



9M Financial Results
22nd November 2023



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9M 2023 Highlights

Merdeka recorded consolidated revenue and EBITDA of US\$1.2 billion and US\$182 million, respectively

EBITDA of US\$107 million for the September quarter represents a 243% increase from the June quarter, driven by increased gold, NPI and nickel matte profitability

Group production of 109,159 ounces of gold, 9,309 tonnes of copper, 42,976 tonnes of nickel in NPI, and 17,649 tonnes of nickel in nickel matte

Group ESG rating upgraded by MSCI to 'A', placing Merdeka as the highest rated Indonesian metals and mining company

Other highlights include ramp up of mining and haulage activities at the SCM mine, commencement of commissioning at the AIM Project and advancing HPAL partnerships

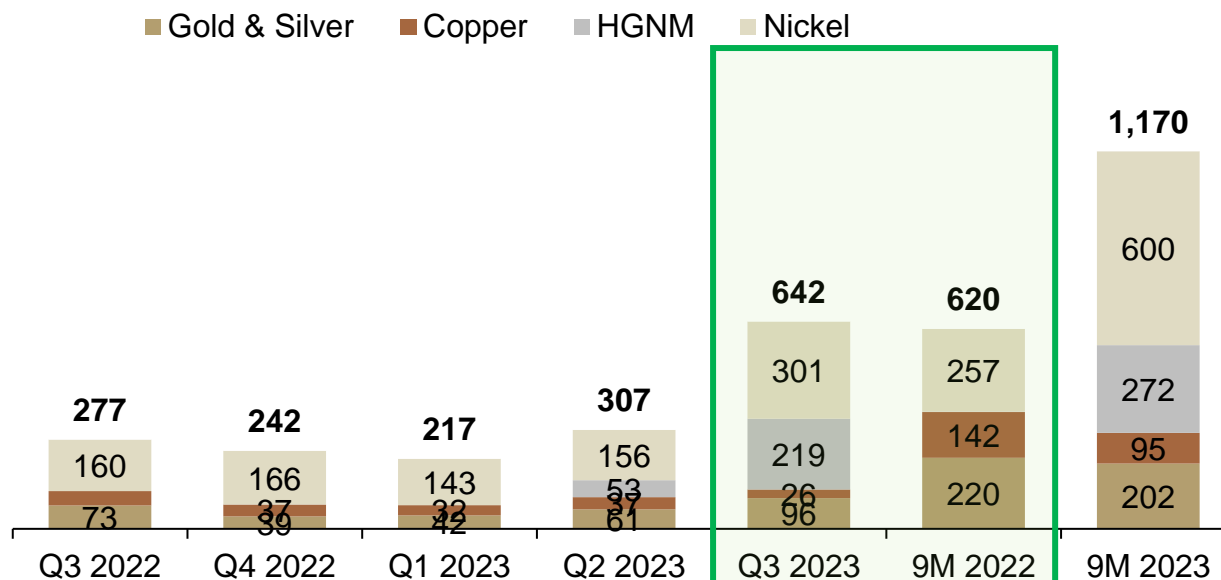
3Q 2023 Financial Highlights

In US\$ million	9M 2023	9M 2022
Profit & Loss		
Consolidated revenue	1,170	626
Cost of revenue	(1,052)	(482)
EBITDA	182	247
Net profit / (loss)	(4)	70
Cash Flow		
Cash flow from operations	34	453
Capital expenditures	(467)	(581)
Acquisition	(118)	(322)
Investment	(17)	(57)
Financial Position		
Cash and cash equivalents	431	365
Debt	1,306	1,101
Net debt	875	736

Commentary
<ul style="list-style-type: none"> The significant increase in revenue is attributable to additional revenue of US\$618 million from the sale of NPI and nickel matte, following the commissioning and acquisition of ZHN and nickel matte converter Group EBITDA of US\$182 million in 9M 2023, compared to 9M 2022 EBITDA of US\$247 million which included a one-time, non-recurring final insurance claim of US\$42 million. EBITDA contribution from MBMA was US\$64 million in 9M 2023. The increase in cost of revenue is reflective of a larger MBMA NPI operation and nickel matte production adding incremental revenue and EBITDA. The lower EBITDA is attributable to lower gold and copper production from TB Gold and Wetar, and lower NPI margins Financing activities during 9M 2023 included MBMA IPO proceeds, IDR bond issuance of approximately US\$163 million in 1Q 2023 and approximately US\$170 million in 3Q 2023, and drawdown of PT Merdeka Tsingshan Indonesia (“MTI”) term loan and MTI VAT facility totalling US\$41 million

3Q 2023 Revenue

Revenue (US\$ million)



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

Gold	1,728	1,711	1,887	1,972	1,946	1,820	1,942
Copper	8,414	7,324	8,799	8,700	8,444	9,321	8,660
NPI	15,510	15,931	17,470	14,118	13,193	16,827	14,305
Ni Matte	n.a.	n.a.	n.a.	17,196	16,364	n.a.	16,572

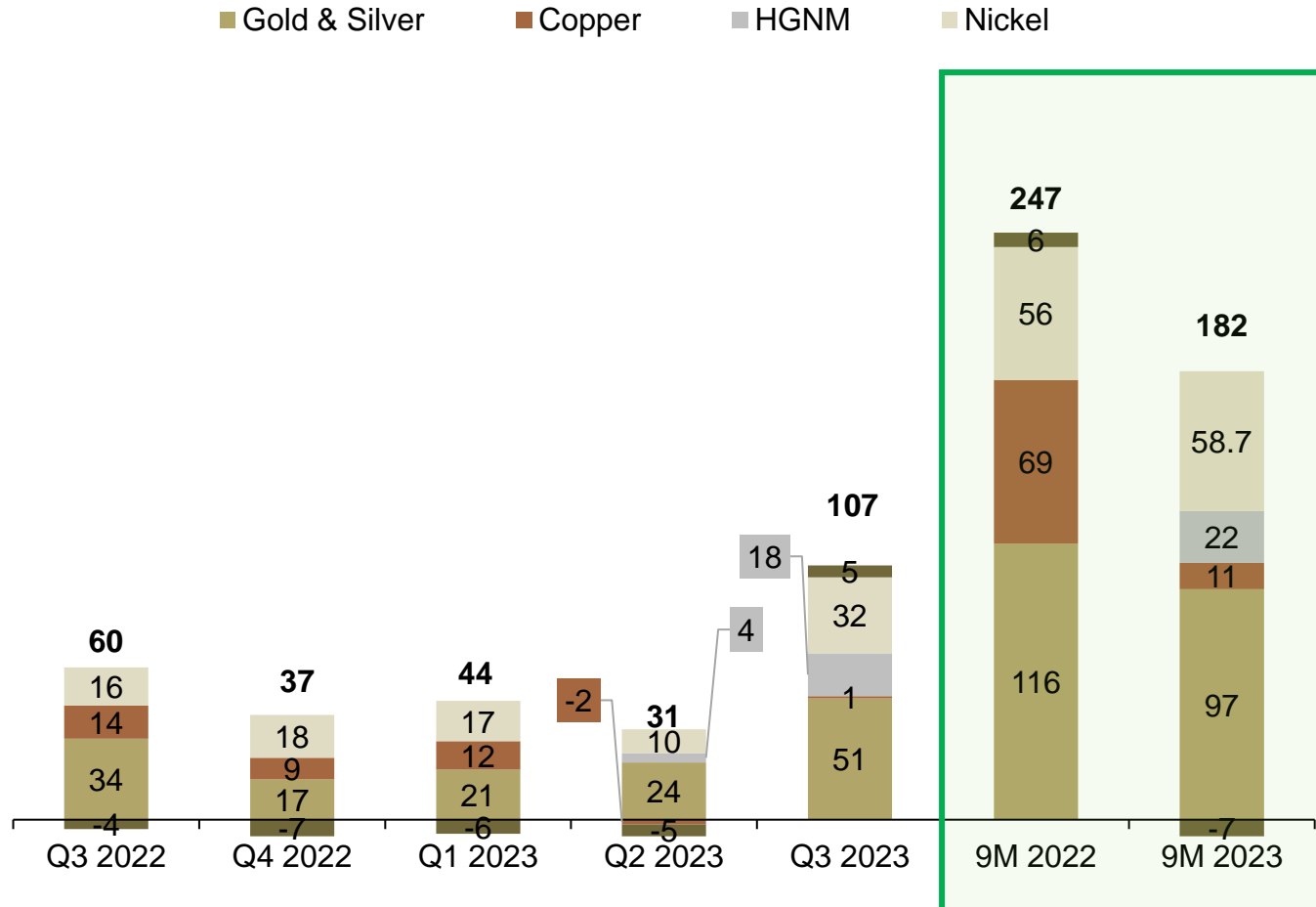
Commentary

Revenue increase is attributable to:

- Gold and NPI sales increasing 64% and 108%, respectively, from the June quarter
- Additional revenue of US\$272 million from the sale of nickel matte, following the acquisition of the nickel matte converter in the June quarter
- Revenue projected to increase as:
 - Sales of saprolite ore ramp up to six million wmt per annum by the end of 2024
 - Limonite ore sales commence in early 2024

3Q 2023 EBITDA

EBITDA (US\$ million)



Commentary

- EBITDA of US\$107 million for the September quarter represents a 243% increase from the June quarter, driven by increased gold, NPI and nickel matte profitability
- Merdeka recorded gold sales of 98,694 ounces compared to gold production of 109,159 ounces for 9M 2023. This difference resulted in profit recognition being deferred to 4Q 2023
- Group profitability is expected to remain strong, underpinned by sustained gold margins and normalised NPI production cost
- In addition, EBITDA will 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

TB Copper Project



- Merdeka invested US\$35 million during 9M 2023 for feasibility work to advance the project, including resource definition drilling, geological modelling, and technical studies

Haul Road & FPP



- Haul road upgrade completed during the quarter following a total project to date investment of approximately US\$84.5 million
- Completion of the Huayou FPP and slurry pipeline by the end of 2023

Pani Gold Project



- Merdeka has invested \$70 million on resource drilling, mining fleet purchases and site infrastructure development during 9M 2023.
- Merdeka aims to start gold production from its 7Mtpa heap leach operation by the end of 2025

SCM Mine



- SCM Mine is expected to deliver up to 800,000 wmt of saprolite ore in 2023
- Ramp up to six million wmt per annum by the end of 2024
- Commence limonite ore sales in 1Q 2024

AIM Project



- During 3Q 2023, MDKA invested an additional US\$117 million, bringing the total 9M 2023 investment to US\$234 million
- The first acid train is expected in January 2024 and ramp up to full capacity in 1Q 2024

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

Merdeka is on track to deliver gold production of 120,000 to 140,000 ounces at an AISC of US\$1,100 to 1,300/oz. Copper guidance of 14,000 to 16,000 tonnes at an AISC of US\$4.20 to 5.00/lb

Nickel guidance of 57,000 to 65,000 tonnes of nickel in NPI at an AISC of US\$12,500 to 14,000/t and 28,000 to 31,000 tonnes of nickel in nickel matte

SCM mine is expected to deliver up to 800,000 wmt of saprolite ore during 2023 and ramp up to six million wmt per annum by the end of 2024

Merdeka continues to deliver on its growth strategy across its portfolio, building on the momentum at MBMA



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