



# MERDEKA GROUP

1Q 2025 Financial Results Presentation  
1 July 2025



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# 1Q 2025 Highlights

## Financials

### Merdeka

#### Revenue

**\$502million**

↓ 7% YoY

#### EBITDA

**\$89million**

↑ 57% YoY

#### Net Profit

**\$2.5million**

↑ 127% YoY

### MBMA

**\$366million**

↓ 18% YoY

**\$31million**

↑ 17% YoY

**\$9million**

↓ 16% YoY

## Project Update

### Tujuh Bukit Copper Gold Project

Merdeka is actively derisking TB Copper which will feature a larger ore reserve and high-grade early production from a 6Mtpa SLC operation (up from 4Mtpa).

### Pani Gold Project

Construction activities are proceeding as scheduled. Project completion is approximately 49% as of the end of March 2025. The heap leach operation is expected to begin commissioning in late 2025 with first gold pour in 1Q 2026.

### HPAL Processing

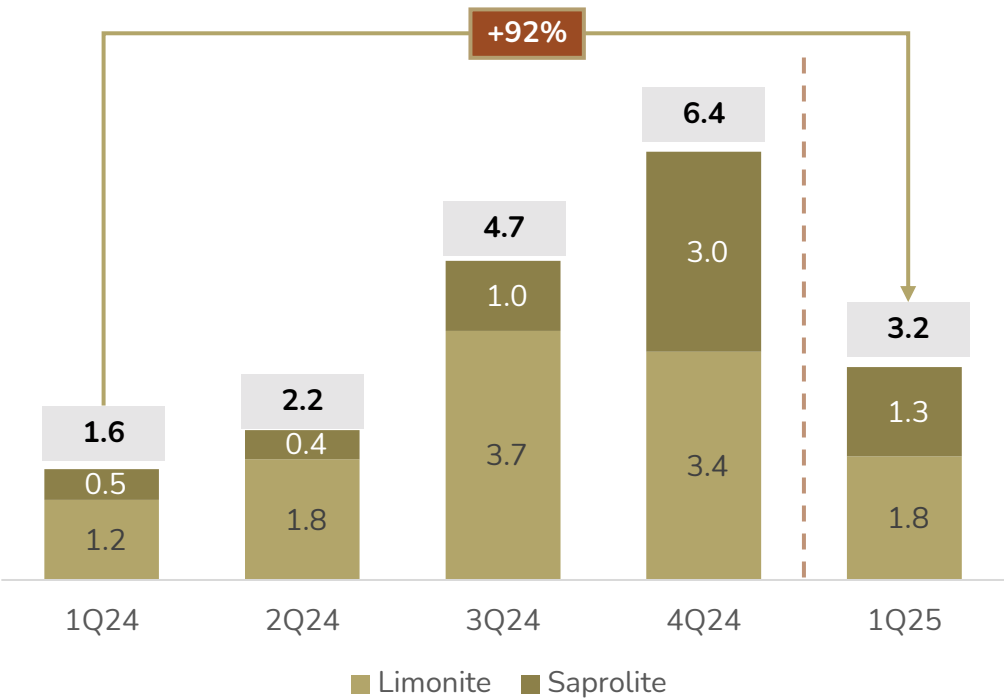
PT ESG commenced train A production in late 2024, with Train B commissioning underway. PT SLNC was 14.35% complete at the end of the quarter and is targeting project commissioning in 2H 2026.

### AIM Plant

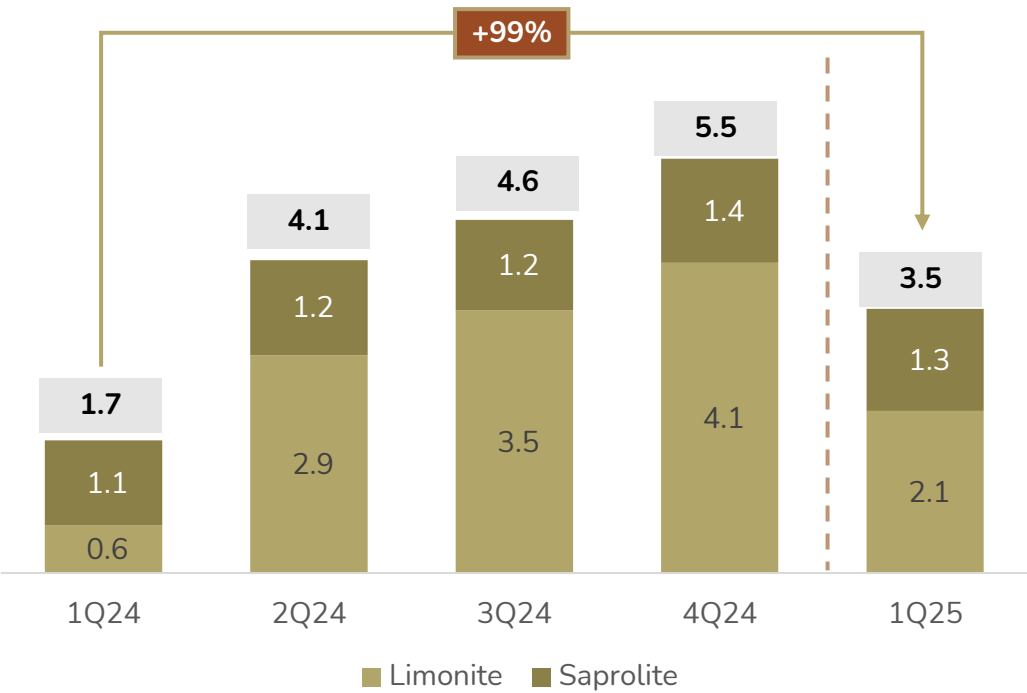
Commissioning at the AIM plant is continuing with the pyrite, acid, and chloride metals plants ramping up production. Sponge copper production began in January 2025, and the copper cathode plant is nearing completion.

# Nickel Mining Operations

Ore Mined (million wmt)



Ore Sales<sup>1</sup> (million wmt)

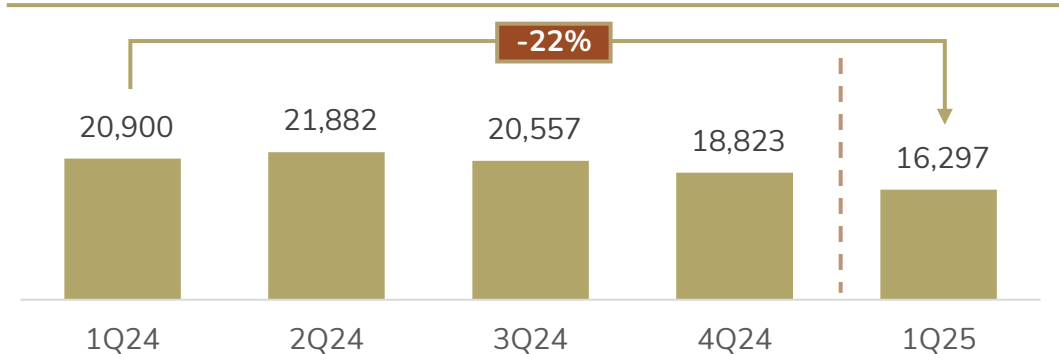


- In 1Q 2025, MBMA produced 3.2 million tonnes of ore, representing a 92% YoY increase. This included a 54% increase in limonite production and a 190% increase in sapolite production, despite the expected seasonal rainfall that impacted quarterly output. Overall performance remained significantly ahead of the prior year, supporting continued production momentum.
- MBMA sold 2.1 million tonnes of limonite and 1.3 million tonnes of sapolite, reflecting YoY increases of 242% and 20%, respectively.
- Total ore sales rose by 99% compared to 1Q 2024.

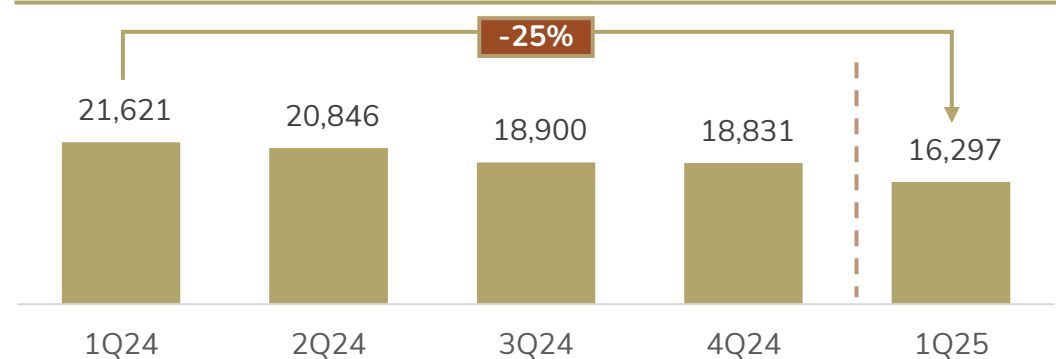
<sup>1</sup> Sales volume of sapolite is based on delivery volume during 1Q 2025

# Nickel Processing Operations

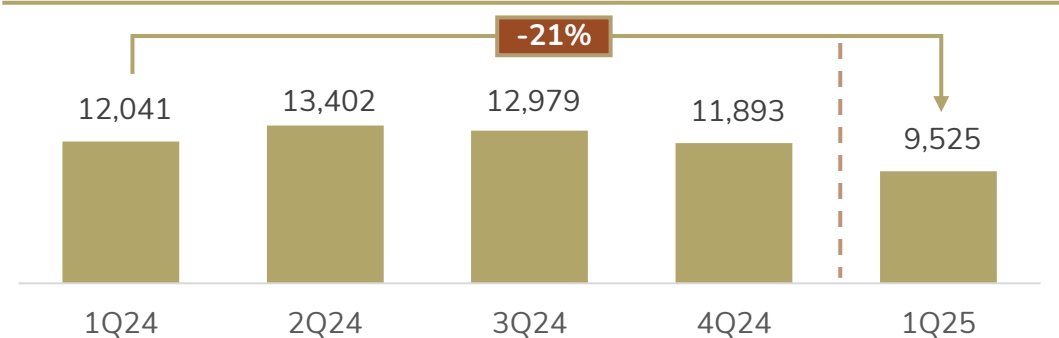
NPI Production (tonnes)



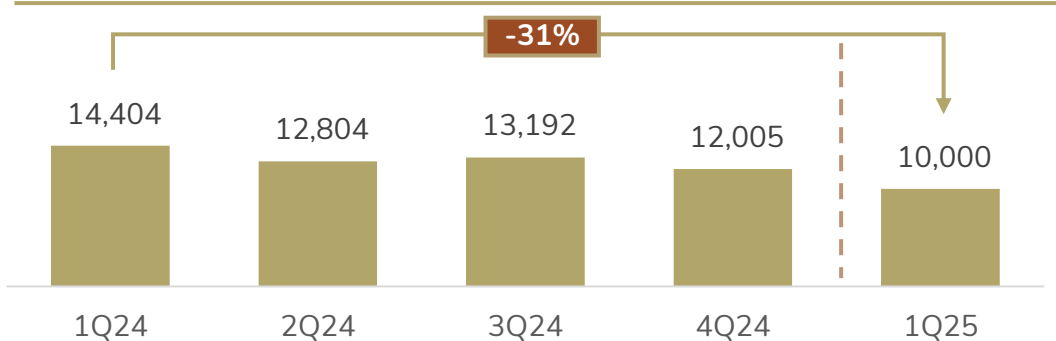
NPI Sales (tonnes)



HGNM Production (tonnes)



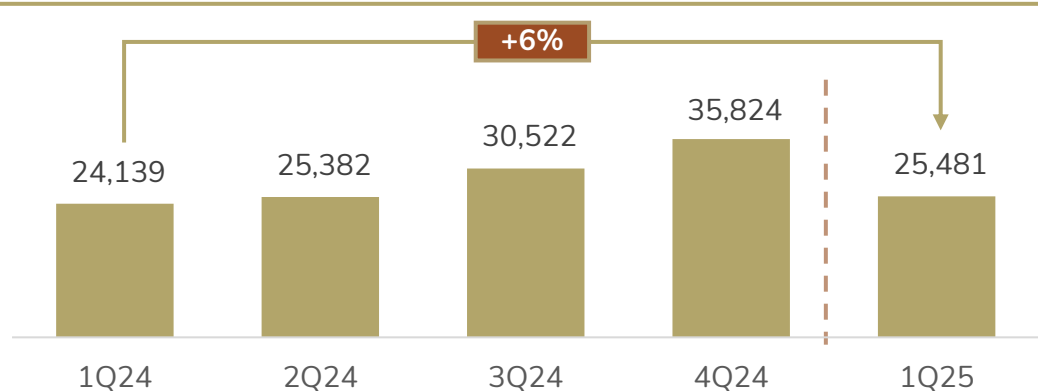
HGNM Sales (tonnes)



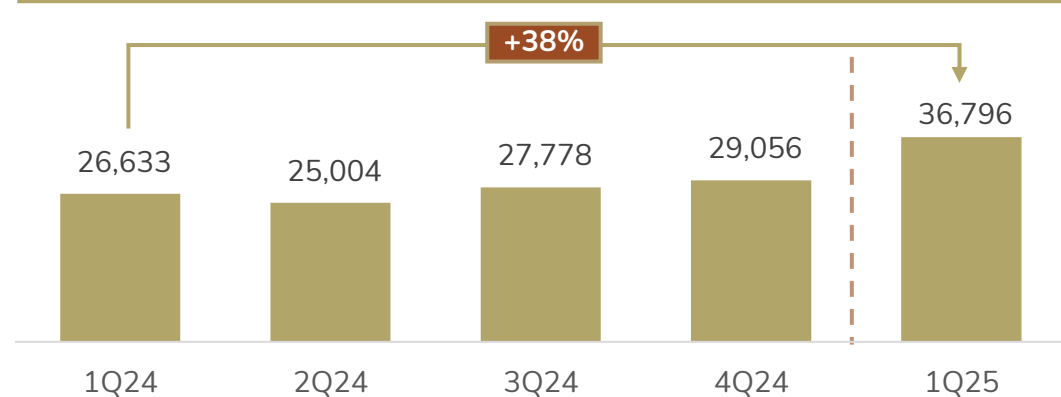
- NPI production and sales declined by 22% and 25% YoY, respectively, due to scheduled maintenance at ZHN, which also experienced a brief flood-related shutdown in March and the ongoing ramp-up at BSI following a completed furnace overhaul in 4Q 2024. In 1Q25 ZHN produced 75% of nameplate capacity, while BSI improved from 40% in 4Q24 to 60% in 1Q25.
- In 1Q 2025, BSI, CSI, and ZHN processed 1.8 million wmt of saprolite ore with an average nickel grade of 1.57%, resulting in the production of 16,297 tonnes of nickel in NPI.
- HGNM production and sales in 1Q 2025 declined by 21% and 31% YoY, respectively. MBMA temporarily suspended HGNM operations to focus more on profitable NPI operations, until Ni Matte price improves and operations are profitable.

# Gold and Copper Operations

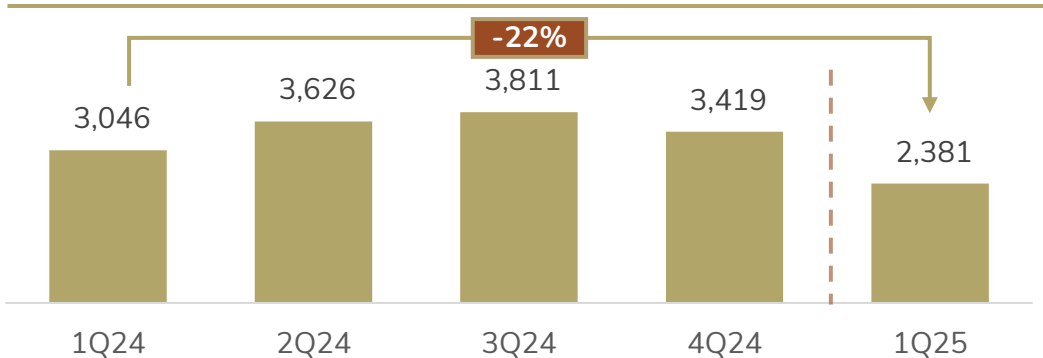
## Gold Production (ounces)



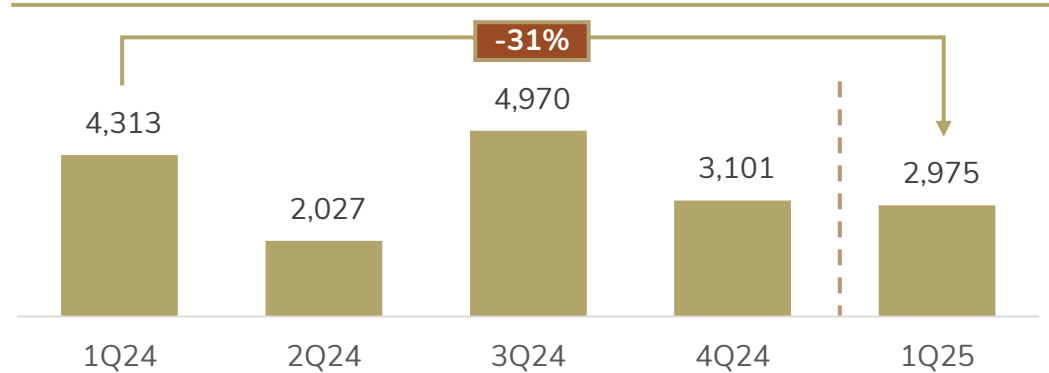
## Gold Sales (ounces)



## Copper Production (tonnes)

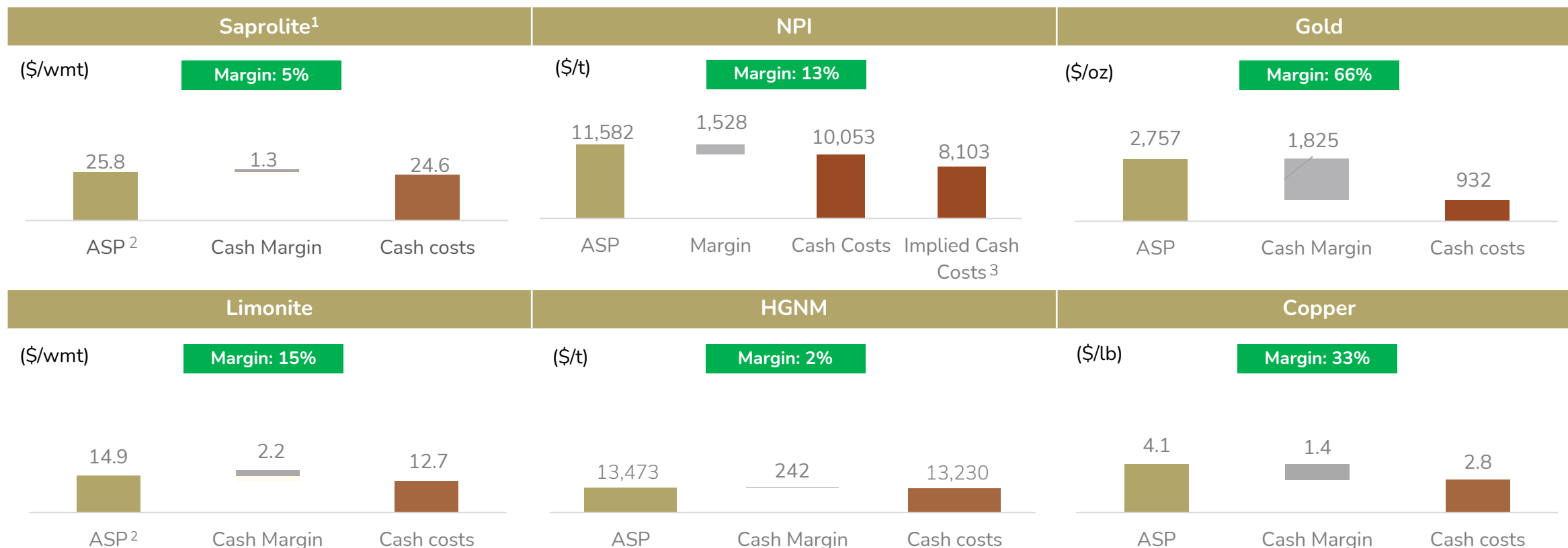


## Copper Sales (tonnes)



- Gold production increased in 1Q 2025, supported by a higher stacked grade of 0.44g/t, up from 0.40g/t in 1Q 2024.
- Copper production in 1Q25 is in accordance with mining plan

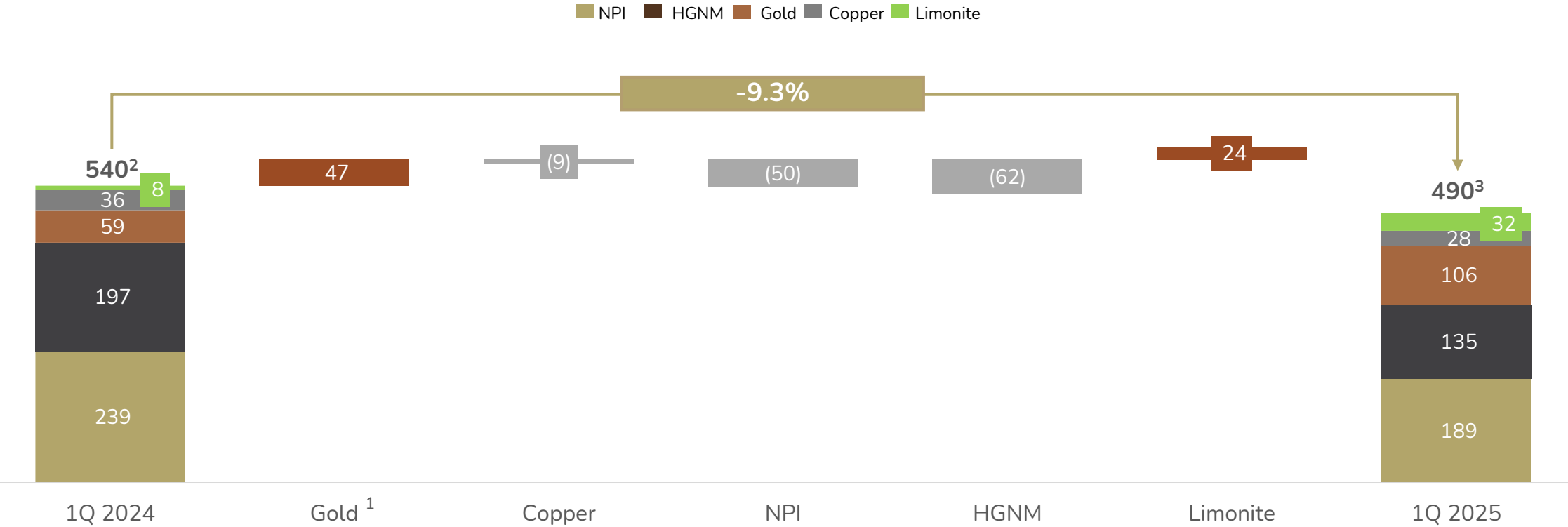
# ASP and Margin Analysis



- Nickel ore margins are expected to improve after the seasonal rainfalls end, also supported by structural enhancements and ongoing operational improvement initiatives.
- Amid margin volatility during the quarter, the Company strategically shifted its focus from HGNM to prioritise the more profitable NPI operations.
- The improved gold margin was primarily driven by higher sales volumes—36,796 ounces at a higher average gold price of \$2,757/oz

# Consolidated Group Revenue

\$ million

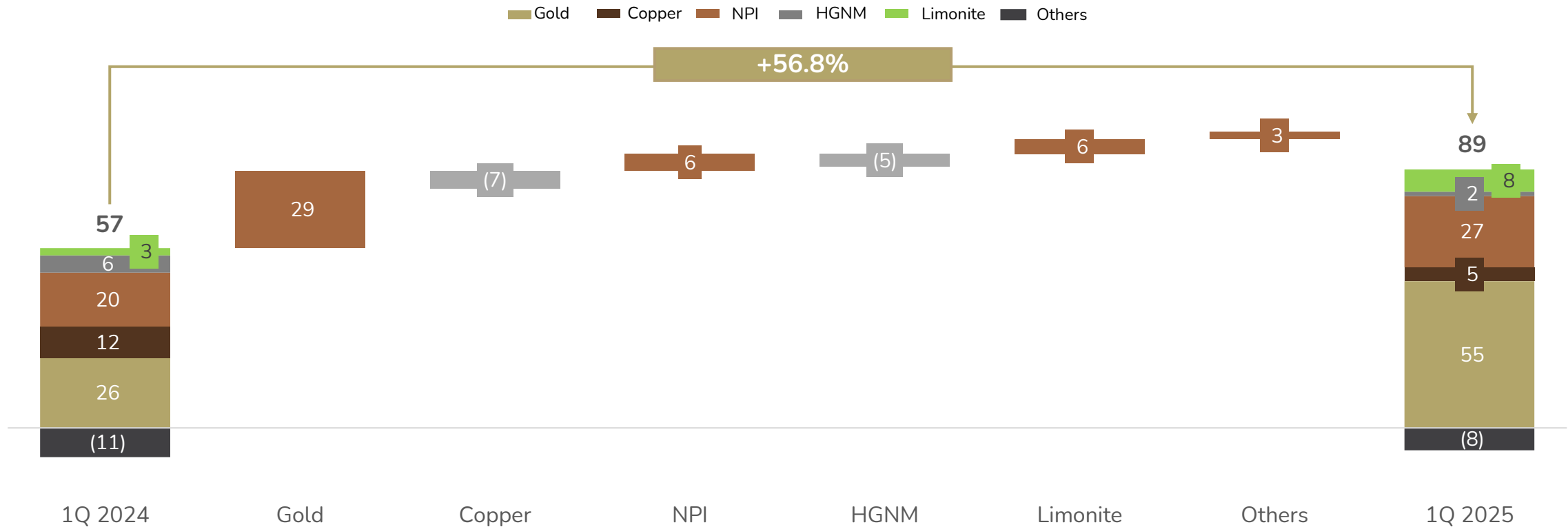


- Merdeka Group reported consolidated revenue of \$502 million in 1Q 2025, representing a 7% YoY decrease. The decrease was primarily driven by:
  - A \$62 million reduction in HGNM contributions, as the Company temporarily shifted focus to higher-margin NPI operations; and
  - A \$50 million decrease in NPI revenue due to the ongoing ramp-up of the BSI smelter following a 4Q 2024 overhaul and maintenance activities at ZHN.
- These declines were partially offset by higher contributions from gold and limonite ore, supported by increased sales volumes and improved average selling prices.



# Consolidated Group EBITDA

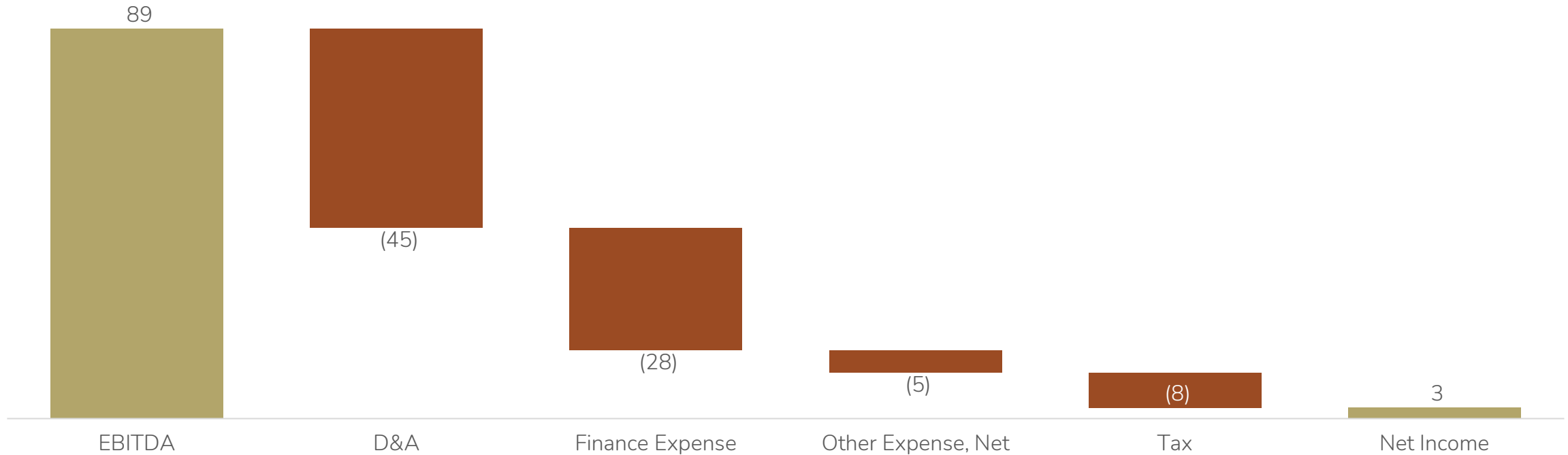
\$ million



- Merdeka Group reported consolidated EBITDA of \$89 million in 1Q 2025, representing a 57% YoY increase. This significant growth was driven by:
  - Higher gold sales volumes and average selling prices compared to 1Q 2024;
  - A substantial increase in third-party limonite ore revenue, supported by both higher volumes and improved pricing; and
  - Improved margins in NPI operations, with higher ASP and lower cash costs offsetting the impact of reduced sales volume.

# 1Q 2025 Profit & Loss (100%)

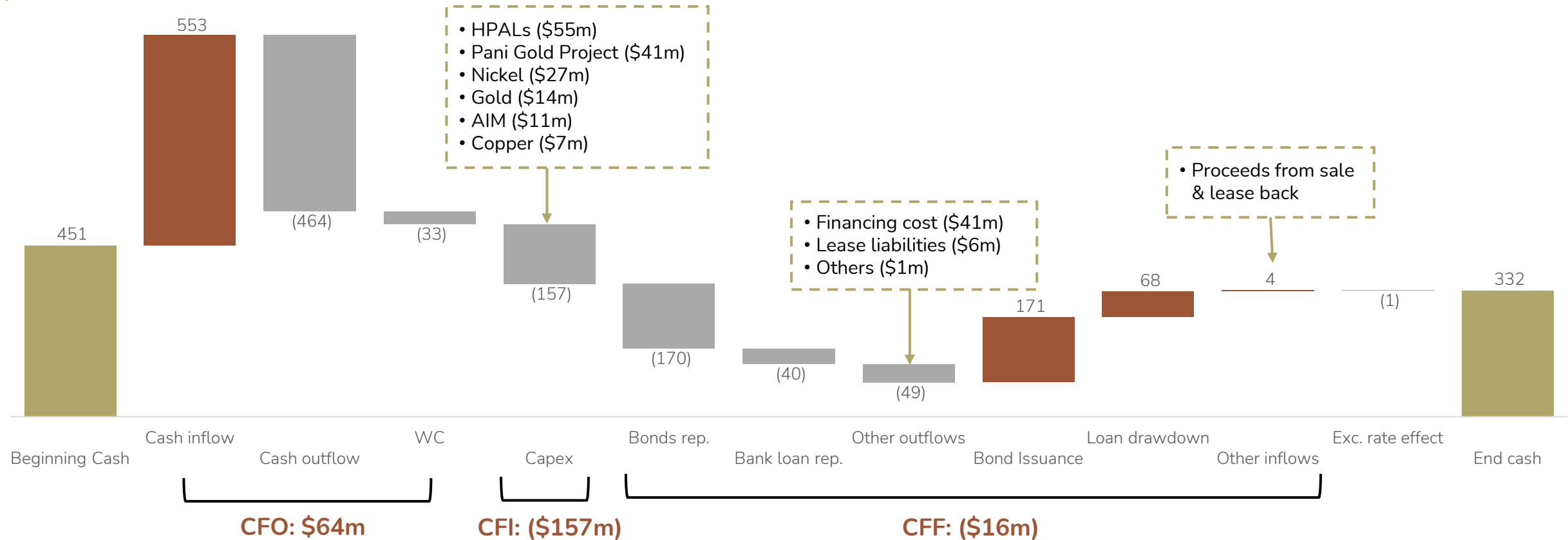
\$ million



- Finance costs increased due to higher interest rates and a larger debt base, with outstanding bonds rising to \$1.2 billion in 1Q 2025 from \$1.0 billion in 1Q 2024.
- Other expenses were primarily driven by a foreign exchange loss of \$3.4 million and amortised borrowing costs of \$2.3 million, partially offset by other income of \$0.6 million.
- The increase in tax expense was consistent with the \$19 million rise in profit before tax.

# 1Q 2025 Cash flow

\$ million



- Cash flow from operations (CFO) totaled \$64 million, including \$33 million in working capital outflows, primarily driven by the timing of customer receivable settlements and increased payments to vendors.
- Merdeka continues to invest significantly to support its operations and growth initiatives. Growth capital expenditures during the period included \$41 million for the Pani Gold Project, \$11 million for the AIM plant, and \$4 million for the TB Copper.

# Project Development

## TB Copper



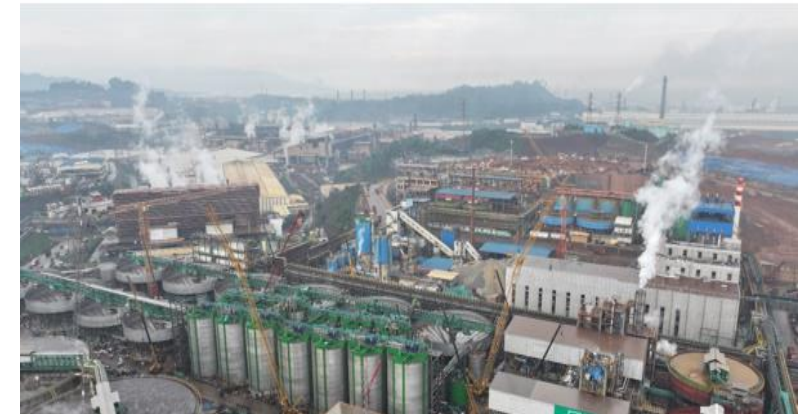
- Merdeka is advancing optimisation work to support a unified TB Copper strategy, including the integration of a 71% increase in indicated resource to 755Mt at 0.60% copper and 0.66 g/t gold.
- Outlines a SLC operation with an 11-year mine life, ramping up to the full 6.0Mtpa capacity within five years.

## Pani Gold Project



- At the end of March 2025, project construction was 49% complete.
- The cut and fill and concrete works of the OPP construction have been completed, and structural steel installation is currently underway
- The earthworks related to ADR plant has been successfully completed at the end of 1Q 2025
- The commissioning of the heap leach operation is anticipated for late 2025.

## HPAL Operations



- PT ESG, Train B expected online in 2Q 2025. The plant currently operates using IMIP's FPP and will transition to the new SCM FPP in 2H 2025.
- PT ESG received its Industrial Business License (IUI) in February 2025.
- Construction at PT SLNC had reached 14.35% at the end of 1Q 2025, with key milestones including machinery procurement, equipment foundations, and FPP land clearance completed.

# MDKA Consolidated Financial Statements (100%)

In \$ million	1Q 2024	1Q 2025
Revenue	541.1	502.2
Cost of Revenue (exclusive of D&A)	(472.2)	(400.0)
Mining	(38.5)	(39.3)
Processing	(339.9)	(279.7)
Inventory	(75.2)	(54.6)
Others	(18.6)	(26.4)
Depreciation and Amortisation	(35.5)	(44.5)
<b>Gross Profit</b>	<b>33.3</b>	<b>57.7</b>
<i>Gross Profit Margin</i>	6.2%	11.5%
G&A Expenses	(12.8)	(14.3)
<b>Operating Profit</b>	<b>20.5</b>	<b>43.4</b>
<i>Operating Profit Margin</i>	3.8%	8.6%
Finance Expenses, net	(22.8)	(27.8)
Other Expenses, net	(5.8)	(5.1)
<b>Profit (Loss) Before Tax</b>	<b>(8.2)</b>	<b>10.5</b>
Tax Expense	(1.1)	(8.0)
<b>Net Profit Before Minority</b>	<b>(9.3)</b>	<b>2.5</b>
<i>Net Profit Margin</i>	-1.7%	0.5%
<b>EBITDA</b>	<b>56.5</b>	<b>88.6</b>
<i>EBITDA Margin</i>	10.4%	17.6%

- Merdeka reported consolidated revenue of \$502 million in 1Q 2025, reflecting a YoY decrease of \$39 million.
- The decline was primarily driven by lower contributions from HGNM, due to a strategic shift toward NPI operations, and reduced NPI revenue resulting from the BSI smelter ramp-up following a 4Q 2024 overhaul and maintenance at ZHN.
- These impacts were partially offset by higher gold and limonite revenue, supported by increased sales volumes and stronger average selling prices.
- EBITDA for the quarter totaled \$89 million, underpinned by improved performance in gold, limonite, and NPI, partially offset by lower contributions from copper and HGNM.
- Gold was the largest contributor to EBITDA, generating \$55 million, followed by NPI at \$27 million, limonite at \$8 million, copper at \$5 million, and HGNM at \$2 million.
- These were offset by corporate and other expenses totaling \$5 million.
- Finance costs increased due to higher debt levels, with the outstanding IDR bond balance rising to \$1.2 billion at the end of 1Q 2025, compared to \$1.0 billion at the end of 1Q 2024..

# MBMA Consolidated Financial Statements (100%)

In \$ million	1Q 2024	1Q 2025
Revenue	444.2	366.1
Cost of Revenue (exclusive of D&A)	(410.6)	(327.9)
Mining Cost	(19.8)	(23.7)
Processing Cost	(341.0)	(294.5)
Inventory	(48.6)	(4.7)
Royalties	(1.2)	(5.1)
Depreciation and Amortisation	(15.8)	(19.3)
<b>Gross Profit</b>	<b>17.9</b>	<b>18.9</b>
<i>Gross Profit Margin</i>	4.02%	5.16%
Operating Expenses	(7.4)	(7.3)
<b>Operating Profit</b>	<b>10.5</b>	<b>11.5</b>
<i>Operating Profit Margin</i>	2.36%	3.15%
Finance Income (Expenses), net	(0.2)	(1.4)
Other Income (Expenses), net	2.6	(2.3)
<b>Profit Before Tax</b>	<b>12.9</b>	<b>7.9</b>
Tax Expense	(2.7)	(1.8)
<b>Net Profit Before Minority</b>	<b>10.1</b>	<b>6.1</b>
<i>Net Profit Margin</i>	2.28%	1.68%
<b>EBITDA</b>	<b>26.6</b>	<b>31.1</b>
<i>EBITDA Margin</i>	5.98%	8.49%

- MBMA reported consolidated revenue of \$366 million and EBITDA of \$31 million in 1Q 2025, representing an 18% YoY decrease in revenue and a 17% increase in EBITDA.
- EBITDA contributions were \$27 million from NPI, \$8 million from limonite, and \$2 million from HGNM, partially offset by \$6 million in other costs, including corporate expenses.
- Cost of revenue totaled \$166 million for NPI and \$134 million for HGNM. NPI cash costs declined to \$10,053/t in 1Q 2025, down from \$10,107/t in 1Q 2024, driven by lower input costs for ore, reductants, and electricity.
- Mining cash costs were \$7.4/wmt for saprolite and \$7.6/wmt for limonite. Including hauling and royalties, total costs were \$24.6/wmt for saprolite and \$12.7/wmt for limonite.
- Net finance costs rose to \$1.4 million in 1Q 2025, up from \$0.2 million in Q1 2024, primarily due to interest incurred on bonds during the period.

# Thank you



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# ASP and Margin Analysis (Quarterly)

		1Q 2024	2Q 2024	3Q 2024	4Q 2024	1Q 2025
<b>Gold</b>						
ASP	\$/oz	2,106	2,262	2,406	2,672	2,757
Cash costs	\$/oz	1,065	1,110	952	975	932
Margin	\$/oz	1,041	1,152	1,454	1,697	<b>1,825</b>
<b>Copper</b>						
ASP	\$/lb	3.79	4.21	4.26	4.18	4.13
Cash costs	\$/lb	2.67	2.66	3.51	1.63	2.76
Margin	\$/lb	1.12	1.55	0.75	2.55	<b>1.37</b>
<b>Limonite</b>						
ASP	\$/wmt	13.2	16.5	15.3	17.9	14.9
Cash costs	\$/wmt	11.5	12.1	9.9	9.0	12.7
Margin	\$/wmt	1.7	4.4	5.4	8.9	<b>2.2</b>
<b>Saprolite</b>						
ASP	\$/wmt	30.3	30.2	28.8	27.4	25.8
Cash costs	\$/wmt	28.4	24.9	23.8	21.6	24.6
Margin	\$/wmt	1.8	5.3	5.0	5.8	<b>1.3</b>
<b>NPI</b>						
ASP	\$/t	11,055	11,536	12,041	11,887	11,582
Cash costs	\$/t	10,107	10,288	10,776	10,037	10,053
Margin	\$/t	948	1,247	1,265	1,850	<b>1,528</b>
<b>HGNM</b>						
ASP	\$/t	13,673	14,819	13,350	13,229	13,473
Cash costs	\$/t	13,120	12,988	13,820	14,312	13,230
Margin	\$/t	552	1,832	(469)	(1,084)	<b>242</b>

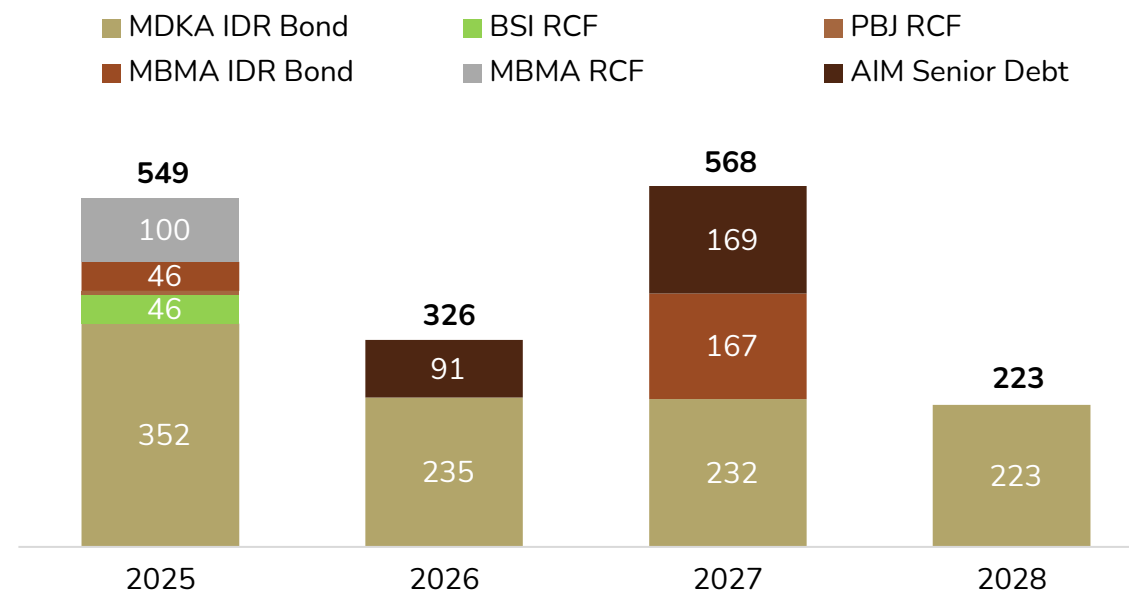


# MDKA LOAN MATURITY PROFILE

## Net Debt to EBITDA as of 31 March 2025

	\$ million
MDKA IDR Bonds	1,043
BSI Tujuh Bukit RCF	46
Pani HoldCo RCF	5
MBMA IDR Bonds	213
MBMA RCF	100
AIM Senior Debt	260
<b>Total Debt</b>	<b>1,666</b>
Cash and Cash Equivalent	332
<b>Net Debt</b>	<b>1,334</b>
<b>EBITDA</b>	<b>362</b>
<b>Financial Covenant:</b>	
<b>Net Debt to EBITDA</b>	<b>3.7x</b>

## Debt Maturity Profile as of 31 March 2025 (\$ million)



### Cash

- As of 31 March 2025, cash and cash equivalent, net of restricted cash, was \$332 million. Merdeka also had \$159 million in undrawn debt facilities.

### Debt Transactions

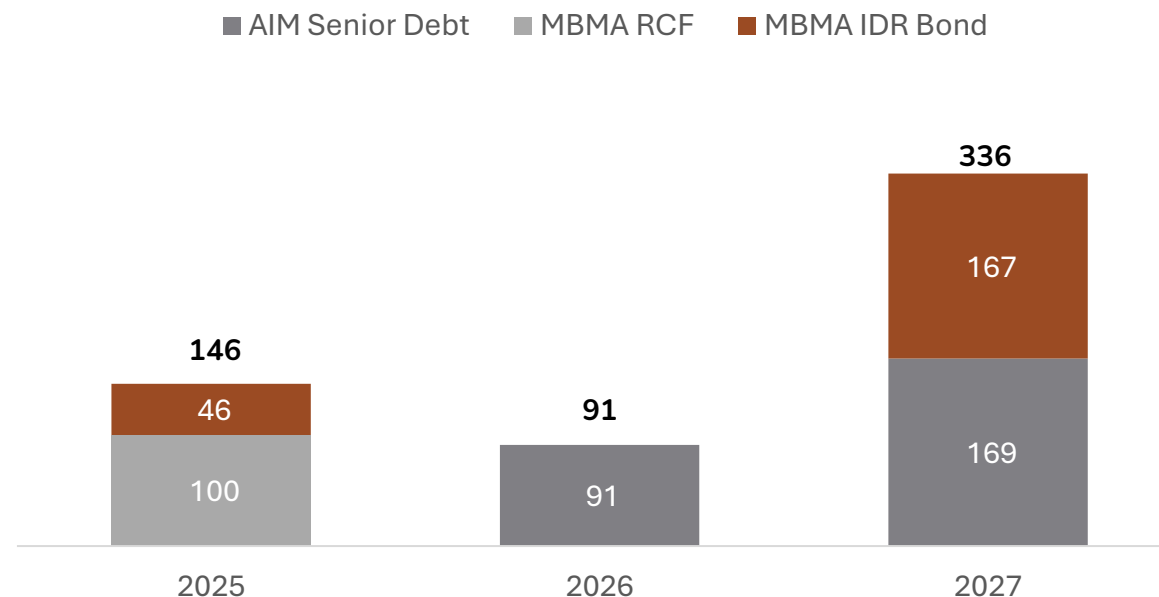
- As of 31 March 2025, BSI has drawn \$46 million from its RCF with \$14 million undrawn. PBJ has drawn \$5 million of the RCF with the remaining \$45 million drawn in April and May 2025. MBMA has drawn all of \$100 million RCF facility. MDKA also has \$100 million RCF undrawn.
- On 25 February 2025, the Company successfully completed the issuance of second tranche of IDR Shelf Bonds V for a total amount of Rp2.8 trillion (equivalent to approximately \$171.3 million)

# MBMA LOAN MATURITY PROFILE

## Net Debt to EBITDA as of 31 March 2025

	\$ million
MBMA IDR Bonds	213
MBMA RCF	100
AIM Senior Debt	260
<b>Total Debt</b>	<b>573</b>
Cash and Cash Equivalent	215
<b>Net Debt</b>	<b>358</b>
<b>EBITDA</b>	<b>167</b>
<b>Financial Covenant:</b>	
<b>Net Debt to EBITDA</b>	<b>2.1x</b>

## Debt Maturity Profile as of 31 March 2025 (\$ million)



### Cash

- As of 31 March 2025, MBMA had \$215 million in cash and cash equivalents. By the-end of the quarter, MBMA has fully drawn its external debt facilities.

### Debt Transactions

- MBMA entered a \$100 million RCF on 1 November 2024. The facility has an interest of 2.5% plus SOFR for 12-month tenor with an option to extend. As of the end of quarter, the full \$100 million remained drawn.
- The outstanding balance of IDR Bond at the end of the quarter was equivalent to \$212.6 million. In April 2025, MBMA completed its Fourth Public Bond Offering, raising a total of IDR 1.4 trillion.

# Segmental Performance

	Gold	Copper <sup>1</sup>	NPI	HGNM	Saprolite <sup>2</sup>	Limonite
Production	25,481 oz	2,381 t	16,297 t	9,525 t	1.3 m wmt	1.8 m wmt
Sales	36,796 oz	2,975 t	16,297 t	10,000 t	1.3 m wmt	2.1 m wmt
ASP	\$2,757/oz	\$4.13/lb	\$11,582/t	\$13,473/t	\$25.8/wmt	\$14.9/wmt
Cash Cost	\$932/oz	\$2.76/lb	\$10,053/t	\$13,230/t	\$24.6/wmt	\$12.7/wmt
AISC	\$1,319/oz	\$3.80/lb	\$10,804/t	\$13,251/t	n.a.	n.a.
Commentary	<ul style="list-style-type: none"> <li>Increase in ASP from \$2,106/oz in 1Q 2024 to \$2,757/oz in 1Q 2025</li> </ul>	<ul style="list-style-type: none"> <li>ASP increased from \$3.79/lb in 1Q 2024 to \$4.13/lb in 1Q 2025</li> </ul>	<ul style="list-style-type: none"> <li>ASP increased from \$11,055/t in 1Q 2024 to \$11,582/t in 1Q 2025</li> </ul>	<ul style="list-style-type: none"> <li>ASP decreased from \$13,673/t in 1Q 2024 to \$13,473/t in 1Q 2025</li> </ul>	<ul style="list-style-type: none"> <li>MBMA saprolite sold exclusively to the three RKEFs owned by the group</li> </ul>	<ul style="list-style-type: none"> <li>ASP increased from \$13.2/wmt in 1Q 2024 to \$14.9/wmt in 1Q 2025</li> </ul>