

MA'ADEN REPORTS SECOND QUARTER 2023 RESULTS

RIYADH, 13 August 2023 - Saudi Arabian Mining Company ("Ma'aden" or the "Company", 1211 on the Saudi Exchange), the largest multi-commodity mining and metals company in the Middle East, today reported its financial results for the second quarter of 2023.

HIGHLIGHTS

- Record quarter of Phosphate production as Ma'aden extends its leading position in the global fertilizer market.
- Assigned inaugural Investment Grade Credit Ratings from Moody's and Fitch.
- Implemented next phase of new operating model to improve productivity, increase production volumes and optimize costs.
- Revenue of SAR 6.97 billion (Q2-FY22: SAR 11.88 billion) and Net Profit¹ of SAR 0.35 billion (Q2-FY22: SAR 4.03 billion), reflecting lower commodity prices versus a record year in FY22.
- Financial position further strengthened – long-term borrowings and net debt down by 11% and 9% respectively from December 2022, including the early debt repayment of SAR 3 billion by Ma'aden Wa'ad Al Shamal Phosphate Company (MWSPC).

¹: Attributable to equity holders of Ma'aden

Robert Wilt, Ma'aden CEO:

"Ma'aden achieved a record quarter of Phosphate production as we strengthened our leading position in the global fertilizer market. Across the business, we reported further increases in production and sales volumes despite lower commodity prices from peak levels last year. We are beginning to see an improvement in raw material pricing and, despite the challenging market environment, remain well placed to meet the growing long-term demand for our products.

"We have a long-term strategy to deliver growth and sustained profitability across the market cycle. We continue to make good progress in scaling the Company's operations, implementing a more efficient operating model and positioning Ma'aden to transform the mining sector into the third pillar of the Saudi economy.

"In line with this strategy, we are supporting the supply of critical minerals in the green energy transition. Domestically, we have formally established a joint venture with Ivanhoe Electric to explore copper, nickel, gold, silver and other electric metals in the Kingdom. Post period, we signed our first major investment into the global mining sector by agreeing to acquire a 10% stake in Vale's energy transition metals business, through Manara Minerals Investment Company, our joint venture with PIF. These are strategically important transactions as we take a leading role in the metals of the future and maximizing long-term value for all our stakeholders."

SUMMARY OF FINANCIAL RESULTS

SAR (million)	Q2-FY23	Q1-FY23	QoQ % Variance	Q2-FY22	YoY % Variance
Revenue	6,966	8,045	-13%	11,876	-41%
EBITDA	2,120	2,176	-3%	6,852	-69%
EBITDA margin %	30%	27%	+3pp	58%	-28pp
Adjusted EBITDA¹	2,292	2,781*	-18%	6,852	-67%
Adjusted EBITDA margin %	33%	35%	-2pp	58%	-25pp
Net profit²	351	419	-16%	4,028	-91%
Net profit margin %	5%	5%	--	34%	-29pp
Adjusted Net Profit³	631	872	-28%	4,028	-84%
Adjusted Net Profit margin%	9%	11%	-2pp	34%	-25pp
EPS (SAR)⁴	0.10	0.11	-16%	1.09	-91%
Adjusted EPS (SAR)³	0.17	0.24	-28%	1.09	-84%

*Restated to account for one-off contractual costs and pot relining costs in Q1-FY23

1: Excluding one-off contractual costs and pot relining costs. **2:** Attributable to equity holders of Ma'aden **3:** Excluding one-off contractual costs, severance fees, and pot relining costs. **4:** As a result of issuance of bonus shares during Q2-FY23, EPS for prior periods has been revised to ensure comparability.

Revenue of SAR 6.97 billion reflected lower commodity prices except Gold, compensated by higher sales volumes except Aluminium due to pot relining and Flat Rolled Products (FRP) which was impacted by weaker market demand compared to the same period last year (YoY). Net profit of SAR 0.35 billion was impacted by lower EBITDA of SAR 2.12 billion (Q2-FY22: SAR 6.85 billion) due to lower sales prices and higher personnel and exploration costs, as well as increased finance costs.

Additionally, the Company incurred a one-off severance fee charge of SAR 192 million for the year 2022 which was assessed during the quarter under the Mining Investment Law.

STRATEGIC HIGHLIGHTS

- **Manara Minerals Investment Company (Ma'aden's joint venture with PIF) acquires 10% stake in Vale's energy transition metals business:** Manara Minerals, the joint venture between Ma'aden and the Public Investment Fund, has signed a binding agreement to acquire 10% of Vale Base Metals Limited ("Vale"), Ma'aden's first major investment into the global mining sector. The investment, based on an enterprise value of USD 26 billion, will expand the production of copper and nickel, increasing the supply of strategic minerals and enabling Saudi Arabia to play a growing role in the global energy transition supply chains.
- **Formal establishment of Ivanhoe Electric Joint Venture:** The 50/50 joint venture (Ma'aden Ivanhoe Electric Exploration and Development) has been formally created to explore copper, nickel, gold, silver and other electric metals in the Kingdom. In July 2023, Ma'aden completed the acquisition of a 9.9% stake in Ivanhoe Electric for a total consideration of USD 126.4 million. Mobilization has now commenced in preparation for the exploration program, which is expected to be the largest of its kind worldwide.
- **First shipment of blue ammonia exported to China:** In May 2023, Ma'aden exported its first shipments of low-carbon blue ammonia to China under an agreement to supply 25,000 tons to Shenghong Petrochemicals. Ma'aden is the world's largest exporter of blue ammonia, helping to cut industrial carbon emissions and power the global energy transition. The Company ships blue ammonia to many of the world's largest markets, including Korea, Japan, India, Thailand and the European Union.

Q2-FY23 RESULTS BY REPORTING SEGMENT

Ma'aden operates through three business units (BUs). The reporting segments are as follows: 1) Phosphate, 2) Aluminium, and 3) Base Metals and New Minerals.

1. Phosphate

SAR million	Q2-FY23	Q1-FY23	variance	Q2-FY22	variance
Sales	4,042	5,415	-25%	7,912	-49%
EBITDA	1,604	2,436	-34%	5,429	-70%

The Phosphate Business Unit achieved record production and improved sales volumes quarter-on-quarter (QoQ), however the financial performance was impacted by a further softening in fertilizer and ammonia commodity prices.

Essential warranty maintenance at Ammonia 3, which had impacted production in Q1-FY23, has now been completed, contributing to a 19% quarterly increase in Ammonia production to 922 KMT and DAP production up 6% to 1,622 KMT.

Q2-FY23 average realized prices were \$253/MT for Ammonia (Q1-FY23: \$643) and \$521/MT for DAP (Q1-FY23: \$621).

2. Aluminium

SAR million	Q2-FY23	Q1-FY23	variance	Q2-FY22	variance
Sales	2,177	2,080	+5%	3,392	-36%
EBITDA	354	(281)	+226%	1,334	-73%
Adjusted EBITDA ¹	526	324	+62%	1,334	-61%

¹: Excluding one-off pot relining costs and contractual costs

Production continues to ramp up across the Aluminium Business Unit following operational challenges in Q1-FY23. The intensive pot relining program at Ras Al-Khair was completed ahead of schedule, increasing molten metal production by 52 KMT (+41%) sequentially in Q2-FY23 with the run rate expected to ramp up further in the third quarter. Alumina production has also increased by

18% QoQ. The Company proactively increased production of casthouse products to offset lower FRP sales and production volumes, primarily in can stock, due to temporarily weaker market demand.

Sales and EBITDA improved QoQ due to higher sales volumes in primary aluminium, and lower raw material prices, partially offset by pot restart costs in the second quarter. Additionally, EBITDA improved due to lower production costs mainly attributed to recording non-recurring industrial utility charge of SAR 493 million for FY21 and FY22 in the last quarter. As previously reported, the Company subsequently reached a settlement agreement with the supplier. Under the finalized terms of this agreement, the Company has agreed to pay during FY23 all outstanding amounts incurred for FY21 and FY22. The Company has agreed to incur a gross charge of SAR 102 million for each quarter in FY23 related to FY23 transmission use of system (TUoS). In FY24, the charge will fall to a lower-cost net usage tariff based on our forecasted power requirements of the Aluminium Business Unit.

Q2-FY23 average realized prices were \$359/MT for alumina (Q1-FY23: \$356), \$2,426/MT for primary aluminium (Q1-FY23: \$2,517) and \$3,787/MT for FRP (Q1-FY23: \$3,747).

3. Base Metals and New Minerals

SAR million	Q2-FY23	Q1-FY23	variance	Q2-FY22	variance
Sales	738	541	+36%	572	+29%
EBITDA	379	215	+76%	203	+87%

The strong Q2-FY23 performance in Base Metals and New Minerals Business Unit was driven by higher realized prices and the positive volume impact from higher gold production. Mansourah-Massarrah remains on track to begin commercial production in H2-FY23.

The average realized gold price was \$1,957/oz in Q2-FY23 (Q1-FY23: \$1,911).

Ma'aden continued to accelerate its ambitious exploration program with a further 88 kilometers drilled in Q2-FY23, bringing the total for the first half to 194 kilometers, a higher number than the whole of FY22. Drilling has accelerated further in Q3-FY23 and we are on track to drill 400+

kilometers in FY23. In total, Ma'aden has 45 active projects ongoing across all stages of exploration and development, four times more than in 2022.

OUTLOOK

Ma'aden continues to make good progress in implementing a new operating model. This is expected to have a material impact over the medium and long-term in improving productivity, increasing production volumes and optimizing costs across the organization.

Ma'aden's end markets continue to be supported by strong demand fundamentals. The Business Units have been reorganized to provide greater visibility over short-term supply-demand dynamics, optimizing production and allocating resources to meet market demand.

Ammonia prices are expected to remain stable through Q3-FY23 as supply tightness continues to provide marginal upside. The global phosphate market is anticipated to stabilize in Q3-FY23, bolstered by strong demand in the Americas and balanced supply. The outlook for the global aluminium market remains mixed, with soft demand in certain end markets. The gold price is expected to trade within its current range for the remainder of the year. In addition, raw material prices are expected to continue to ease from their elevated levels, supporting profitability.

The completion of the Manara Minerals transaction with Vale is subjected to international regulatory approvals and other customary conditions and is expected to complete in the first quarter of 2024. Preparatory work is underway under the joint venture of Ivanhoe Electric and a proprietary Typhoon™ geophysical surveying systems is expected to arrive in the field by September. Surveying programs are expected commence in H2-FY23.

As a result of the short-term pivot from flat rolled to casthouse production, FY23 Alumina and Aluminium production is expected to be at the upper end of guidance, while FRP is expected to be at the lower end of guidance. Notwithstanding this change, the Company maintains its FY23 production and capital expenditure guidance, as outlined at the FY22 results.

Production Guidance – FY23

	Unit	Lower	Upper
DAP Equivalent	KMT	4,900	5,600
Ammonia	KMT	3,100	3,500
Alumina	KMT	1,600	1,825
Aluminium	KMT	780	940
Flat Rolled	KMT	290	340
Gold	KMT	360	420

CAPEX Guidance – FY23

	Unit	Lower	Upper
Sustaining CAPEX	SAR (mn)	1,400	1,700
Growth CAPEX	SAR (mn)	1,350	1,600

ANALYST CALL AND EARNINGS PRESENTATION

Ma'aden will be hosting an analyst call on Wednesday, 16 August 2023 at 15:00 Saudi time to present its H1-FY2023 financial results. For conference call details, please email invest@maaden.com.sa.

ABOUT MA'ADEN

Ma'aden is the largest multi-commodity mining and metals company in the Middle East and among the fastest-growing mining companies in the world, with revenues of SAR 40.3 billion (\$10.7 billion) in 2022. We are developing the mining industry into the third pillar of Saudi economy in line with Vision 2030, and aim to be a role model in responsible and sustainable operations.

We operate 17 mines and sites, have 6,500+ direct employees and export products to over 30 countries. We are embarking on massive growth over the next 18 years across our phosphate, aluminium, gold, copper and new minerals – to leverage the Kingdom's estimated \$1.3 trillion mineral endowment and international opportunities.

For more information, please visit <https://www.maadn.com.sa>

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