulawesi Cahaya Mineral ("SCM") nickel mine delivered robust year-on-year growth**, with saprolite production increasing **89% YoY** and limonite **51% YoY**, supported by expanded mining capacity and operational efficiencies. Saprolite production reached **2.0 million wet metric ton ("wmt")**, while limonite production reached **5.6 million wmt**.

The SCM mine achieved notable improvements lowering cash costs and increasing margins reflecting improved productivity and scale benefits despite lower average sales price ("ASP") for both saprolite and limonite combined with higher royalty and fuel costs associated with government mandated use of B40 fuel.

Saprolite cash costs decreased to \$23.3/wmt, down from \$23.8/wmt YoY. At a **cash margin of \$1.5/wmt**, saprolite margins in 3Q 2025 were 49% higher than the previous quarter but remained 70% below the same period last year, reflecting a 14% YoY decline in ASP. While **limonite cash costs decreased to \$7.9/wmt** from \$9.9/wmt YoY. At a **cash margin of \$6.5/wmt**, limonite margins increased by 20% YoY and 46% QoQ, despite a 6% decline in ASP on both a QoQ and YoY basis.

In processing operations, despite a decline in **Nickel Pig Iron ("NPI") production to 19,819 tons**, **NPI margins strengthened significantly**, improving to **\$2,215/tNi**, supported by lower cash costs of **\$9,059/t**, down 16% YoY, as MBMA increased internal saprolite ore feed and continued disciplined cost optimization.

The Company continued to advance its **integrated High Pressure Acid Leach ("HPAL") and Acid Iron Metal ("AIM") growth strategy**, positioning MBMA as a key contributor in the global battery supply chain:

- **PT ESG New Energy Material ("PT ESG") produced 7,181 tons of nickel in MHP and sold 7,553 tons** during the quarter, with cost efficiencies expected to improve further when the new Feed Preparation Plant ("FPP") and slurry pipeline commence operations in 4Q 2025.
- **PT Sulawesi Nickel Cobalt ("SLNC")**, MBMA's HPAL project with targeted **90,000 tons per annum ("tpa")** MHP capacity, reached **54% completion** on the HPAL plant and **29% completion** on its associated FPP as of quarter-end, with **commissioning of the first train targeted for mid-2026**.

- At the **AIM plants**, operated by PT Merdeka Tsingshan Indonesia ("MTI"), acid production continued to operate steadily, with **251,715 tons** of sulfuric acid produced during the quarter. The chloride plant and copper cathode plant progressed through commissioning, with the **first copper cathode plates successfully produced and meeting LME standards**.

During the quarter, MBMA secured a **long-term matte offtake agreement** under favorable terms, supporting the **strategic decision to recommence high-grade nickel matte ("HGNM") production**, with **production ramp-up expected from 4Q 2025**.

MBMA recorded 9M 2025 unaudited revenue of \$935.0 million, decreased 32% YoY, primarily due to lower NPI (-\$102.3M) and HGNM (-\$418.8M) contributions while partially offset by stronger limonite and other revenues (+\$76.3M).

President Director Teddy Oetomo stated “Our strong operational delivery this quarter reflects the structural improvements we have made across the mining, logistics, and processing value chain. We are continuing to improve unit economics, expand ore capacity, and progress our downstream HPAL and AIM projects, which will be transformational for MBMA and Indonesia’s battery materials industry.”

The Company remains **on track to achieve 2025 ore delivery and unit cost guidance**, supported by planned fleet expansions and completion of slurry pipeline infrastructure. MBMA will continue to prioritize:

- Expanding mining fleet capacity to support higher ore output in 4Q 2025.
- Completing slurry pipelines to support HPAL integration.
- Continuing cost optimization across the downstream operations.

“We are encouraged by the continued growth of our nickel ore production, improved efficiency of downstream processing, and the progress at our HPAL and AIM strategic projects which will strengthen MBMA's position as a leading global supplier of battery materials,” concluded Teddy Oetomo.

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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-owned subsidiary of **PT Merdeka Copper Gold Tbk (IDX: MDKA)**, MBMA leverages extensive industry expertise to deliver high-quality battery 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 boasts 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:** 8 lines RKEF smelters with total expected nameplate capacity of 88,000-tonne of nickel per annum that process saprolite ore from the SCM Mine to produce nickel pig iron (NPI), a crucial component in stainless steel and battery production.
- **Nickel Matte Converter:** Processes low-grade nickel matte produced by RKEF Smelters into a High-Grade Nickel Matte (HGNM) product containing more than 70% nickel which is a key feedstock for battery precursors and Class 1 Nickel.
- **Acid Iron Metal (AIM) Plant:** A modern processing plant facility which will process high-grade pyrite feedstock from MDKA's Wetar Copper Mine to recover acid and steam for use in HPAL plants, 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 owns two HPAL plants in the IMIP area with a total nameplate capacity of 55,000 tons in Mixed Hydroxide Precipitate (MHP) and is developing an additional HPAL facility with a nameplate capacity of 90,000 tons in MHP
- **Indonesia Konawe Industrial Park (IKIP):** Developed in partnership with Tsingshan Group, IKIP is an industrial park focused on battery materials, situated within the SCM Mine concession area. The park aims to attract downstream industries and foster a comprehensive battery materials ecosystem.

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

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