



**MERDEKA BATTERY**  
MATERIALS

# **FY2023 Financial Results Presentation**

## **28<sup>th</sup> March 2024**



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# FY2023 Highlights

Consolidated revenue and EBITDA of US\$1.7 billion (+96.2% YoY) and US\$242 million (+2.6% YoY), respectively, primarily driven by a strong gold performance and recognising a full year of nickel operations. MBMA's revenue surged to US\$1.3 billion (+192% YoY), with EBITDA of US\$98 million (+103% YoY), driven by record NPI and nickel matte production

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Revenue growth is underpinned by record production of 65,117 tonnes of NPI and 30,333 tonnes of nickel in nickel matte, following the successful ramp-up of additional RKEF smelter capacity and the acquisition of a high-grade nickel matte conversion facility during the year

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Merdeka significantly advanced its growth projects with the completion of the TB Copper PFS and subsequent to FY2023, the completion of the Pani Gold Project FS. Both studies confirm the projects' potential to deliver transformational growth

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At MBMA, saprolite ore delivery to its RKEF smelters commenced in mid-August 2023 and limonite ore sales commenced in late 2023. Downstream expansion is well advanced following the establishment of PT ESG New Energy Material ("ESG"), a partnership with GEM Co., Ltd ("GEM") to construct a 30,000 tonnes per annum HPAL processing plant

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Merdeka ended FY2023 with a cash balance of US\$519 million, representing a net cash increase of US\$77 million



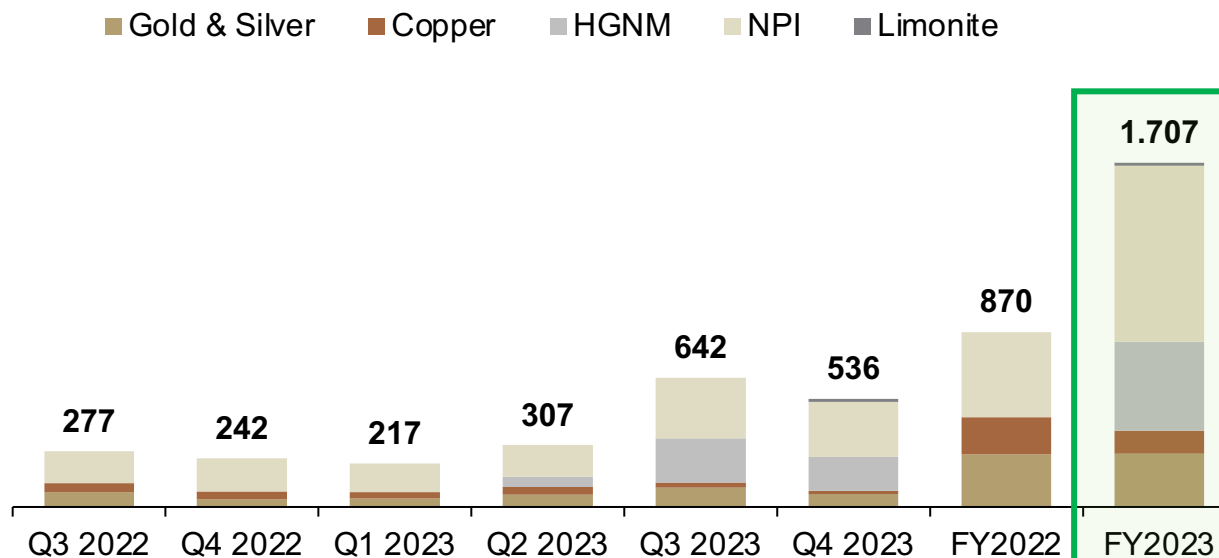
# Financial Highlights

In US\$ million	FY2023	FY2022
<b>Profit &amp; Loss</b>		
Consolidated revenue	1,707	870
Cost of revenue	(1,561)	(705)
EBITDA	242	277
Normalised EBITDA	242	235
Net profit / (loss)	6	65
<b>Cash Flow</b>		
Cash flow from operations	57	463
Capital expenditures	(648)	(761)
Acquisition	(119)	(320)
Investment	49	(46)
Cash flow from financing	738	932
<b>Financial Position</b>		
Cash and cash equivalents	519	444
Debt	1,528	1,314
Net debt	1,009	870

- | Commentary  |
|---|
| <ul style="list-style-type: none"> <li>A significant increase in revenue of US\$837 million is attributable to reflecting a full year of nickel operations</li> <li>The increase in cost of revenue is reflective of the enlarged NPI production profile following the successful commissioning of ZHN smelter and acquisition of a 60% interest in HNMI nickel matte converter</li> <li>Merdeka recorded a net cash increase of US\$77 million. US\$57 million of net cash inflow was generated from operating activities, US\$738 million of net cash inflow from financing activities and US\$718 million of net cash outflow for investing activities</li> <li>Cash flows from financing include MBMA IPO proceeds of approximately US\$614 million, Merdeka IDR bond issuance equivalent to a total of approximately US\$468 million (split between quarters), drawdowns of US\$41 million from MTI facilities, US\$60 million from Merdeka RCF offset with IDR bonds repayment equivalent to approximately US\$217 million</li> </ul> |

# Revenue Contribution

Revenue (US\$ million)



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

	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY2022	FY2023
Gold	1,728	1,711	1,887	1,972	1,946	1,931	1,803	1,939
Copper	8,414	7,324	8,799	8,700	8,444	8,169	8,822	8,578
NPI	15,510	15,931	17,470	14,118	13,193	12,099	16,722	13,536
Ni Matte	n.a.	n.a.	n.a.	17,196	16,364	14,216	n.a.	15,592
Limonite	n.a.	n.a.	n.a.	n.a.	n.a.	17	n.a.	17

Commentary

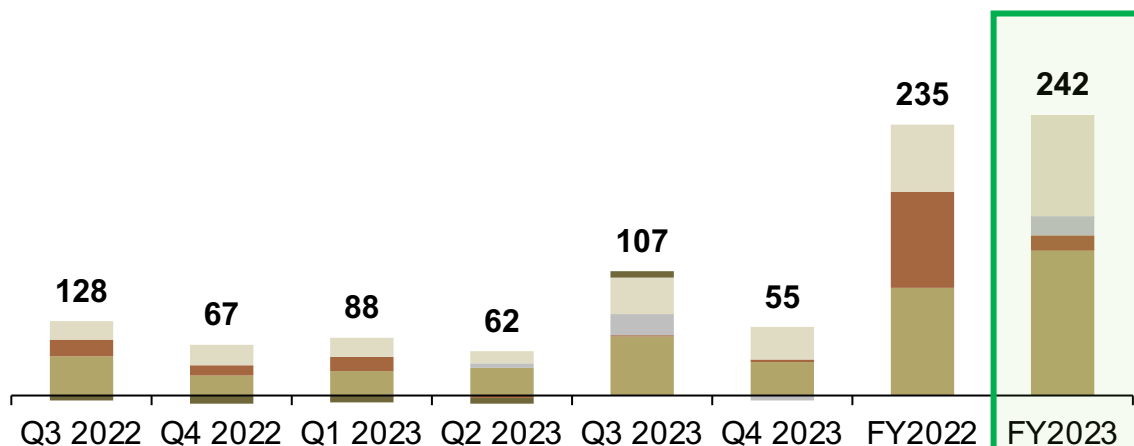
Revenue increase is attributable to:

- A full year of contribution from the nickel operations including
  - Additional revenue of US\$335 million from ZHN
  - Additional revenue of US\$439 million from the sale of nickel matte
  - Additional revenue of US\$16 million from the sale of limonite
- FY2024 revenue is projected to increase:
  - Saprolite ore sales of 4.0 to 5.0 million wmt
  - Limonite ore sales of 10.0 to 11.0 million wmt
  - AIM project commissioning
  - Full year of contribution from ZHN and nickel matte

# EBITDA Contribution

## EBITDA (US\$ million)

■ Gold & Silver ■ Copper ■ HGNM ■ Nickel ■ Others<sup>1</sup>



## EBITDA breakdown (US\$ million)

	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY2022	FY2023
Gold & Silver	34	17	21	24	51	29	93	126
Copper	14	9	12	(2)	1	2	83	13
NPI	16	18	17	10	32	28	58	87
Ni Matte	n.a	n.a	n.a	4	18	(4)	n.a	17
Others	(34)	(7)	(6)	(5)	5	n.a	n.a	n.a

## Commentary

- EBITDA of US\$242 million represents a 2.6% increase from FY2022
- The higher operating EBITDA in FY2023 is attributable to US\$98 million nickel contribution from MBMA, offset by lower gold and copper production and lower NPI EBITDA margins (FY2023: US\$1,347/t vs. FY2022: US\$2,126/t).
- Group profitability is expected to remain strong, underpinned by sustained gold margins, normalised NPI production cost and an enlarged nickel production profile
- EBITDA will continue to increase as mining and haulage activities continue to ramp up at the SCM mine resulting in higher nickel ore sales

1. Others include corporate cost

# Project Developments

## Pani Gold Project



- Pani FS confirms attractive economics for a large scale, long-life and low-cost gold mining operation
- Merdeka invested US\$101 million in Pani in FY2023
- Merdeka is advancing construction activities, targeting commissioning activities by the end of 2025

## TB Copper Project



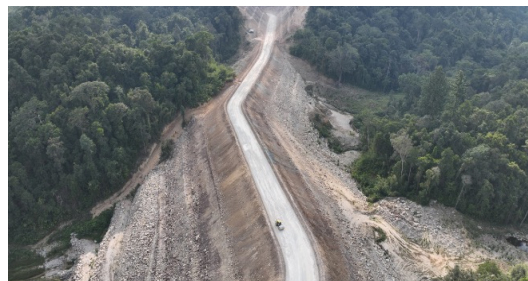
- At TB Copper, Merdeka invested US\$44 million during FY2023 for feasibility work to advance the project, including resource definition drilling, geological modelling, and technical studies

## AIM Project



- MBMA is continuing to conduct internal testing in preparation for the commissioning of the AIM Project with the first acid train expected to start production and ramp up to full capacity during 2Q 2024, with the commencement of the second acid train and chloride plant also expected in 2Q 2024

## Haul Road & FPP



- Haul road upgrade completed in August 2023, enabling MBMA to commence delivery of saprolite ore to its RKEF smelters at IMIP.
- In December 2023, slurry pipeline linking the HNC FPP to IMIP was completed, allowing the transport of limonite ore to commence

## SCM Mine



- MBMA is targeting ore sales of 4.0 – 5.0 million wmt of saprolite and 10.0 – 11.0 million wmt of limonite in 2024.
- Production increases are planned for 2025 as HPAL processing capabilities are commissioned

## 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

# Summary and 2024 Guidance

2024 gold and copper production guidance of 100,000 – 120,000 ounces at a total cash cost of US\$900 to 1,050/oz and 14,000 to 16,000 tonnes at a total cash cost of US\$3.25 to 4.00/lb, respectively

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2024 NPI and nickel matte production guidance of 85,000 to 92,000 tonnes at a total cash cost of US\$10,000 to 12,000/t and 50,000 to 55,000 tonnes at a total cash cost of US\$13,000 to 15,000/t, respectively

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2024 ore sales guidance of 4.0 – 5.0 million wmt of saprolite and 10.0 – 11.0 million wmt of limonite

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Merdeka continues to deliver on its growth strategy across its gold, copper and nickel businesses





For more information, please contact or visit

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