

# Fortress Minerals Limited

Result Presentation for 3Q & 9M FY2021

Malaysia - Singapore





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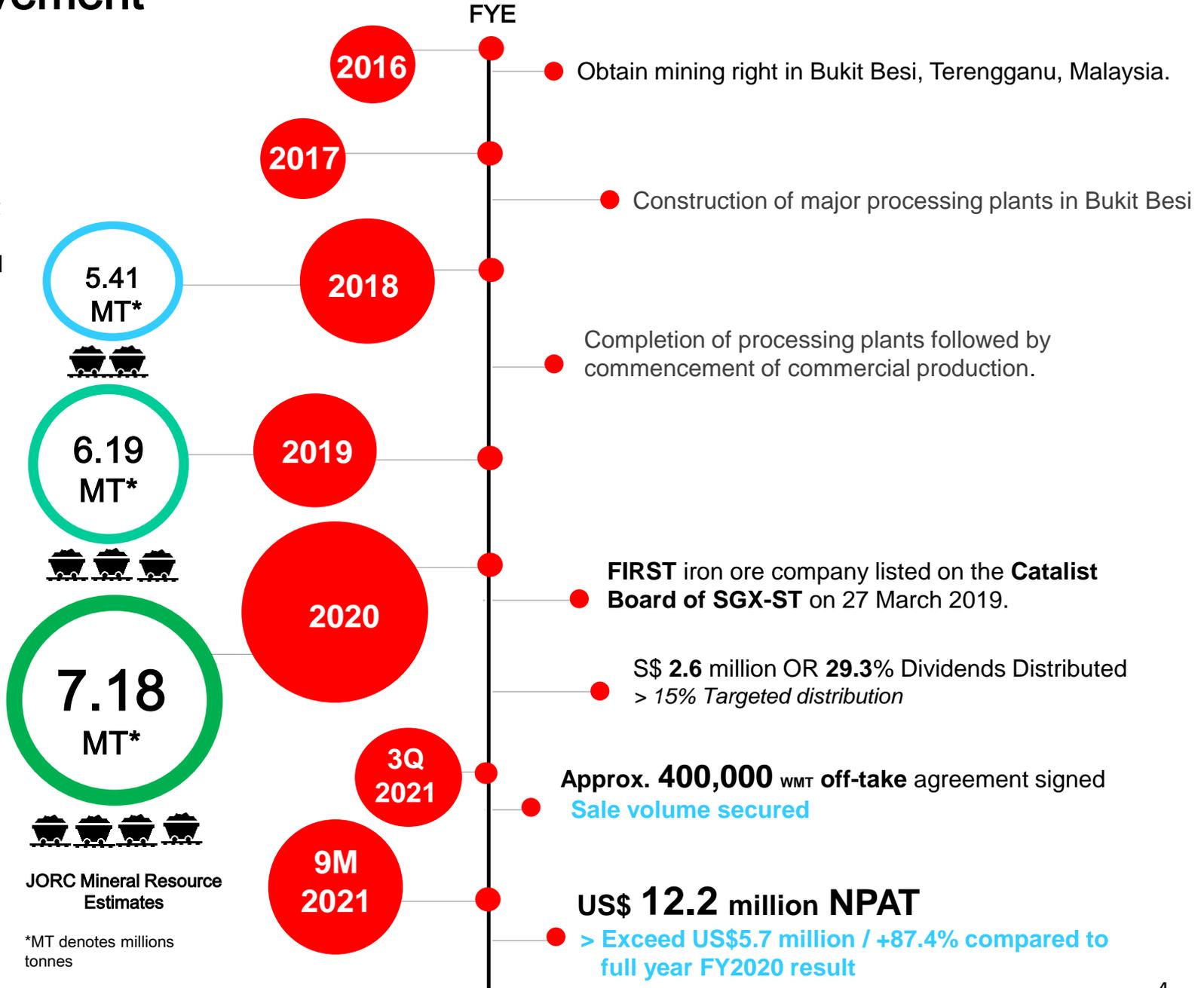


**01**  
**Fortress,**  
*at a glance*  
**Bukit Besi**  
**Mine**  
**Overview**

# Corporate overview and achievement

 We are a high-grade iron ore concentrate producer and exporter since 2018.

 We produce high-grade iron ore concentrate at our Bukit Besi mine in Terengganu, Malaysia to both domestic and export markets



# Management team

Talents whom responsible for the stewardship and long-term sustainable success of the Group



## Dato' Sri Ivan Chee

- Responsible for overall management and operations of the Group, including formulating, implementing and monitoring the Group's strategic directions, growth plans, financial and risk management.
- Extensive experience in civil and structural engineering and mining industry.

**Executive Director & Chief Executive Officer**



## Ng Mun Fey

- Responsible for the overall management and day-to-day operations of the Bukit Besi Mine, including heading the Group's marketing, geology, mining, processing and other supporting divisions.

**Executive Director & Chief Operating Officer**



## Fionne Chua

- Responsible for all finance and accounting operations of the Group.
- Coordinates and directs the preparation of the budget, financial forecast, reports and financial statements and coordinates the preparation of regulatory reporting.
- A Chartered Accountant with more than 10 years of relevant experience.

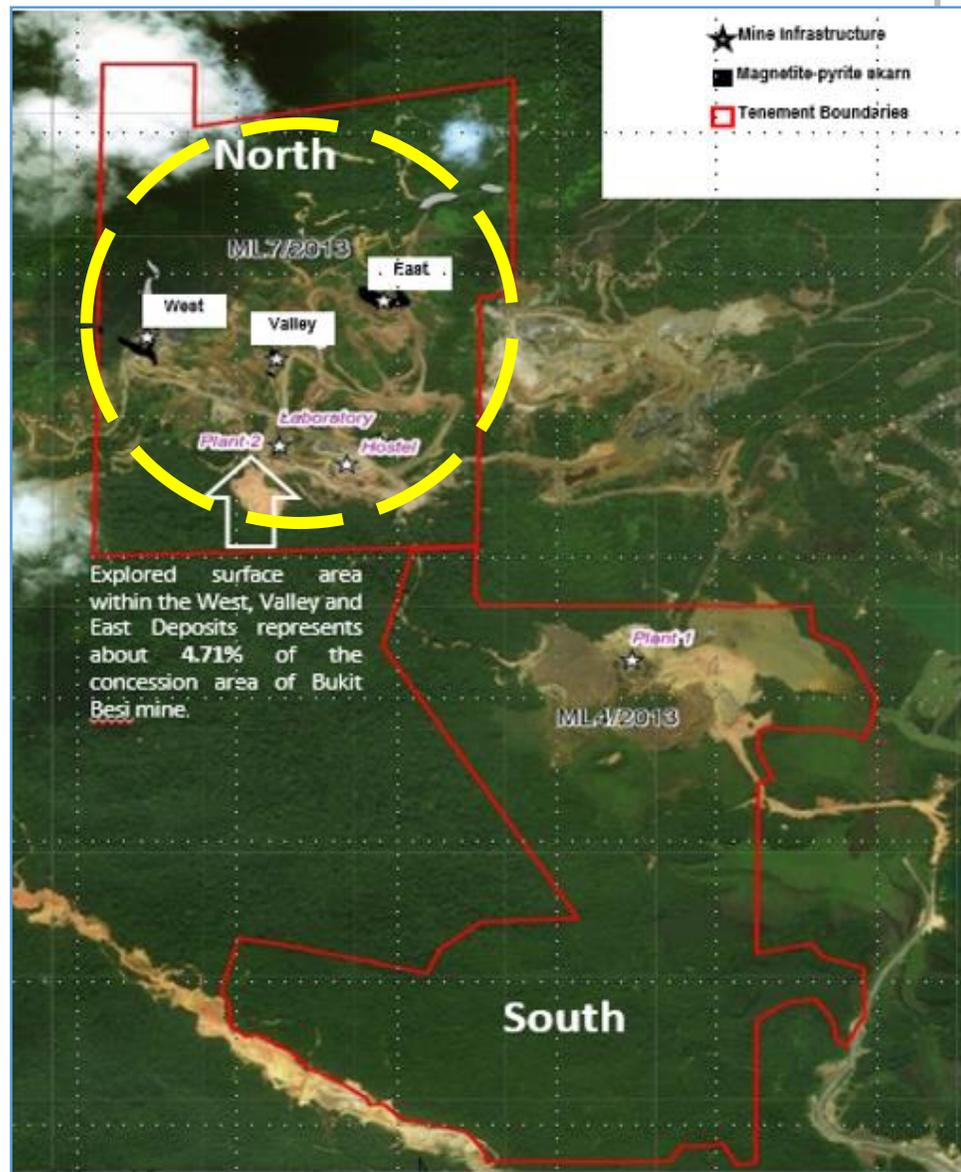
**Financial Controller**

# Bukit Besi Mine Strategic Location supported with Good Infrastructure



# Mineral Resource – A closer look

Growing resource base and Overall Fe increases despite yearly depletion



## RESOURCE SUMMARY:

West, Valley and East Deposits are <5% of total concession area (526.2 ha)

Deposit Area	Resource Category	7 Aug 2018		28 Feb 2019		29 Feb 2020	
		Net Attributable to the Group					
		Tonnes (Mt)*	Grade (% Fe)	Tonnes (Mt)*	Grade (% Fe)	Tonnes (Mt)*	Grade (% Fe)
West	Indicated	0.37	42.20	0.34	41.44	0.36	40.74
West	Inferred	2.55	39.60	2.42	39.33	2.25	38.99
Valley	Inferred	1.36	46.40	2.24	46.33	3.61	46.67
East	Inferred	1.13	40.70	1.18	41.05	0.96	41.29
<b>Total</b>		<b>5.41</b>	<b>41.70</b>	<b>6.19</b>	<b>42.31</b>	<b>7.18</b>	<b>43.25</b>

\*Mt denotes million tonnes

# Processing Plants and Mine Infrastructure



*“Resilience productivity capable to operate on 24-hour shift”*



**02**

**Financial  
results**

# A stellar performance for 9M FY2021

Growing with increasing profitability and resilient margin

## Financial performance

### Revenue

US\$ **30.4** Million  
Gross Revenue

### Margin

**75.2** %  
Gross Profit Margin

### Earnings

US\$ **17.7** Million  
Underlying EBITDA

## Balance Sheet

### Cash flow

US\$ **11.1** Million  
Free cash flow \*

### NAV

**8.46** US cent  
Net asset value/share

## Value creation

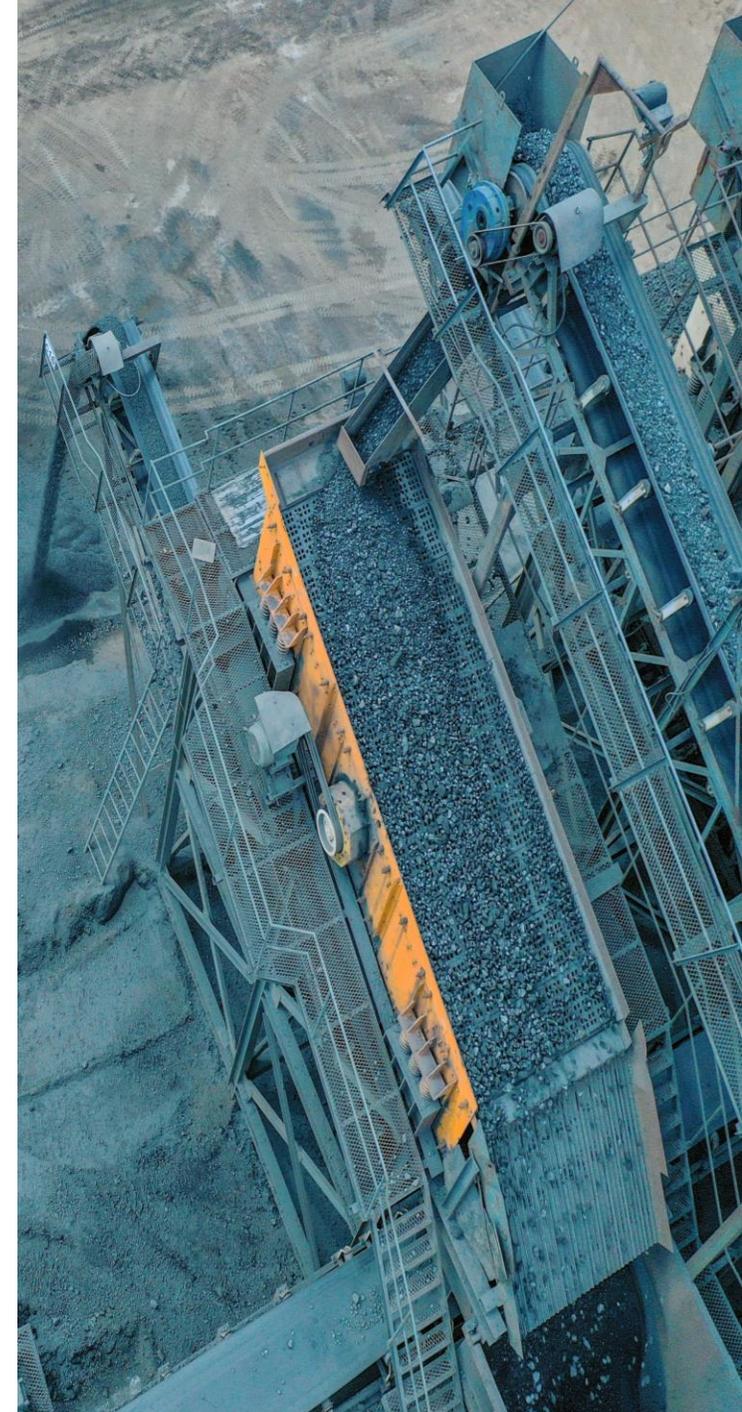
### Capital expenditure

US\$ **2.3** Million  
Capital asset invested

### EPS

**2.44** US cent  
Earning per share

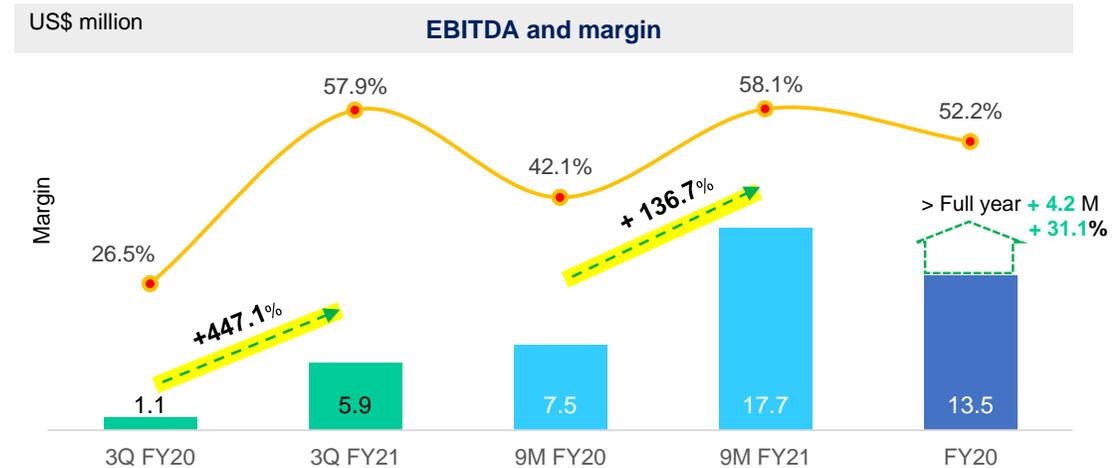
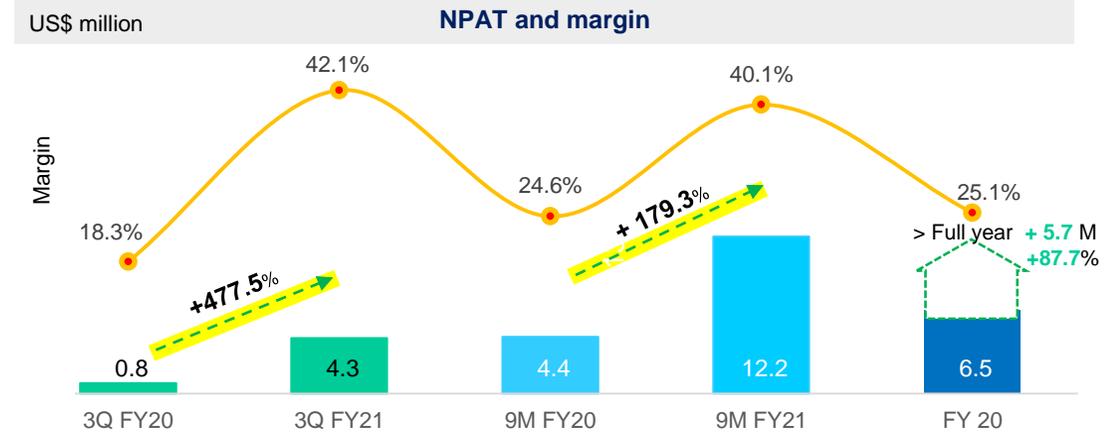
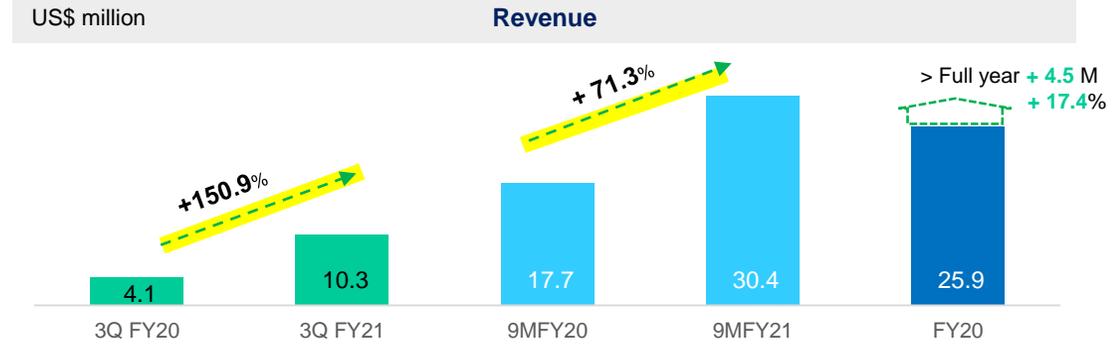
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- Free cash flow computed based on Net cash flow generated from operating activities minus cash payment for capital expenditures (comprising exploration and evaluation assets and plant and equipment)



# Financial Highlights

Solid earnings generated strong free cash flow

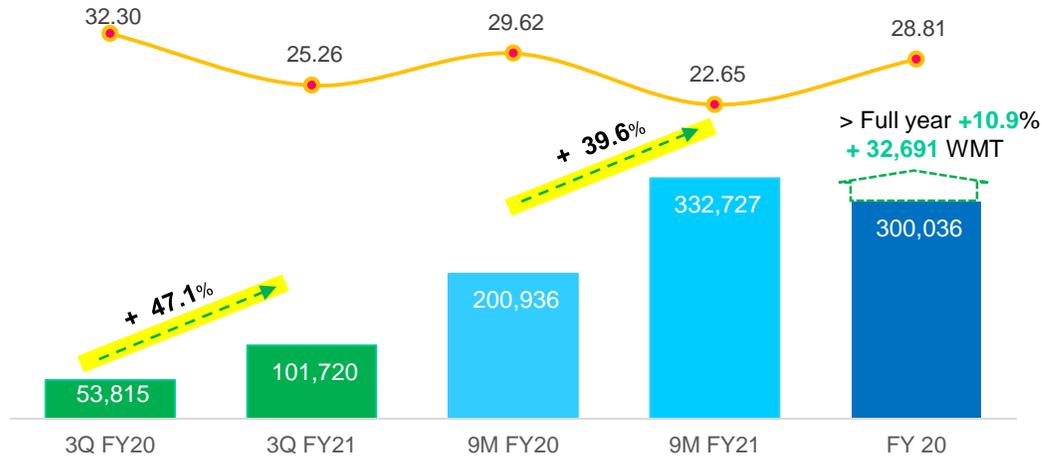
Financial metrics US\$' million	3Q 2020	3Q 2021	9M 2020	9M 2021	2020 Audited
Revenue	4.1	10.3	17.7	30.4	25.9
Gross profit	2.4	7.7	11.8	22.8	17.3
<b>Gross profit margin</b>	<b>57.7%</b>	<b>75.1%</b>	<b>66.4%</b>	<b>75.2%</b>	66.7%
NPAT	0.8	4.3	4.4	12.2	6.5
<b>Net profit margin</b>	<b>18.3%</b>	<b>42.1%</b>	<b>24.6%</b>	<b>40.1%</b>	25.1%
EBITDA	1.1	5.9	7.5	17.7	13.5
<b>EBITDA margin</b>	<b>26.5%</b>	<b>57.9%</b>	<b>42.1%</b>	<b>58.1%</b>	52.2%
Operating cash flow	1.6	11.7	9.2	13.4	9.2
Free cash flow	(0.1)	10.3	3.2	11.1	2.8



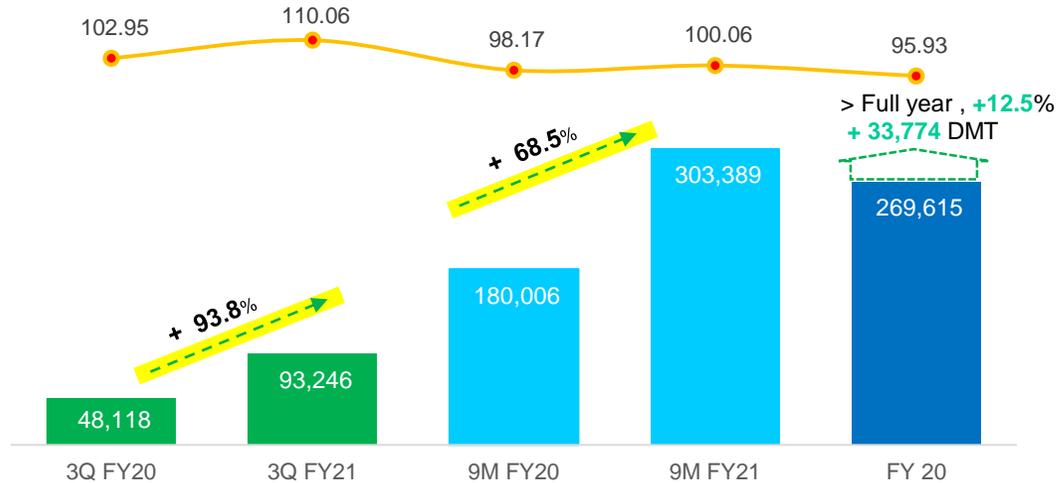
# Robust Gross Profit Margin

Driven by record volume and continued low unit cost

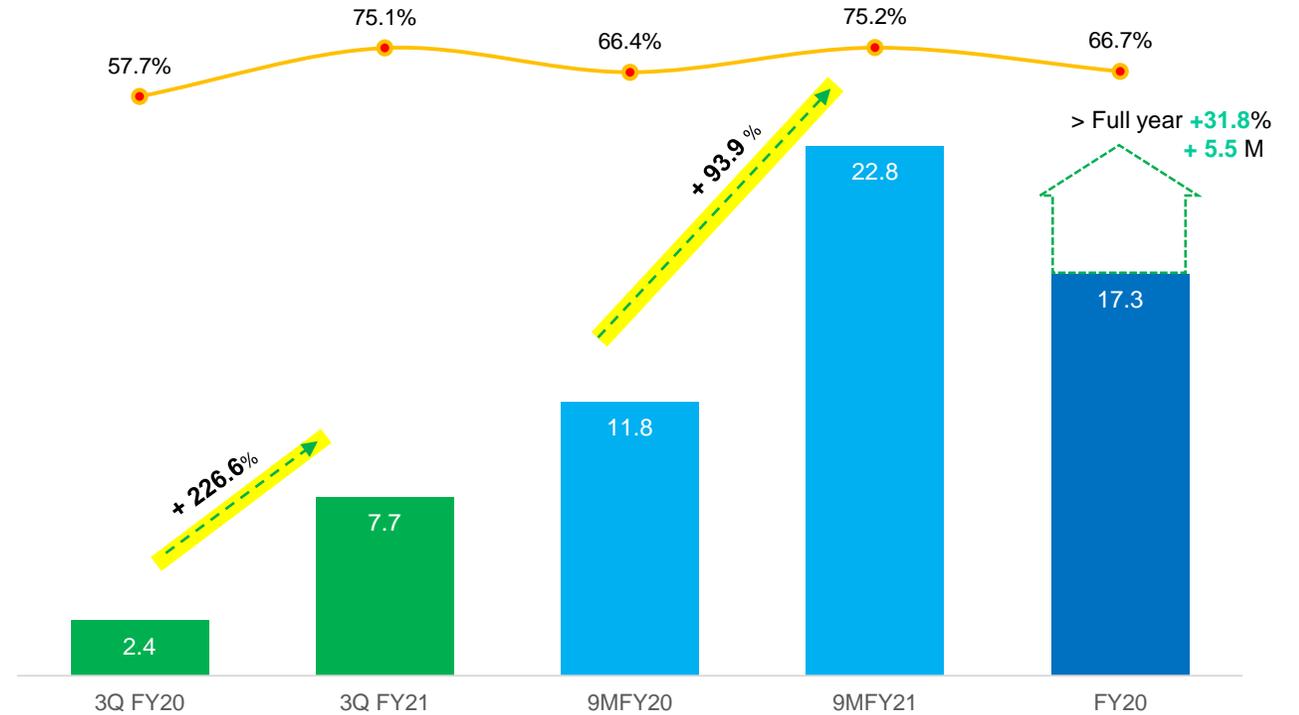
## PRODUCTIVITY: Average unit cost (US\$/WMT) and Volume (WMT#)



## SALES: Average selling price (US\$/DMT) and Sales Volume (DMT\*)



## GROSS PROFIT (US\$ Million) and Gross Profit Margin (%)



Driven by high volume at time of robust pricing environment coupled with continued low unit cost.

Record volume at time of solid pricing coupled with continued low unit costs from record productivity

\* DMT denotes Dry metric tonnes # WMT denotes Wet metric tonnes

# Financial performance

## A quick glance

	1Q FY2021	2Q FY2021	3Q FY2021	1Q FY2020	2Q FY2020	3Q FY2020	Full year FY2020
<b>Operating metrics</b>							
Average realised price/DMT	94.97	95.99	110.06	103.29	102.95	84.65	95.93
Sales volume (DMT)	74,661	135,482	93,246	55,552	76,334	48,121	269,615
Average unit cost/WMT	24.88	19.64	25.26	29.84	27.78	32.30	28.81
Volume sold (WMT)	82,256	148,751	101,720	61,386	85,739	53,815	300,053
<b>Financial metrics</b>	US\$000						
Revenue	7,090	12,985	10,304	5,841	7,783	4,106	25,925
Gross profit	5,044	10,065	7,734	4,010	5,401	2,368	17,279
Gross profit margin	71.1%	77.5%	75.1%	68.6%	69.4%	57.7%	66.7%
EBITDA	3,591	8,065	5,947	2,957	4,017	928	12,965
Net profit after tax	2,158	5,681	4,338	1,091	2,518	751	6,497
<b>Group Balance Sheet</b>	US\$000						
Non-current assets	21,843	22,768	23,909	22,694	21,704	23,155	22,694
Current assets	17,550	22,492	27,152	16,643	19,380	15,482	16,643
<b>Total assets</b>	<b>39,393</b>	<b>45,260</b>	<b>51,061</b>	<b>39,337</b>	<b>41,084</b>	<b>38,637</b>	<b>39,337</b>
Current Liabilities	1,526	6,291	7,093	1,652	3,575	2,639	8,110
Non-current liabilities	6,634	1,668	1,658	8,110	9,820	8,175	1,652
<b>Total Liabilities</b>	<b>8,160</b>	<b>7,959</b>	<b>8,751</b>	<b>9,762</b>	<b>13,395</b>	<b>10,814</b>	<b>9,762</b>
Equity attributable to owners	31,233	37,301	42,310	29,575	27,689	27,823	29,575
Non-controlling interest	-	-	*	-	-	-	-
<b>Total equity</b>	<b>31,233</b>	<b>37,301</b>	<b>42,310</b>	<b>29,575</b>	<b>27,689</b>	<b>27,823</b>	<b>29,575</b>
<b>Group Cash Flows</b>	US\$000						
Net cash flows from/(used in)							
Operating activities	1,606	54	11,662	- 490	8,181	1,585	9,188
Investing activities	- 281	- 669	- 1,249	- 1,703	- 2,236	- 1,863	- 6,177
Financing activities	- 2,018	- 3,365	- 202	9,914	- 52	- 2,672	5,537
Cash and cash equivalent	9,488	5,773	10,211	9,850	15,437	12,510	10,242

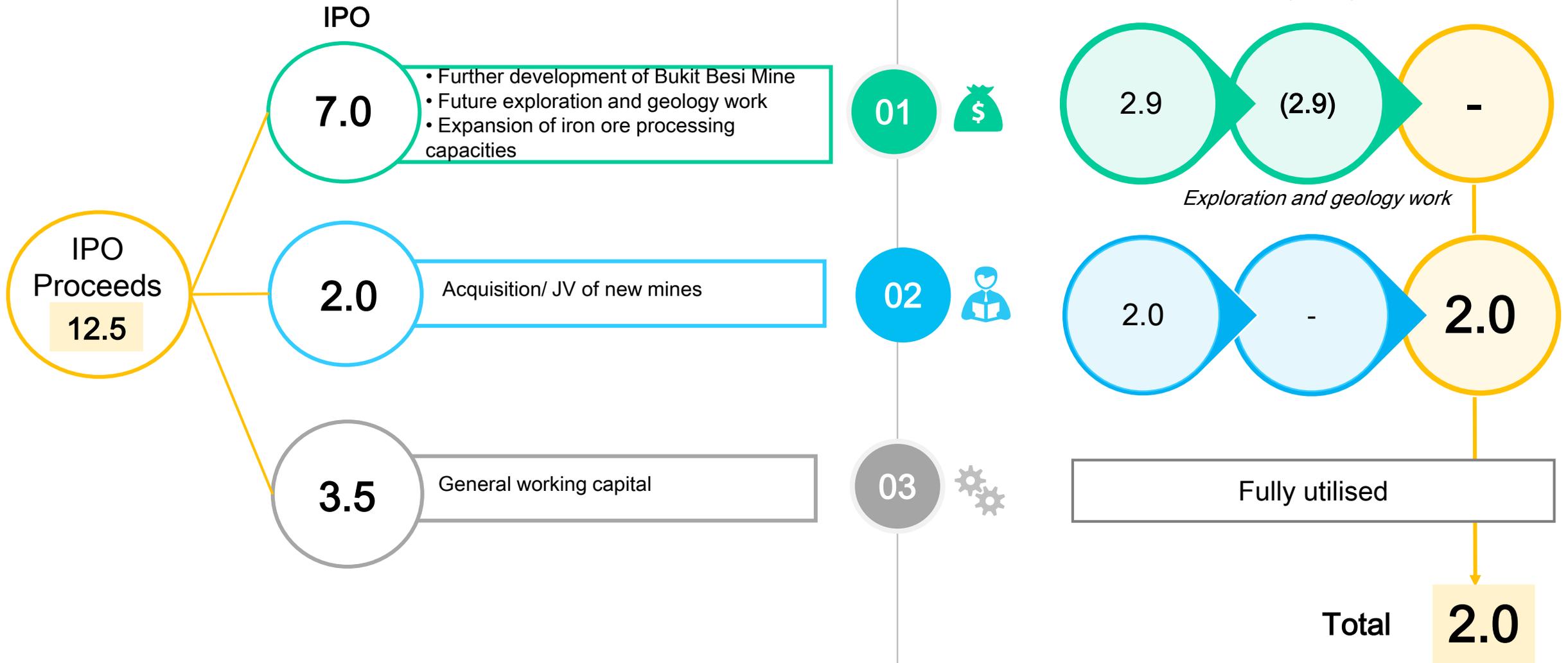
\* Amount less than US\$1,000

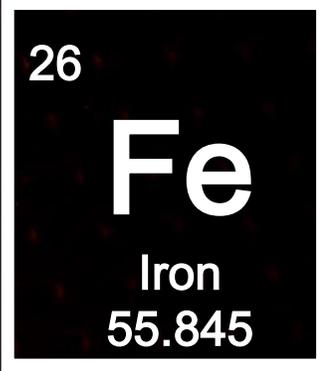
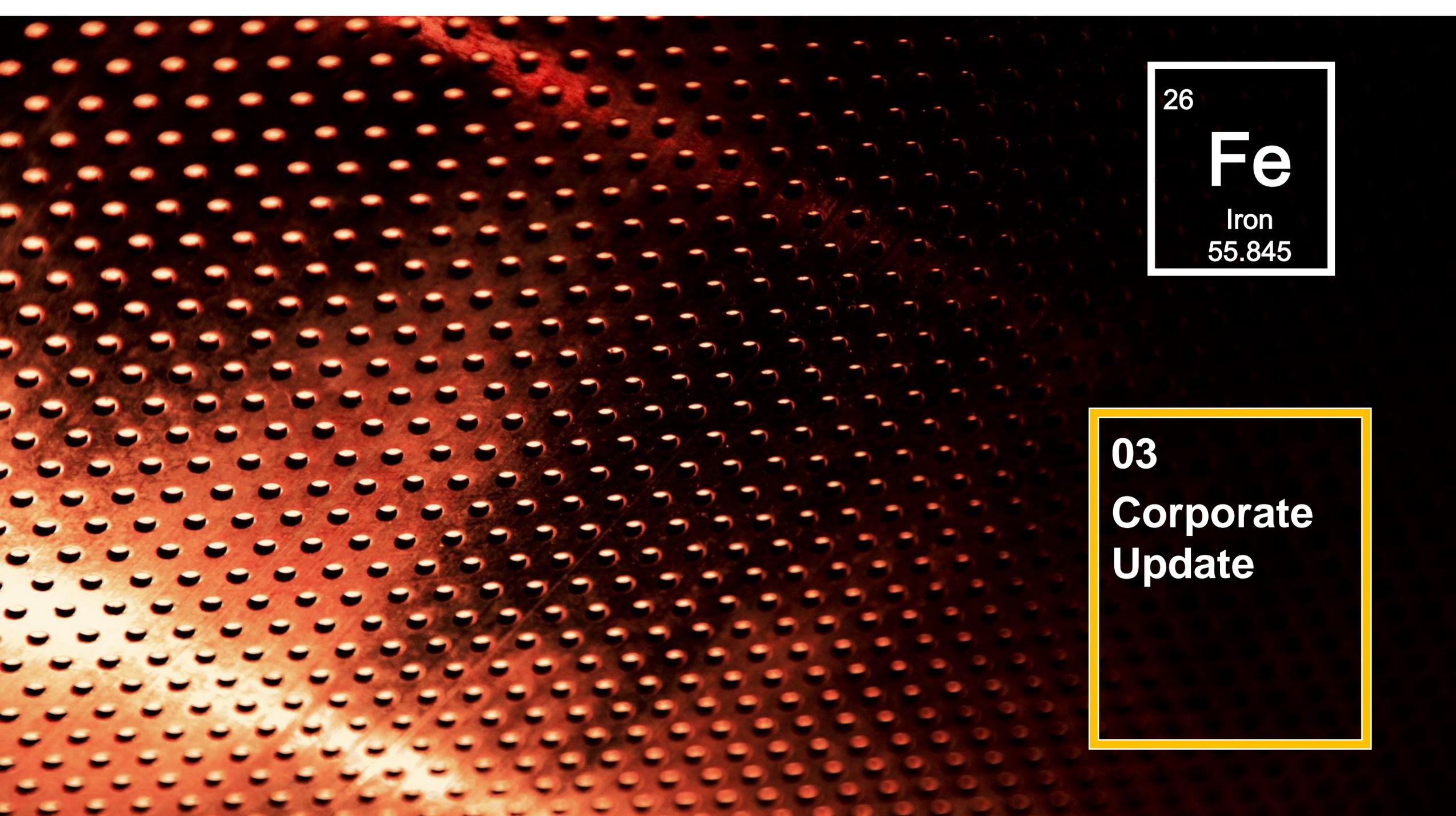
# Use of IPO proceeds – Status in FY2021



fortress

Amount denominated in SGD' million





**03**  
**Corporate**  
**Update**



# Offtake-Agreement signed in 3Q FY2021

## Scope of agreement

**400,000** WMT

Approximately  
Sale volume commitment secured  
With quantity variance of



At the option of Fortress

## Period

**1** YEAR

commencing 1 September 2020 to  
31 August 2021

## Pricing

Platts for

**65%**

Fe CFR North China

Average of the available daily Platts  
and adjusted to the Fe content of  
each shipment

## ADVANTAGE AND BENEFIT FROM THIS OFF-TAKE AGREEMENT

## Value chain benefits

Cost & productivity  
efficiencies



Integration with our customer's  
complex supply chain

## Earnings

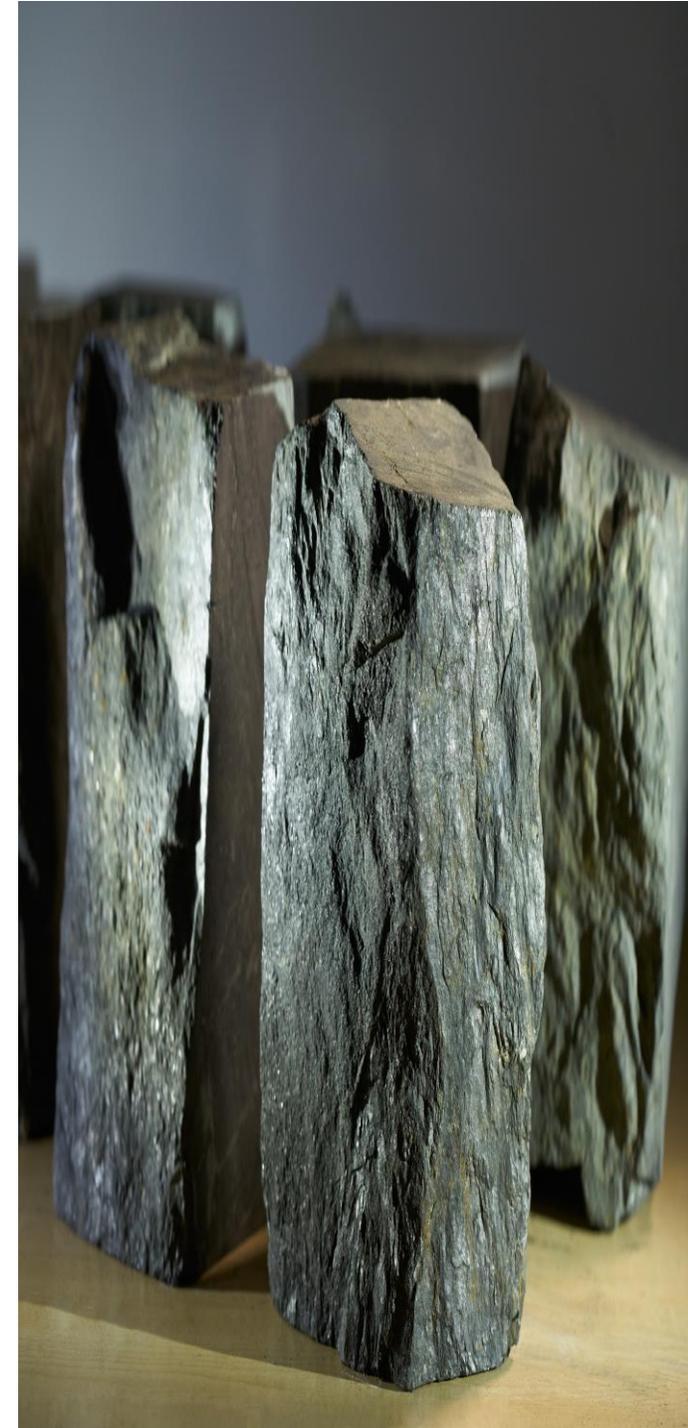
**Positive**

Secured revenue order book  
with the Off-take commitment

## Marked to market

**Market-based pricing**

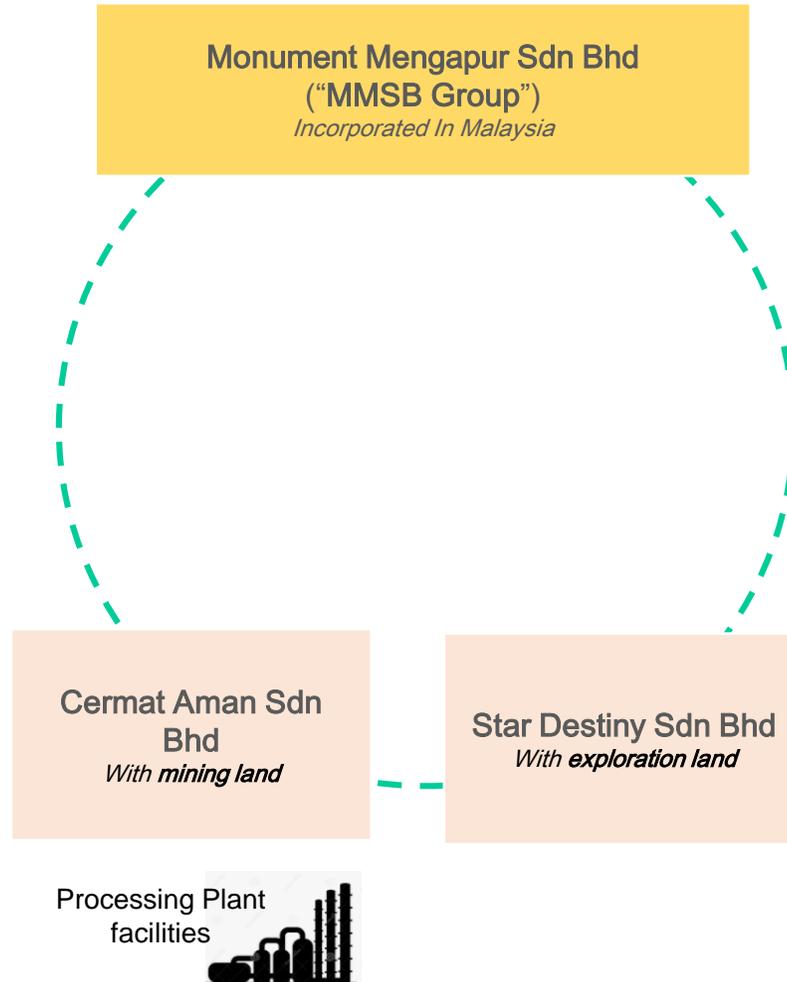
Fortress is not disadvantaged in  
term of pre-fixed pricing



1



## Acquisition of MMSB Group



### Consideration

US\$ **30.0** Million  
*Cash consideration*



**1.25%**  
royalty on revenue  
*Contingent consideration*

### Cermat Aman

**5** years

Mining land covering

Approximately

**186.453** hectare

### Star Destiny

**12** years

Exploration Land covering

Approximately

**766.58** hectare

### Status

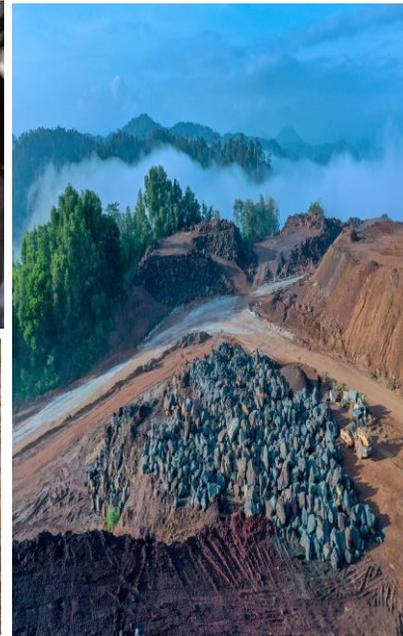
**Conditional**

as at the date of this presentation due to unfulfilled condition precedents



### Announcement

The Company will make the necessary announcement(s) via SGXNET if and when there are any material developments on the aforementioned.



# THANK YOU

Stay in touch with us



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