

MA'ADEN REPORTS FOURTH QUARTER AND FULL YEAR 2023 RESULTS

RIYADH, 26 February 2024 - 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 fourth quarter and full year of 2023.

FINANCIALS

- FY23 revenue of SAR 29.27 billion (FY22: SAR 40.28 billion) and net profit¹ of SAR 1.58 billion (FY22: SAR 9.32 billion).
- Q4-FY23 revenue of SAR 8.03 billion (Q3-FY23: SAR 6.23 billion) and net profit¹ of SAR 0.89 billion (Q3-FY23: net loss of SAR 0.08 billion).

¹: Attributable to equity holders of Ma'aden

HIGHLIGHTS

- Record annual Phosphate production of 9,099 KMT, extending Ma'aden's global fertilizer market leadership.
- Finalized commissioning of Mansourah Massarah, Saudi's largest gold mine with 250koz annual production capacity; commenced commercial production in January 2024.
- Advanced one of the world's largest exploration programs and discovered a significant gold resource potential south of Mansourah Massarah, signaling potential for a new gold belt.
- Approved Final Investment Decision for Phase 1 of Phosphate 3 project, set to add a further 1.5 Mt per annum by 2026.
- Reduced long-term borrowings and net debt by 9% and 12% respectively from December 2022; assigned Investment Grade Credit Ratings.
- Launched Manara Minerals joint venture with Public Investment Fund and agreed to acquire 10% of Vale Base Metals Limited, Ma'aden's first major investment into the global mining sector.
- Continued to decarbonize operations and supply chains; certified world's largest exporter of ultra-low-carbon ammonia.
- Developed patented CO2 capture technology for the phosphate industry.

Bob Wilt, Ma'aden CEO:

"Ma'aden made important operational and strategic progress in 2023 across all parts of the business. We are realizing our ambitious targets through our 2040 strategy, and these milestones are integral to our continued future growth as we develop mining as the third pillar of the Saudi economy.

"We generated record annual phosphate production, as well as strong volumes across our business, which mitigated the impact of lower commodity prices in the year. We also made strong progress with strategic projects, such as Phosphate 3 and completed the final commissioning at Mansourah-Massarrah, contributing to a significant increase in our future phosphate and gold production.

"Ma'aden is undertaking one of the world's largest exploration programs, to unlock the \$2.5 trillion of mineral endowment in the Kingdom. We discovered a significant gold resource potential discovery south of Mansourah-Massarrah, which could put us at the center of the world's next gold rush. We expect to aggressively expand our exploration activity in 2024.

"Looking beyond our borders, our joint venture with the PIF to form Manara Minerals provides the framework for us to invest in global mining assets and secure access to strategic minerals that will support sustainable growth for the Kingdom. We made an inaugural investment during the year in Vale Base Metals and we will continue to grow this mandate further, into 2024 and beyond.

"We are confident that our strategy will continue to deliver strong future growth and create value for our shareholders, our people and the economic diversification of the Saudi economy, in line with Vision 2030."

SUMMARY OF FINANCIAL RESULTS

SAR (million)	Q4-FY23	Q3-FY23	Variance	FY23	FY22	Variance
Revenue	8,035	6,226	+29%	29,272	40,277	-27%
EBITDA¹	3,151	1,616	+95%	9,264	19,397	-52%
EBITDA margin %	39%	26%	+13pp	32%	48%	-17pp
Adjusted EBITDA^{1,2,3}	3,227	1,692	+91%	10,193	19,925	-49%
Adjusted EBITDA margin %	40%	27%	+13pp	35%	49%	-15pp
Net profit/(loss)⁴	890	(83)	nm	1,577	9,319	-83%
Net profit/(loss) margin %	11%	nm	nm	5%	23%	-18pp
Adjusted Net Profit^{2,5}	947	(27)	nm	2,424	9,715	-75%
Adjusted Net Profit margin%	12%	nm	nm	8%	24%	-16pp
EPS (SAR)⁶	0.24	(0.02)	nm	0.43	2.52	-83%
Adjusted EPS (SAR)^{2,5}	0.26	(0.01)	nm	0.66	2.63	-75%

1: EBITDA now includes equity-accounted profit of all JVs and other income/expenses (net). Prior periods have been restated for comparability. **2:** Q4,Q3-FY23 excluding one-off contractual costs. **3:** FY23 excluding one-off contractual costs and pot relining costs. **4:** Attributable to equity holders of Ma'aden. **5:** FY23 excluding one-off contractual costs, pot relining costs, and severance fees. **6:** As a result of issuance of bonus shares during Q2-FY23, EPS for prior periods has been revised to ensure comparability.

In FY23, Ma'aden demonstrated resilience amidst off-peak commodity prices and market challenges to generate revenue of SAR 29.27 billion and EBITDA of SAR 9.26 billion. Despite the lower commodity prices except gold, Ma'aden increased sales volumes in DAP, alumina, and gold year-on-year (YoY). In addition to the lower pricing environment, net profit was impacted by the successful completion of the Aluminium pot relining and a one-off utility charge. Ma'aden countered some of these headwinds with a 10% reduction in operational costs¹ YoY, and recording SAR 8.38 billion in cash generated from operating activities².

The fourth quarter saw sequential revenue up 29%, and EBITDA up 95% driven by higher overall sales prices and volumes. The return to net profit of SAR 0.89 billion in the fourth quarter was supported by higher revenue, lower operating costs, and more favourable raw material costs.

1: Variable and other costs, excluding D&A | **2:** including time deposits and related impact.

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)	Q4-FY23	Q3-FY23	Variance	FY23	FY22	Variance
Sales	4,715	3,246	+45%	17,417	26,723	-35%
EBITDA	2,634	1,145	+130%	7,836	15,771	-50%
Production volume (kmt)						
DAP	1,279	1,464	-13%	5,899	5,151	+15%
Ammonia	860	644	+34%	3,200	3,205	-0.2%
Sales volume (kmt)						
DAP	1,331	1,455	-9%	5,945	5,201	+14%
Ammonia	614	337	+82%	1,996	2,147	-7%
Avg. realized prices (\$/MT)						
DAP	566	439	+29%	535	843	-37%
Ammonia	521	319	+63%	435	938	-54%

In FY23, the Phosphate BU¹ achieved the highest production and sales volumes on record, up 9% and 8% YoY respectively, despite the lower commodity prices off-peak levels. The impact of the lower average realized prices was offset by reduced raw material costs and the positive effect of the record production on EBITDA.

Q4-FY23 sales increased by 45% and EBITDA was up 130% QoQ driven by higher sales prices of DAP and Ammonia, and increased overall sales volumes and production. Ammonia production rebounded with a solid 34% increase following the Q3-FY23 outage, offsetting a sequential decrease in DAP production due to planned maintenance.

1: including DAP, Ammonia, Meridian products

2. Aluminium

SAR (million)	Q4-FY23	Q3-FY23	Variance	FY23	FY22	Variance
Sales	2,401	2,152	+12%	8,810	11,280	-22%
EBITDA	326	286	+14%	678	2,936	-77%
Adj. EBITDA^{1,2}	402	362	+11%	1,607	3,464	-54%
Production volume (kmt)						
Alumina	479	533	-10%	1,825	1,745	+5%
Aluminium	241	246	-2%	895	952	-6%
FRP	58	55	+5%	244	309	-21%
Sales volume (kmt)						
Alumina	132	111	+19%	544	214	+154%
Aluminium	172	154	+12%	544	587	-7%
FRP	61	56	+9%	248	309	-20%
Avg. realized prices (\$/MT)						
Alumina	339	338	+0.3%	349	376	-7%
Aluminium	2,294	2,276	+1%	2,355	2,892	-19%
FRP	3,294	3,332	-1%	3,552	3,981	-11%

1: Q4,Q3-FY23 excluding one-off contractual costs. 2: FY23 excluding one-off contractual costs and pot relining costs

FY23 sales were lower YoY as prices normalized after spiking on global supply disruption in 2022 and partially offset by improved raw material costs. The pot-restart program impacted aluminium production, and FRP sales volumes were lower due to weaker can market demand. Finally, EBITDA was also impacted by one-off industrial utility charges and pot restart costs.

Q4-FY23 sales increased by 12% and EBITDA increased by 14% sequentially driven by higher sales volumes across all products, stable prices, and lower raw material costs. Casthouse production remains at higher levels to offset lower FRP sales due to weaker demand in the can market.

3. Base Metals and New Minerals

SAR (million)	Q4-FY23	Q3-FY23	Variance	FY23	FY22	Variance
Sales	897	812	+11%	2,987	2,252	+33%
EBITDA	238	476	-50%	1,501	1,224	+23%
Production volume (Koz)						
Gold	119	112	+6%	407	335	+21%
Sales volume (Koz)						
Gold	119	113	+5%	408	334	+22%
Avg. realized prices (\$/oz)						
Gold	2,010	1,922	+5%	1,954	1,796	+9%

The Base Metals and New Minerals BU sales increased by more than 30% and EBITDA increased by 23% in FY23, driven by sustained high average realized prices and increased production. Ma'aden completed final commissioning of Mansourah Massarah in December 2023 and commenced commercial production post-period in Q1-FY24.

Ma'aden continues ramping up one of the largest exploration programs worldwide. It drilled a record 461 km in FY23, nearly three times higher than the prior year.

Ma'aden commenced the first geophysical survey under its 50/50 joint venture with Ivanhoe Electric to explore for Copper, Gold, Silver and other Electric Metals across approximately 48,500 km² of the underexplored Arabian Shield. The program is deploying Ivanhoe's Typhoon™ surveying system and Computational Geoscience's imaging software.

OUTLOOK

The global phosphate market is expected to remain stable in FY24. Phosphate demand is set to rise due to improved affordability and low inventory in key markets, offset against supply returning to the market throughout the year. Ammonia demand is expected to improve driven by increased phosphate and nitrogen fertilizer production, and met through increased supply from the USA and other markets.

Following a slowdown in global manufacturing activities, the aluminium market is expected to stabilize in FY24 given improving demand in North America and Europe alongside the anticipated recovery in China. FRP demand is set to gradually improve due to the end of inventory destocking and growth in the EV and packaging markets.

Gold production has ramped up at Mansourah-Massarrah and Ma'aden expects to achieve nameplate capacity in 2024. Early construction works are also now underway at the Phosphate 3 Complex Project, which will add more than 1.5Mt of production per annum once completed.

As previously announced, the prices of natural gas and diesel used in Ma'aden's operations will rise slightly from the first quarter of 2024. This is expected to increase the total annual cost of sales by approximately 3.2%, according to the latest audited annual financial statement. We continue to monitor disruptions in the Red Sea and work with our customers to minimize impact.

The completion of the Vale transaction with Manara Minerals remains on track for the first quarter of 2024, subject to international regulatory approvals and other customary conditions.

Net profit for the year was positively impacted by SAR 144 million due to lower depreciation expenses from updated estimates on asset life and residual values, as noted in the financial statements. This adjustment will also positively impact FY24 net profit by approximately SAR 1.2 billion.

Guidance

Ma'aden provides the following FY24 production and capital expenditure guidance:

Production Guidance – FY24				CAPEX Guidance – FY24			
	Unit	Lower	Upper		Unit	Lower	Upper
DAP Equivalent	KMT	5,500	5,800	Sustaining CAPEX	SAR (mn)	2,500	3,000
Ammonia	KMT	3,200	3,400	Growth CAPEX	SAR (mn)	5,600	6,600
Alumina	KMT	1,600	1,800				
Aluminium	KMT	850	950				
Flat Rolled	KMT	240	290				
Gold	Koz	450	560				

ANALYST CALL AND EARNINGS PRESENTATION

Ma'aden will be hosting an analyst call on Tuesday, 05 March 2024 at 15:00 KSA time to present its Q4 and FY23 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 29.3 billion (US\$7.8 billion) in 2023. 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 7,000+ direct employees and export products to over 30 countries. We are embarking on massive growth through our 2040 strategy, across phosphate, aluminium, gold, copper and new minerals – to leverage the Kingdom's estimated US\$2.5 trillion mineral endowment and international opportunities.

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

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