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**FOR IMMEDIATE RELEASE**

**STABLE GROWTH ACHIEVED DESPITE INCREASING PRESSURE ON INPUT COST**

**Hanoi, 28<sup>th</sup> October 2022** – Masan High-Tech Materials (**HNX-UpCOM: “MSR”**) (“Masan High-Tech Materials”, “MHT” or the “Company”), one of Vietnam’s largest integrated industrial mineral and chemical producers, is pleased to report its results of the third quarter (“3Q2022”) and first nine months of 2022 (“9M2022”).

On the back of ongoing continued strong demand and pricing for our Tungsten products, MHT delivered 9M2022 NPAT Pre MI of VND294 billion, a VND516 billion improvement over 9M2021. Some further 9M2022 highlights as compared to 9M2021 include:

- 21% increase in Net Revenue to VND11,651 billion
- 36% increase in EBITDA to VND2,548 billion
- 19% increase in WO3 contained sales volumes to third party customers in which 64% coming from the H.C.Starck (“HCS”) midstream products – Tungsten carbides and powders.

HCS order book for EMEA and NAFTA remains robust for the first nine months of the year but 3Q2022 started to see some headwinds for sales in China and APAC mainly due to sluggish market consumption with customers reducing inventories heading into year end and concerns over global economic conditions and China lockdowns. Despite these challenges, HCS recorded a revenue increase of 16% over 9M2021 due to strong realized prices. HCS business continue to see the increasing pressure on energy prices and other input production cost in 3Q2022, mainly caused by the Russia – Ukraine conflict. This high input cost situation negatively impacted the 3Q2022 profit and is expected to continue in the last quarter of the year. HCS management is continuing to implement various initiatives for cost saving and improving plant efficiency to mitigate the impact of raising input cost as mentioned above in particular in energy, gas and chemicals.

As was reported in 1H2022, on 15<sup>th</sup> July 2022 HCS executed definitive agreements to invest £45m (approx. €52m) into Nyobolt Limited (“Nyobolt”), a fast-charging Li-ion battery solutions company. After the signing of the agreement, management team has been collaborating with Nyobolt to advance the product offering and look for opportunities to partner in the manufacturing and commercialization of the products. This investment is expected to accelerate MHT’s vision of becoming a high-tech, value-added business by developing new tungsten applications critical for the technologies of the future.

The Vietnam based businesses, Nui Phao Mining Company (“NPMC”) and Masan Tungsten Company (“MTC”), performed strongly during 9M2022. NPMC and MTC were also negatively impacted by rising fuel, explosives and chemical prices. This was mitigated by a strong order book for Tungsten, Fluorspar, and higher realized price for all the products. Management team is continuing to control costs through optimization and to increase the production efficiency of the plant. During the first nine months of 2022 there were no sales of copper as management continues to explore both domestic and export sale options. The mark to market value of the recoverable metals in the copper and sulfide concentrate inventory approximates VND6,000 billion as at 30 Sep 2022.

**MARKET DEVELOPMENT: WORLD WATCHES CHINA AS UNCERTAINTY PREVAILS, BUT DEMAND REMAINS RESILIENT**

Whilst demand across the key end use industries remains strong many Tungsten market participants took a more cautious approach to buying in 3Q2022. Global economic uncertainty coupled with no sign of relief on the severe

COVID lockdowns in China, and a continuing energy crisis in Europe have resulted in a closer focus on inventory and pricing risk management. The Tungsten price held up throughout 3Q2022 making only a slight correction down to \$335/MTU and Management expect a similar resilience through Q4 to end of year. As other metals have priced in the macroeconomic risks Tungsten continues to be supported by strong fundamentals; a consistent level of demand across key markets and constrained primary and secondary supply. China continued to suffer from an economic slowdown exacerbated by the contentious zero covid policy, a lackluster property market, and new trade controls on high technology implemented by the U.S. Whilst China officials reported a significant rebound in economic activity in 3Q22, a survey of external analysts by Nikkei pegged the forecast at 3.2% down on Beijing's full year targets of 5.5%. As the World's largest consumer and producer of Tungsten all eyes are on the Chinese National Congress to be held in October 2022, with an expectation that some relaxation of COVID policy will be announced along with an economic stimulus package to be delivered in the 4Q. In Europe months of surging energy prices have seen governments roll out measures to curb retail power prices, slash energy taxes, and subsidize key industries. Demand in the NAFTA markets has outperformed forecast as the energy sector recovers from years of underinvestment, and Aerospace and Defense sit on strong forward order books.

### **Cobalt:**

MHT is a producer of Cobalt via its recycling operations at H.C.Starck in Goslar, with Cobalt units being recovered from the Tungsten scrap that makes up the majority of the raw material feed. Cobalt prices corrected sharply throughout 3Q2022 as the Chinese economy remained weak and rolling lockdowns continued. Cobalt ended the quarter with a slight recovery to above \$25.20/lb but down over 30% from its 2Q2022 high. China is the largest consumer of Cobalt raw materials, largely for the production of Li-ion battery precursor chemicals both for the domestic market and export to the ROW. In 2022 one out of every four vehicles sold in China will be an NEV, and one out of every two NEV's sold globally will be sold in China. Second to battery chemical usage in NEV's, the next largest sector for demand is consumer electronics which is down 10% YOY after record breaking sales during the COVID lockdowns and the relaxation of enforced work from home policies. On the supply side mined Cobalt production has exceeded forecast with an anticipated 26% increase in output from DRC (the largest supplying region) compared with FY2021, the largest miner Glencore announced its 1H2022 cobalt production was up 40% YOY. Despite headwinds in 3Q2022 Management maintain an optimistic outlook on Cobalt price into 4Q as demand from the traditional metallurgical sectors such as Aerospace and Defense continue to outperform. In addition the 4Q is traditionally a robust period for Chinese NEV automakers as they seek to maximize drawdowns of annual subsidies. The majority of MHT's Cobalt production is returned to customers under fixed margin conversion contracts, and the balance is actively managed to maximize returns against market forecasts.

### **Fluorspar:**

Fluorspar had another strong quarter in 3Q2022 as supply remained constrained by the sudden closure of the St. Lawrence mine in 1Q2022, and the continued force majeure situation at Las Cuevas in Mexico due to geotechnical issues. Prices remained stable in the range of \$450-500/dmt and as 3Q came to a close most market participants were weighing the slowdown of the Chinese economy in 2H2022 against the likelihood of a strong stimulus driven recovery in FY23. China is typically a net importer of Fluorspar, but in periods of slow domestic demand will seek to push inventories into the export market. In 2Q2022/3Q2022 the shortfall in the rest of world supply was covered by China exports, but any uptick in the China domestic demand would pull volumes back from export and leave the seaborne market in deficit. Additionally many of the international Acidspar consumers are seeking to increase capacity through 2023-24 to cover a growing demand for Fluorine chemicals in the energy transition, and will be hoping for a prompt restart at Las Cuevas, and continued availability of Chinese cargos to fulfill their expansion plans.

MHT continues to field an unprecedented level of interest in its high quality Acidspar product, and recently hosted the 2022 IMFORMED Fluorspar conference in October in Hanoi to bring international market participants to the Nui Phao mine; one of the most important global sources of Fluorspar. Given the Supply and Demand balance, and China supply risk, management are optimistic on the potential for higher prices in 4Q2022 which will then feed into long term contract negotiations for FY23 and beyond.

## Bismuth:

The Bismuth price remained rangebound for another quarter extending its lengthy period of stability having traded within ten cents either side of US\$3.90 since May 2021. Management expects a similar trend to persist through to the end of the FY22, with possible downside risk into 1Q2023 as the relative weakness of the Yuan stimulates exports and spot available inventories are replenished. Nevertheless, a positive forward curve is expected throughout FY2023, as demand continues to recover in the automotive sector and supply remains constrained and well balanced.

<b>AVERAGE COMMODITY PRICES</b>	Unit	<b>Average 9M2022</b>	Average 9M2021	% change	<b>At 30.09.2022</b>	At 30.09.2021
APT European Low*	USD/mtu	<b>340</b>	276	23%	<b>335</b>	312
Bismuth Low*	USD/lb	<b>3.8</b>	3.5	7%	<b>3.7</b>	3.7
Copper*	USD/t	<b>9,083</b>	9,194	-1%	<b>7,646</b>	9,040
Fluorspar Acid Grade**	USD/t	<b>415</b>	414	0%	<b>404</b>	412
Cobalt*	USD/lb	<b>29.7</b>	21.0	41%	<b>23.5</b>	24.1

\* Metals Bulletin, \*\* Industrial Minerals

## 9M2022 FINANCIAL HIGHLIGHTS: ROBUST MARKET FUNDAMENTALS CONTINUE TO SUPPORT GROWTH

- **Net revenue up 21%** – MHT posted net revenue of VND11,651 billion for 9M2022, a 21% increase compared to VND9,604 billion recorded in 9M2021. Tungsten revenues were 19% higher on the back of increased volumes and pricing. Fluorspar revenues were up by 45% at VND1,457 billion with increased sales volumes and higher realized pricing due to higher market demand. Bismuth revenues were at VND201 billion (9M2021 VND191 billion) – slightly increase due to higher pricing. There was no Copper revenue earned in 9M2021 as management continues to negotiate sales with potential customers.
- **EBITDA of VND2,548 billion** – EBITDA increased by 36% to VND2,548 billion for the first nine months of 2022. EBITDA margin for 9M2022 were stable at 22% - same as reported in 1H2022 (9M2021 20%). This result was achieved despite increasing energy and input raw material cost flowed through to the HCS business – mainly cause by the Russian and Ukraine conflict.
- **VND262 billion NPAT Post-MI** – The Company delivered an NPAT Post-MI profit of VND262 billion for 9M2022, a VND533 billion increases over the same period last year on the back of improved volumes for Tungsten, Fluorspar, and higher pricing for all products. This result was somewhat negatively impacted by rising input material and production costs caused by the inflationary factors being felt throughout the world.

<b>VND Billion</b>	<b>9M2022</b>	<b>9M2021</b>	<b>Growth</b>
<b>Masan High-Tech Materials Consolidated Financial Results<sup>(1)</sup></b>			
Net Revenue	<b>11,651</b>	9,604	21%
EBITDA <sup>(2)</sup>	<b>2,548</b>	1,870	36%
NPAT Pre-MI	<b>294</b>	(222)	232%
NPAT Post-MI	<b>262</b>	(271)	197%

<sup>(1)</sup> Financial numbers are based on management figures.

<sup>(2)</sup> Earnings before interest, taxation, depreciation, and amortization (EBITDA) excludes other income and other expenses.

## OPERATIONAL HIGHLIGHTS

- Overall Tungsten production decreased by 0.6% over 9M2021, mainly due to slight reduction of Tungsten feed grade in Nui Phao mine, partly offset by the increase in Tungsten carbides and powders production within HCS business. Out of that, production from recycling of tungsten scraps increased by 19%. MHT is focused on increasing the share of production coming from secondary supply (scrap), in line with the company's strategy and philosophy of reduce, reuse, recycle.
- Fluorspar production was 9% higher than the same period of last year, mainly due to the unplanned machinery breakdown which occurred in 3Q2021.

- Copper production was 24% lower than 9M2021 due to lower feed grades, Bismuth production was in line with last year at 1,583 tons contained primarily due to stable feed grade and recovery.
- Cobalt production was in line with 9M2021 at 230 tons contained.

<b>SUMMARY PRODUCTION DATE</b>	<b>Unit</b>	<b>9M2022</b>	<b>9M2021</b>	<b>Growth</b>
Ore processed	kt	<b>2,808</b>	2,746	2.3%
Tungsten Products (Contained) – inclusive HCS	t	<b>14,955</b>	15,051	-0.6%
Copper in Copper Concentrate (Contained)	t	<b>5,414</b>	7,084	-23.6%
Acid Grade Fluorspar (Dry)	t	<b>156,647</b>	143,715	9.0%
Bismuth in Bismuth Cement (Contained)	t	<b>1,583</b>	1,584	0.0%
Cobalt (Contained)	t	<b>230</b>	229	0.7%

## **2022 PRELIMINARY FINANCIAL AND STRATEGIC OUTLOOK**

- Based on the 9M2022 results, MHT expects revenues of between VND14,500-15,000 billion and NPAT pre-MI to be within the range of VND100 billion and VND200 billion. These forecasted figures are subject to change and customary corporate approvals.
- Management also continues to remain focused on realizing the synergistic benefits identified as part of the HCS acquisition process and is currently progressing a number of projects in this regard. The recent investment of HCS into Nyobolt marked a milestone in MHT strategy to move further downstream and get closer to consumers by developing new and innovative applications including fast-charging material product range. MHT is looking forward to working together with Nyobolt team to advance the opportunities to partner in the manufacturing and commercialization of the products as well as offering a full life cycle for the advanced strategic materials required in the Nyobolt batteries.

## **ABOUT MASAN HIGH-TECH MATERIALS**

Masan High-Tech Materials is a leading supplier of critical minerals including tungsten, fluorspar, and bismuth. Masan High-Tech Materials is currently operating the world-class polymetallic mineral resource and chemical processing plant in Northern Vietnam, and with the acquisition of the HCS business now also has operations in Germany, Canada and China as well as marketing offices located in USA and Japan. Masan High-Tech Materials' vision is "To be the leading integrated supplier of high-tech advanced materials critical to global innovation".

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