Paris, 27 July 2022, 6:30 p.m.

PRESS RELEASE

Eramet: EBITDA at €982m[1], continued Group deleveraging in first-half 2022

- **High price levels** for all of the Group's markets, in particular for manganese alloys (from +45% to +70% in Europe vs. H1 2021) and high-grade manganese ore (+34%), combined with a **favourable €/$ currency effect**.
- **Strong growth in volumes**, continued development plans:
  - +16% of manganese ore produced and transported in Gabon (vs. H1 2021)
  - +31% of exported volumes of nickel ore from New Caledonia
  - +33% of nickel ore produced in Weda Bay
- In the new Eramet scope, excluding operations sold or in the process of being sold[1]:
  - **Group half-year EBITDA** more than tripled to **€982m**
  - **Very strong increase in Free Cash-Flow (FCF) to €429m**, including €86m linked to the sale of Sandouville in February
- **Continued Group debt reduction** with leverage of 0.4x
- **Net income, Group share** at **€677m**
- Construction of the lithium plant in Argentina started, in line with the initial schedule
- Continued studies as part of the partnership with BASF for the production of battery-grade nickel and cobalt
- Signing of the Share Purchase Agreement for Aubert & Duval in June; completion expected by the end of the year, marking the refocusing on Mining and Metals activities
- **2022 Outlook**:
  - **Production volume targets confirmed**, except SLN
  - Favourable seasonality in H2, leading to a **positive intrinsic performance** over the year
  - **Prices expected to decline in H2:**
    - Significant trend reversal in H2 for manganese alloys invoiced selling prices, as expected
    - Consensus[2] for average manganese ore prices at \$6.4/dmtu for the year (\$6/dmtu in H2) and LME nickel prices at \$25,600/t (\$24,500/t in H2); ferronickel price at a level well below the LME nickel price
  - **Input costs** to remain at **high levels**
  - **Strongly negative impact** of all **external factors in H2**
  - In an inflationary context which remains uncertain, and based on the consensus of the above-mentioned prices, forecast **EBITDA** revised up to around **€1.6bn**[3] in 2022

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[1] In accordance with the IFRS 5 standard – "Non-current assets held for sale and discontinued operations". See reconciliation tables in Appendix 1
[2] Consensus of main market analysts
[3] Based on an effective exchange rate at $/€1.09

Christel Bories, *Eramet group Chair and CEO:*

« We achieved a very good first half-year, characterised by an increase in our production volumes in a particularly favourable price environment.

We enter the second semester by strengthening our mobilisation on operational excellence and cash optimisation, in a more uncertain macroeconomic context.

Eramet continues to refocus itself on a portfolio of competitive and cash-generating mining and metallurgical assets and now has a more solid financial structure.

This strengthened position enables us to support our future growth, supported by an increasingly exemplary approach to social responsibility.»

♦ CSR commitments

The Group continued to successfully implement its CSR roadmap.

Safety is constantly and regularly improving. The accident frequency rate declined 19% in H1 2022 vs. end-2021 (Group TRIR[4] at 1.8), with no serious accidents recorded since April 2021.

With the certification of Gabon's mining and industrial sites in June, all of Eramet's mining and metallurgical sites are now ISO 50001 certified, attesting to the implementation of effective energy management.

The Group has also developed contributive programmes with local communities located near its operations:

- In Senegal, the first half-year was marked by the commissioning of an 8 km pipeline extension, now enabling access to water for 7 districts of the town of Mékhé,
- In Argentina, a programme to improve farming conditions at high altitudes was started with local farmers, as well as the installation of solar heaters on top of houses to provide access to water in winter for nearly 25 families in the village of Santa Rosa de los Pastos Grandes,
- In Gabon, works to improve infrastructures and support education continue in the neighbouring towns of the Moanda mine. The first half-year achievements notably include the completion of works to renovate public lighting in Bakoumba and to build drilling sites and standpipes in five neighbouring towns, as well as the launch of a new training programme for digital professions in the new FabLab in Moanda, inaugurated in the spring. These works address the priorities identified with all local stakeholders and are financed by the two CSR funds created in 2021 with the Gabonese state,
- In New Caledonia, an agreement signed by SLN in February 2022 with the government provides that CSR efforts are increased and regularly shared site by site with all institutions. Through its partnerships with municipal authorities and provinces, SLN aims for positive impacts contributing to the territorial rebalancing, particularly between the municipalities on the East and West coasts.

In addition, the Group pays particular attention to the rehabilitation of sites and the preservation of biodiversity, with a commitment to a ratio above 1 between rehabilitated areas and cleared areas for the 2019-2023 period. It amounted to 0.98 in H1 2022, a significant improvement on H1 2021 (0.71), and to 1.09 for the 2019-H1 2022 period. To help nature regenerate by preserving biodiversity, local plant nurseries have been developed at each mining location, accompanied by the implementation of effective revegetation methods.

In terms of extra-financial performance, the Group was awarded a score of 73/100 by EcoVadis in respect of 2022. Eramet thus retains the Gold level and remains ranked among the top 3% of companies in the sector.

Lastly, in preparation for its adhesion to the Initiative for Responsible Mining Assurance (IRMA), the international standard for responsible mining, a self-assessment mission was conducted in June at the Lithium project site in Argentina. The results of this mission confirmed the teams' appropriation of the process, as well as a current level of performance with regard to the 400 criteria of the reference system which validates progress towards the next stage of an external audit, necessary for obtaining IRMA certification.

[4] TRIR (total recordable injury rate) = number of lost time and recordable injury accidents for 1 million hours worked (employees and subcontractors)

♦ Eramet[2] group key figures

(Millions of euros)[1]	H1 2022[2]	H1 2021 Restated[2]	Chg. (€m)	Chg.[3] (%)
Turnover	2,635	1,471	1,164	+79%
EBITDA	**982**	**301**	**681**	**+226%**
Current operating income (COI)	853	175	677	+386%
Net income from continuing operations	**783**	**123**	**660**	**+537%**
Net income from discontinued operations	(13)	(53)	39	n.a.
Net income, Group share	**677**	**53**	**624**	**n.a.**
Group Free Cash-Flow	**429**	**166**	**264**	**+159%**
	30/06/22[2]	**31/12/21[2]**	**Chg. (€m)**	**Chg.[3] (%)**
Net debt	**(748)**	**(936)**	**188**	**-20%**
Shareholders' equity	2,155	1,335	820	+61%
Leverage (Net debt-to-EBITDA ratio)[4]	0.4	0.9	-0.5pts	n.a.
Gearing (Net debt-to-equity ratio)	35%	70%	-35pts	n.a.
Gearing within the meaning of bank covenants[5]	21%	51%	-30pts	n.a.
ROCE (COI/capital employed[6] for previous year)	57%	30%	+27pts	n.a.

[1] Data rounded to the nearest million.

[2] Excluding Aubert & Duval, Sandouville and Erasteel which, in accordance with the IFRS 5 standard – "Non-current assets held for sale and discontinued operations", are presented as operations in the process of being sold in 2022 and 2021. See reconciliation tables in Appendix 1.

[3] Data rounded to higher or lower %.

[4] Calculated on a 12-month rolling basis at 30 June.

[5] Net debt-to-equity ratio, excluding IFRS 16 impact and French state loan to SLN.

[6] Total shareholders' equity, net debt, site restoration provisions, restructuring and other social risks, less long-term investments, excluding Weda Bay Nickel capital employed. At 30 June 2022, ROCE is calculated on a 12-month rolling basis.

N.B. 1: all the commented changes in H1 2022 are calculated with respect to H1 2021, unless otherwise specified.

N.B. 2: all the commented figures for H1 2022 and H1 2021 correspond to figures in accordance with the IFRS 5 standard as presented in the Group's consolidated financial statements, unless otherwise specified.

N.B. 3: mentions of Q1, Q2, Q3 and Q4 refer to the four quarters of the financial year

The **Group's turnover** amounted to **€2,635m** in H1 2022, up very significantly by 79% (+67% at constant scope and exchange rates[5], and +12% currency effect). This growth was driven by a particularly favourable price environment (notably for manganese alloys activity) as well as growth in volumes sold (particularly for manganese ore activity and nickel ore exports from New Caledonia).

Group **EBITDA** totalled **€982m**, very strongly increasing (more than tripling), in a context of slowdown in activity in China, mainly linked to the lockdowns.

[5] See Financial glossary in Appendix 8

This increase notably reflects a positive net impact of external factors (€729m):

- A favourable price effect (+€844m), including +€439m for manganese alloys, +€187m for manganese ore and +€160m for nickel,
- A positive currency effect (+€85m), factoring in a more favourable €/$ exchange rate (effective exchange rate at 1.13 vs. 1.23 in H1 2021),
- Partly offset by a strong increase in input costs of (-€201m), mainly energy, reducing agents and freight.

Energy costs (notably electricity and fuel oil) continued to increase in H1, against the backdrop of the war in Ukraine. Sea freight prices, which had reached historically high levels in 2021 in a context of post-Covid logistics congestion, eased during the period versus H2 2021. However, they remained at historically high levels (spot price x 4 for containers and x 2.5 for bulk compared to the average of recent years).

Intrinsic performance benefitted from a favourable volume effect. Conversely, in order to support growth and factoring in inflation, the Group saw its operating costs increase. Overall, intrinsic performance was slightly negative at €37m.

Current operating income came to **€853m**, after booking a depreciation expense on fixed assets of -€130m.

Net loss **for discontinued operations** amounted to **-€13m**.

As a result, **net income, Group share** for H1 2022 was **€677m**, including the share of income in Weda Bay (+€147m).

Free Cash-Flow ("FCF") amounted to **€429m** in the new scope of the Group. It included a €121m contribution from Weda Bay in addition to net proceeds from the sale of the Sandouville plant (€86m). The increase in prices and activity led to an increase in **working capital requirement (WCR)** of €324m over the period.

Capex disbursements accounted for **€250m**, excluding operations in the process of being sold (€21m in H1 2022)**.** They include €118m in growth capex, notably in Gabon to support organic development in mining production and rail transport capacity (€101m), as well as €33m in investment linked to the lithium project, entirely financed by Tsingshan via a capital increase of the Argentine subsidiary. Current capex increased, amounting to €100m in H1 2022.

Net debt stood at **€748m**[6] at 30 June 2022, **a reduction of** nearly **€190m**[7] due to the Group's strong cash generation, and factoring in a **negative FCF of -€136m in discontinued operations (A&D and Erasteel)**, strongly affected by the increase in energy and raw material prices. The change in net debt also includes dividends paid to Eramet shareholders (-€72m) and Comilog minority shareholders (-€32m) in respect of the 2021 financial year.

The **leverage ratio** was **0.4x**, the lowest level achieved by the Group for the last five years.

The Group's **liquidity** increased to **€2.2bn** at 30 June 2022. Eramet refinanced the Revolving Credit Facility ("RCF") in June. The maturity is five years with two successive 1-year upfront extension options (June 2023 and June 2024), potentially leading to June 2029. The agreement also includes an incentive scheme for achieving two of the Group's main CSR indicators.

[6] Includes €89m linked to the application of IFRS 16
[7] Reduction in net debt of €213m, before application of the IFRS 5 standard

♦ Key figures by activity[2]

(Millions of euros)[1]		H1 2022[2]	H1 2021 Restated[2]	Change (€m)	Change[3] (%)
CONTINUING OPERATIONS					
Manganese BU	**Turnover**	**1,647**	**887**	**760**	**+86%**
	EBITDA	**831**	**280**	**551**	**+197%**
Manganese ore activity[4.5]	Turnover	747	432	315	+73%
	EBITDA	343	151	192	+127%
Manganese alloys activity[4]	Turnover	901	455	446	+98%
	EBITDA	488	128	360	+281%
Nickel BU	**Turnover**	**762**	**438**	**323**	**+74%**
	EBITDA	**118**	**24**	**94**	**+395%**
Mineral Sands BU	**Turnover**	**224**	**138**	**86**	**+62%**
	EBITDA	**97**	**47**	**50**	**+107%**
Lithium BU	**Turnover**	**0**	**0**	**0**	**n.a.**
	EBITDA	**(8)**	**(2)**	**(6)**	**n.a.**
Total Mining and Metals operations	***Turnover***	***2,633***	***1,464***	***1,169***	***+80%***
	EBITDA	***1,038***	***348***	***689***	***+198%***

DISCONTINUED OPERATIONS					
Aubert & Duval	**Turnover**	**278**	**244**	**34**	**+14%**
	EBITDA	**(30)**	**(15)**	**(15)**	**n.a.**
Erasteel	**Turnover**	**138**	**86**	**52**	**+61%**
	EBITDA	**12**	**3**	**9**	**+300%**
Sandouville	**Turnover**	**11**	**77**	**(66)**	**-85%**
	EBITDA	**(2)**	**(14)**	**11**	**n.a.**

[1] Data rounded to the nearest million.

[2] Excluding Aubert & Duval, Sandouville and Erasteel which, in accordance with the IFRS 5 standard – "Non-current assets held for sale and discontinued operations", are presented as operations in the process of being sold in 2022 and 2021. See reconciliation tables in Appendix 1.

[3] Data rounded to higher or lower %.

[4] See Financial glossary in Appendix 8.

[5] Turnover linked to external sales of manganese ore only, including €41m linked to Setrag transport activity other than Comilog's ore (stable vs. H1 2021).

- **Continuing operations**

Manganese BU

In H1 2022, in Gabon, Moanda confirmed its status as the world's leading high-grade manganese mine with a positioning in the first quartile of the cash cost curve. Volumes produced increased by 17% to 3.6 Mt.

The Manganese BU posted strong growth in turnover to €1.6bn (+86%) and EBITDA which almost tripled, to more than €800m.

EBITDA for the manganese alloys activity was up very significantly to €488m (c. x4), driven by the strong increase in selling prices, and this despite a slight decline in volumes sold (- 4%) and a less favourable product mix.

EBITDA for the manganese ore activity also increased to €343m[8] (x2), reflecting the growth in ore volumes sold externally (+17%) in a favourable price environment.

Market trends & prices

Global production of carbon steel, the main end-product for manganese, reached 967 Mt[9] in H1 2022, down by nearly 5%[9]. This decrease mainly reflects the decline in production in China (54% of the global total) of 6.2%[9]. The decline in the rest of the world was less marked (-2.5%[9]): production in North America and Europe was down by 2.0%[9] and 4.1%[9] respectively. Only production in India was up, by 8.5%[9].

In this context, manganese ore consumption fell by more than 3%[9] to 10.7 Mt[9], while global ore supply remained almost stable (-0.1%[9]) at 10.3 Mt[9]. The increase in production in Gabon and South Africa offset the decline, resulting from operating difficulties, in production in the rest of the world, particularly in Australia and Brazil – two of the main high-grade ore producing countries. The supply/demand balance remained in deficit in H1 2022 with Chinese port ore inventories ending at 5.2 Mt[9], down slightly versus end-2021, representing approximately 9 weeks' consumption.

The average CIF China 44% manganese ore price index stood at $6.8/dmtu[10] in H1 2022, up +34%[10] on H1 2021 ($5.1/dmtu). It reached a high of $8/dmtu in April. In a context of rising energy costs and a relative shortage of supply, the price differential between high-grade ore (44%), which is coveted for its better energy performance, and lower grade South African ore (37%) thus substantially increased over the period. These price levels are, however, largely resulting from high freight costs in the half-year.

Manganese alloys prices remained at high levels during the period. The price index (CRU) for refined alloys in Europe (MC Ferromanganese) ended at €3,254/t in H1 2022 (+73%[10]) and that of standard alloys (silicomanganese) ended at €1,739/t (+46%[10]). These half-year indices do not, however, reflect the decline in prices initiated in Q2 2022 and which will be invoiced in Q3 2022. Indeed, faced with uncertainty weighing on future demand, steelmakers began a destocking process at end-Q2 and reduced their contractual commitments to volume floor levels, in order to increase their purchasing flexibility at spot prices. As a result, invoiced prices on average in Q3 2022 should be largely de-correlated from Q2 2022 average price index levels by posting significant discounts, particularly for refined alloys (mainly used for steel in the automotive industry).

Activities

In Gabon, thanks to the mine expansion programme combined with continuous operational improvements, **manganese ore** production strongly increased to nearly 3.6 Mt in H1 2022 (+17%). The improvement in Setrag's logistical performance enabled the transportation of nearly 3.4 Mt in ore (+16%)

[8] Includes €12m linked to Setrag transport activity other than Comilog's ore (€21m in H1 2021)
[9] Eramet estimates based on Worldsteel production data available until end-May 2022
[10] Average for market prices, Eramet calculations and analysis; Manganese ore: CRU CIF China 44% spot price; Manganese alloys: CRU Western Europe spot price

compared to H1 2021, impacted by incidents on the railway line. External sale volumes amounted to 2.9 Mt (+17%).

The FOB cash cost[11] of manganese ore activity was $2.22/dmtu, a slight decrease versus H1 2021. Favourable effects linked to growth in volumes and currency were partly offset by an increase in sales taxes[12] as well as fixed costs to support the ramp-up in production.

A solution for the transport of manganese ore by larger vessels was deployed at the beginning of the year, with the loading of 6 Capesize vessels in H1 2022. This solution, which incurred implementation costs in H1 2022, should contribute to significantly reducing sea transport costs for manganese ore over the year.

Manganese alloys production totalled 381 kt in H1 2022 (+4%). Sales were down 4% to 342 kt, reflecting customer destocking in a context of falling demand and high prices. The mix, which was favourable to refined products in Q1 2022, reversed in Q2 2022 due to the deficit in supply of standard alloys in Europe linked to the war in Ukraine and lower demand for refined alloys.

The manganese alloys margin improved in H1 2022. It has, however, started to decline in Q2 compared to Q1, driven by the stability of selling prices, combined with the continued increase in input costs, notably metallurgical coke (which spot price[13] is up on average c. 80% vs. H1 2021 and 40% vs. FY 2021), and a less favourable mix (more standard alloys).

Outlook

Global carbon steel production is expected to slightly decline in 2022, normalising after an exceptional 2021, notably owing to the decline in production in China, due to the economic slowdown, and macroeconomic uncertainties in the rest of the world. Only India and Vietnam are expected to post growth.

Demand for manganese alloys is expected to decrease, notably in Europe, while uncertainties in the automotive market should continue to weigh on demand for refined manganese alloys. The alloys market should thus shift to surplus in H2 2022, pushing prices down. Adjustments in supply are to be expected in the months ahead.

Factoring in the trend reversal expected for prices and the continued increase in the cost of inputs and manganese ore consumed[14], the manganese alloys margin should significantly deteriorate in H2 versus H1. Manganese alloys production could thus be adjusted down in H2, with a less favourable mix.

The manganese ore market is also expected to shift to slight surplus with the expected decline in demand. Prices are expected to adjust slightly in the months ahead. The ore production target is maintained at 7.5 Mt in 2022, an increase of 7% from 2021.

[11] See Financial glossary in Appendix 8. Cash cost calculated excluding sea transport and marketing costs (€160m in H1 2022 vs. €97m in H1 2021, mainly corresponding to the cost of sea transport)
[12] Export duties and proportional mining royalties
[13] Source: Resources-net CAMR, Nut coke spot price, Europe
[14] Considering an average lag of 4 to 5 months between the entry of ore in inventories and the sale of alloys

Nickel BU

Nickel BU turnover increased to reach €762m in H1 2022, of which €604m for SLN[15] and €158m linked to the trading activity of nickel ferroalloys produced at Weda Bay (off-take contract).

The BU's EBITDA increased very significantly to €118m (x5 vs. H1 2021), mainly reflecting the increase in prices over the period, combined with a favourable €/$ currency effect, albeit partly offset by the strong increase in energy and freight costs.

The contribution of Weda Bay activity to Group FCF was very significant in H1 2022, at €121m. The joint venture achieved an excellent operational performance, notably reflecting growth in the volumes of ore sold, in a favourable price environment, partly offset by the increase in input costs (energy in particular).

Market trends & prices

Global stainless steel production, which is the main end-market for nickel, was down by more than 3.5% to 28.2 Mt[16] in H1 2022. This slowdown is attributable to the decline in production in China (- 6.8%[16]). The rest of global production, however, continued to increase (+0.9%[16]), notably driven by Indonesia (+5.6%[16]).

Global demand for primary nickel also increased by more than 3%[16] to 1.4 Mt[16], driven by strong growth in the batteries sector (+29.4%[16]), while demand for primary nickel in stainless steel was down slightly (-0.8%[16]).

In parallel, global primary nickel production grew by more than 14.5%[16], reaching 1.5 Mt[16]. The decline in Chinese NPI[17] volumes (-10.5%[16]) was thus more than offset by the increase in NPI supply in Indonesia (+25.5%[16]), as well as the growth in volumes from traditional producers (+4.4%[16]).

The nickel supply/demand balance (class I and II[18]) was thus in slight surplus in H1 2022 (+79 kt[16]). Conversely, nickel inventories at the LME[19] and SHFE[19] (class I only), very strongly decreased compared to end-2021, due to sustained demand for batteries. At end-June, these inventories totalled 69 kt, representing only approximately 3 weeks' consumption[20] (vs. 4 weeks at end-2021).

In H1 2022, the LME price average, which represents the price of pure nickel metal (class I nickel), was $27,575/t, up very significantly compared to H1 2021 (+58%) and H2 2022 (+42%). In mid-July, prices fell back below $20,000/t, more in line with market fundamentals.

The spot price of ferronickel as sold by SLN (class II nickel) increased by 47% compared to H1 2021, thus showing a discount versus the LME. Factoring in the slowdown in stainless steel markets, the price of ferronickel for the rest of the year is expected to be set at a level very significantly below the LME and approaching prices for NPI (also class II nickel). To date, the latter amounts to approximately $17,000/t[21].

1.8% CIF China nickel ore prices continued to evolve at high levels, recording an average increase of +31% to $125/wmt[22] in H1 2022, albeit with a discount for lower grade ores. The nickel ore market

[15] SLN, ENI and others
[16] Eramet estimates
[17] Nickel Pig Iron
[18] Class I: produced with a nickel content above or equal to 99%; Class II: produced with a nickel content below 99%
[19] LME: London Metal Exchange; SHFE: Shanghai Futures Exchange
[20] Including producers' inventories
[21] SMM NPI 8-12% index
[22] Source: CNFEOL (China FerroAlloy Online)

remained tight during the period, due to reduced ore supply, notably from New Caledonia and the Philippines, due to bad weather conditions and longer-than-usual rainfall seasons. This increase in prices, however, continued to be largely offset by the high levels of freight costs.

In Indonesia, the official domestic price index for nickel ore ("HPM Nickel") averaged approximately $56/wmt in H1 2022, for nickel ore with 1.8% nickel content and 35% moisture content. Indonesian prices are set according to domestic market conditions, but with a monthly price floor based on the LME, in compliance with a government regulation published in April 2020.

Activities

In Indonesia, mine operations enabled the production of nearly 8.1 Mwmt[23] of marketable nickel ore in H1 2022, up more than 33%. External ore sales volumes amounted to more than 7.5 Mwmt[23], up 79% versus H1 2021.

Parallel to this, the nickel ferroalloys plant, which is supplied by the mine, produced 19.6 kt-Ni[23] over the half-year. The volumes sold by Eramet as part of the off-take contract accounted for 8.5 kt-Ni.

Weda Bay's contribution to Group FCF over the period totalled €121m, of which €107m linked to the payment of dividends and the repayment of a shareholder loan.

In New Caledonia, SLN mining production amounted to 2.4 Mwmt, up 6% versus H1 2021 despite the very bad weather conditions (with a rainfall volume nearly 50% higher than the average of the last 6 years and a 13% increase in the number of days of rain versus H1 2021) and operating difficulties on some of the mines. Low-grade nickel ore exports increased 31% to nearly 1.5 Mwmt. Ferronickel production increased (+10% to 20.4 kt-Ni), as well as sold volumes (+6% to 20 kt-Ni). The operation of the Doniambo plant was, however, strongly disrupted by ongoing power supply difficulties.

Cash cost[24] amounted to $8.06/lb on average in H1 2022, reflecting the increase in input costs, mainly energy, coal (which price more than tripled) and freight (increase of approximately 43% for nickel ore), while partly being offset by currency impacts and favourable ore prices.

SLN's debt stood at €427m at 30 June, with Free Cash-Flow at break-even in H1.

Outlook

In Q3 2022, demand for nickel in the stainless steel sector should continue to be slowed by the increase in raw material prices as well as macroeconomic uncertainties at the global level.

In H2 2022, global primary nickel production is expected to continue growing, still largely supported by the development of Indonesian production (NPI, matte and HPAL[25]).

At Weda Bay in Indonesia, nickel ferroalloys production is confirmed at nearly 40 kt-Ni for the year. The marketable mine production target remains at approximately 15 Mwmt in 2022[26].

In New Caledonia, following in particular the difficulties in supply from the New Caledonian electricity grid which persist and will not be resolved before the arrival of the Temporary Offshore Power Plant scheduled for early September, targets were revised down to more than 40 kt-Ni in ferronickel production from the Doniambo plant in 2022 and to more than 3.5 Mwmt for nickel ore exports.

[23] On a 100% basis
[24] See Financial glossary in Appendix 8
[25] HPAL: High-Pressure Acid Leach
[26] Subject to finalisation of administrative approval for increase in production capacity

Battery-grade nickel and cobalt production project

As part of the Group's strategic roadmap, notably aimed at developing production of critical metals for the energy transition and at positioning itself as a key European player in the electric vehicle battery value chain, Eramet continues, in partnership with BASF, project studies related to the hydrometallurgical project to produce battery-grade nickel and cobalt using laterite ore extracted from the Weda Bay mine in Indonesia.

The hydrometallurgical complex, located near the mine, would include a HPAL[25] unit. Targeted production would amount to some 67 kt-Ni and 7 kt-Co per year (in MHP[27] content), revised upwards compared to initial estimates.

The proposed project would be 51% owned by Eramet and 49% owned by BASF.

An investment decision is potentially expected end-2022 or early 2023. In this case, the project could start production in early 2026.

Mineral Sands BU

The Mineral Sands BU reported turnover up to €224m. EBITDA more than doubled to €97m, reflecting the very good operational performance as well as a favourable price environment, partially offset by the increase in the cost of energy and reducing agents.

Market trends & prices

Global demand for zircon remained strong throughout H1 2022, driven by the ceramics sector (approximately 50% of the end-product). Parallel to this, zircon production also slightly increased, without being able to meet the demand.

Zircon market prices ended at $2,085/t FOB[28] in H1 2022, up 56%, in a context of strong tensions on supply.

Global demand for TiO_2 pigments[29], the main end-market for titanium-based products[30], grew more slowly than expected over the period as a result of the war in Ukraine and the health situation in China. Supply continued to increase, without being able to fully meet the demand for TiO_2 pigments.

The selling price for CP titanium dioxide slag ("CP slag"), as produced by TiZir in Norway and based on quarterly contracts signed at end-March 2022, remained at very high levels. It thus increased by 13% to approximately $850/t[31] in H1 2022.

Activities

In Senegal, mineral sands production continued to increase in H1 2022, reaching 386 kt (+7%), thanks to a higher average content in the area mined compared to H1 2021.

Zircon production was up 7% to 30 kt, while sales volumes grew by 3%, reaching 31 kt.

In Norway, titanium slag production amounted to 100 kt in H1 2022, down 3%, owing to maintenance operations in May. Sales volumes declined by 19% to 92 kt, due to an extremely low level of inventories at end-2021.

[27] MHP: Mixed Hydroxyde Precipitate
[28] Source Zircon premium (FOB prices): Eramet analysis
[29] c.90% of titanium-based end-products
[30] Titanium dioxide slag, ilmenite, leucoxene and rutile
[31] Source CP slag (FOB prices): Market consulting, Eramet analysis

During the half-year, input costs for the TTI plant continued to increase strongly (notably thermal coal, which spot price more than tripled on average over the period compared to H1 2021, and more than doubled vs. 2021[32]) but are expected to be fully offset by the increase in selling prices in H2.

Outlook

Zircon consumption could slow down in H2, but demand should continue to increase slightly on a full-year basis. The market is expected to remain in deficit of supply, which should maintain prices at high levels.

Demand for the pigments market in China could also slow down in H2, but demand for titanium-based products is expected to remain up for the full year. With Ukrainian supply substantially reduced, the market should remain in deficit in 2022, enabling prices to be sustained.

In 2022, the annual production volume for mineral sands is expected to be in excess of 750 kt, factoring in the expected decline in average content in the area mined of the deposit, started in May and continuing through H2.

Moreover, having obtained the environmental permit for expansion from the Senegalese authorities in early July, the organic growth programme for mineral sands through dry processing is expected to start in early Q4. It aims to increase mining capacity by approximately 10% by end-2024 with limited investment of around €30m.

Lithium BU

Lithium carbonate prices continued to strongly increase in H1 2022, in a context of very significant growth in demand for this critical metal for the energy transition. They now amount to more than $70,000/t[33].

The construction of the lithium plant started in Argentina in Q2. The amount of investments made during the period was €33m, entirely financed by a capital increase by Tsingshan.

Factoring in the continued increase in material and freight prices, the overall amount of capex for the project was revalued to €150m. In line with the agreement signed in November, this additional capex will be 50.1% financed by Eramet and 49.9% by Tsingshan. Factoring in the long-term price trend, the very high Internal Rate of Return (IRR) is confirmed.

- ## Discontinued Operations

In accordance with the IFRS 5 standard – "Non-current assets held for sale and discontinued operations", the Aubert & Duval, Erasteel and Sandouville entities are presented in the Group's consolidated financial statements as operations in the process of being sold for the 2021 and 2022 financial years:

- The sale of the Sandouville plant to Sibanye-Stillwater was closed in early February, for a net sale price of €86m,
- The Share Purchase Agreement for Aubert & Duval was signed in June with a consortium formed by Airbus, Safran and Tikehau ACE Capital; the operation should be completed by the end of the

[32] Source: Argus, thermal coal spot price, ARA, Europe
[33] Source: Fastmarkets – Lithium Carbonate Battery-Grade Prices CIF Asia

year, subject to the waiver of certain conditions precedent, including the obtaining of regulatory approvals[34],

- With regards to the sale project of Erasteel, the Group is expecting to launch an auction process in the coming weeks.

Aubert & Duval

After a historic decline in traffic over the last two years, the global aerospace sector, which represents approximately 60% of A&D turnover, confirmed the gradual recovery engaged since mid-2021, essentially driven by regional and medium-haul flights. As a result, orders for single-aisle aircraft parts – a market to which A&D is less exposed – picked up since the start of the year, in line with the acceleration in production rates expected by aircraft manufacturers. The market, however, must face increasing tensions in the supply chain (raw materials and electronics components) against a background of high inflation, steep rise in energy costs and labour shortages.

A&D[35] turnover ended at €278m[36] in H1 2022, up 14%, including a 21% increase in sales for the aerospace sector which posted €174m. Energy and Defence sales declined slightly (-9%) to €66m.

It should be noted, however, that deliveries remained disrupted in H1 2022 by bottlenecks at the end of flows and at the control stage, notably due to labour shortages. A specific action plan has been put in place.

Activity was strongly affected by the very strong increases in electricity (which cost tripled on average in H1) and raw material prices with an impact on both EBITDA and FCF, in the absence of an automatic pass-through in commercial contracts.

Negative EBITDA thus totalled -€30m[36], despite the growth in volumes.

In the first half of the year, the subsidiary's cash consumption amounted to €107m[36], notably factoring in the high level of raw material purchases made in response to the increase in the order book, the price of energy and the price of raw materials (net impact of €37m in H1). It also includes €38m of disbursements related to the clearance of Quality applications and to the restructuring plan, as part of the contract for the sale of the subsidiary.

Cost inflation and labour shortage should continue to weigh on activity in H2 2022.

Erasteel

Erasteel's turnover increased 61% versus H1 2021, totalling €138m[36] in H1 2022.

This growth reflects the strategy to win market share in new regions and new applications, as well as the very good sales momentum in Q1, driven by the increase in the number of new automotive platforms (notably EV), and the strong acceleration of its other underlying markets (aerospace, electronics).

Sales were also driven by the positive impact of reinvoicing raw material and energy price increases to customers. Recycling activity continued its ramp-up (+30% to €12m).

EBITDA thus quadrupled compared to H1 2021, ending at €12m[36].

The increase in working capital requirement (WCR), resulting from very strong growth in material prices, led to cash consumption of €20m over the period. This trend is expected to reverse in H2 2022.

[34] Notably with regard to competition and market concentration; all documentation was submitted and is currently being reviewed
[35] Aubert & Duval and others, excluding EHA
[36] In accordance with the IFRS 5 standard – "Non-current assets held for sale and discontinued operations"

♦ Outlook

In a climate of geopolitical and macroeconomic uncertainties, signs of a slowdown are observed in all of the Group's markets: fears of recession in Europe and the United States, high inflation, and a slow recovery in China following the lifting of Covid-related restrictions.

As a result, a weakening demand is expected, to a greater or lesser extent depending on markets and regions, as well as the continued price adjustment already started in Q2 for certain commodities. The level of uncertainty is also rising in terms of supply's ability to continue its growth or to withstand the strong increase in energy costs.

Against this background, the capex target for the year is revised slightly down to €500m in 2022, including the operations in the process of being sold, yet excluding the lithium project financed by Tsingshan. On the one hand, this capital expenditure includes approximately €250m in current capex and, on the other, organic growth capex including approximately €200m intended to support and sustain growth in Gabon.

Production volume targets confirmed, except SLN:

- 7.5 Mt of manganese ore production in Gabon,
- Approximately 15 Mwmt of marketable nickel ore production in Indonesia[37].

Nickel ore exports in New Caledonia are revised to more than 3.5 Mwmt for the year.

Factoring in these targets and a favourable seasonality, intrinsic performance of activities will have a positive impact on EBITDA in H2 and over the year.

Prices are expected to decline in H2, with:

- A significant trend reversal in manganese alloys invoiced selling prices, as expected; they should however remain above 2021 on average for the year,
- Consensus[38] for average manganese ore prices at $6.4/dmtu for the year ($6/dmtu in H2) and LME nickel prices at $25,600/t ($24,500/t in H2); ferronickel price should be at a level well below the LME nickel price.

Input costs should remain at high levels.

All external factors should thus lead to a strongly negative impact on EBITDA in H2.

The estimated effective €/$ exchange rate is 1.09 for 2022.

In an inflationary context that remains uncertain, and based on the consensus of the abovementioned prices, forecast EBITDA is revised up to around €1.6bn in 2022.

[37] Subject to finalisation of administrative approval for increase in production capacity
[38] Consensus of main market analysts

Calendar

28.07.2022: Presentation of 2022 half-year results

A live Internet webcast of the 2022 half-year results presentation will take place on Thursday 28 July 2022 at 10:30 a.m. (Paris time), on our website: www.eramet.com. Presentation material will be available at the time of the webcast.

27.10.2022: Publication of 2022 third-quarter turnover

ABOUT ERAMET

Eramet transforms the Earth's mineral resources to provide sustainable and responsible solutions to the growth of the industry and to the challenges of the energy transition.

Its employees are committed to this through their civic and contributory approach in all the countries where the mining and metallurgical group is present.

Manganese, nickel, mineral sands, lithium, and cobalt: Eramet recovers and develops metals that are essential to the construction of a more sustainable world.

As a privileged partner of its industrial clients, the Group contributes to making robust and resistant infrastructures and constructions, more efficient means of mobility, safer health tools and more efficient telecommunications devices.

Fully committed to the era of metals, Eramet's ambition is to become a reference for the responsible transformation of the Earth's mineral resources for living well together.

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APPENDICES

Appendix 1: Reconciliation tables

H1 2022 reported reconciliation table before IFRS 5

(in millions of euros)	H1 2022 Before IFRS 5 treatment	Aubert & Duval CGU	Erasteel CGU	Sandouville CGU	Restatements and eliminations	Total Operations sold/ held for sale	1er semestre 2022 Publié
Revenue	3 063	278	138	11		427	2 635
Current operating income	843	(36)	11	(2)	17	(10)	853
Operating income	845	(14)	(21)	13	18	(4)	850
Net income from operations sold/held for sale		(18)	(27)	13	19	(13)	(13)

H1 2021 reported restated reconciliation table

(in millions of euros)	H1 2021 Published	Aubert & Duval CGU	Erasteel CGU	Sandouville CGU	Restatements and eliminations	Total Operations sold/ held for sale	1er semestre 2021 Retraité
Revenue	1 878	244	86	77		407	1 471
Current operating income	159	(21)	2	(14)	18	(15)	175
Operating income	132	(50)	6	(14)	18	(40)	174
Net income from operations sold or held for sale		(62)	5	(19)	23	(53)	(53)

Appendix 2: Quarterly turnover (IFRS 5)

€ million[1]	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Manganese BU	926	722	782	598	498	389
Manganese ore activity[2]	*439*	*308*	*329*	*304*	*242*	*189*
Manganese alloys activity[2]	*487*	*414*	*453*	*294*	*256*	*200*
Nickel BU[3]	409	352	348	260	237	201
Mineral Sands BU	134	90	118	93	82	56
Lithium BU	0	0	0	0	0	0
Holding, elim. & others	1	1	-2	1	4	3
Eramet group published IFRS 5 financial[4] state-	**1,470**	**1,165**	**1,246**	**951**	**821**	**650**

[1] Data rounded to the nearest million.

[2] See Financial glossary in Appendix 8.

[3] Nickel BU excluding Sandouville (discontinued operation).

[4] Excluding Aubert & Duval, Sandouville and Erasteel which, in accordance with the IFRS 5 standard – "Non-current assets held for sale and discontinued operations", are presented as operations in the process of being sold in 2022 and 2021. See reconciliation tables in Appendix 1.

Appendix 2b: Reconciliation of quarterly turnover

€ million[1]	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Eramet group published IFRS 5 financial statements[2]	**1,470**	**1,165**	**1,246**	**951**	**821**	**650**
Aubert & Duval	137	141	142	107	131	113
Erasteel	74	64	55	44	47	39
Sandouville	0	11	36	40	41	36
Eramet group before IFRS 5	**1,682**	**1,381**	**1,479**	**1,142**	**1,040**	**838**

[1] Data rounded to the nearest million.

[2] Excluding Aubert & Duval, Sandouville and Erasteel which, in accordance with the IFRS 5 standard – "Non-current assets held for sale and discontinued operations", are presented as operations in the process of being sold in 2022 and 2021 See reconciliation tables in Appendix 1.

Appendix 3: Productions and shipments

In thousands of tonnes	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	H1 2022	H1 2021
MANGANESE BU								
Manganese ore and sinter production	1,862	1,762	1,964	1,951	1,597	1,512	3,624	3,109
Manganese ore and sinter transportation	1,765	1,620	1,793	1,832	1,542	1,377	3,385	2,919
External manganese ore sales	1,535	1,409	1,637	1,602	1,314	1,212	2,944	2,526
Manganese alloys production	193	188	191	189	173	194	381	367
Manganese alloys sales	186	156	201	158	183	174	342	357
NICKEL BU								
Nickel ore production *(in thousands of wet tonnes)*								
SLN	1,290	1,154	1,392	1,682	1,254	1,050	2,444	2,304
Weda Bay Nickel (100%) – marketable production[1]	3,552	4,563	605	3,193	3,486	2,615	8,115	6,101
Ferronickel production – SLN	10.5	9.9	10.1	10.4	8.5	10.0	20.4	18.5
Low-grade nickel ferroalloys production – Weda Bay Nickel (kt of Ni content – 100%)	9.6	10.0	9.5	9.4	10.0	10.1	19.6	20.1
Nickel ore sales *(in thousands of wet tonnes)*								
SLN	830	632	957	875	684	433	1,462	1,117
Weda Bay Nickel (100%)	3,576	3,875	0	2,386	2,967	1,205	7,451	4,172
Ferronickel sales – SLN	10.8	9.2	10.6	9.8	10.0	8.8	20.0	18.8
Low-grade nickel ferroalloy sales – Weda Bay Nickel/Off-take Eramet (kt of Ni content)	4.2	4.3	4.3	3.0	4.1	4.3	8.5	8.4
MINERAL SANDS BU								
Mineral Sands production	188	198	238	204	191	171	386	362
Zircon production	15	15	19	17	15	13	30	28
Titanium dioxide slag production	48	52	54	52	55	48	100	103
Zircon sales	16	15	16	17	16	14	31	30
Titanium dioxide slag sales	52	40	62	45	71	42	92	113

[1] The Q1 to Q3 2021 figures presented in the above table do not include 1,705 kwmt of limonites, which is non-recoverable under current conditions, and which had been reported in the Group's turnover press release at end-Q3 2021

Appendix 4: Price and index

	H1 2022	H2 2021	H1 2021	Chg. H1 2022 – H1 2021[6]	Chg. H1 2022 – H2 2021[6]
MANGANESE BU					
Mn CIF China 44% ($/dmtu)[1]	6.79	5.49	5.06	***+34%***	*+24%*
Ferromanganese MC – Europe (€/t)[1]	3,254	2,996	1,886	***+73%***	*+9%*
Silicomanganese – Europe (€/t)[1]	1,739	1,607	1,191	***+46%***	*+8%*
NICKEL BU					
Ni LME ($/lb)[2]	12.51	8.83	7.93	***+58%***	*+42%*
Ni LME ($/t)[2]	*27,575*	*19,472*	*17,485*	***+58%***	*+42%*
Ni ore CIF China 1.8% ($/wmt)[3]	124.8	115.4	95.4	***+31%***	*+8%*
MINERAL SANDS BU					
Zircon ($/t)[4]	2,085	1,655	1,338	***+56%***	*+26%*
CP-grade titanium dioxide ($/t)[5]	850	810	753	***+13%***	*+5%*

[1] Quarterly average for market prices, Eramet calculations and analysis.

[2] LME (London Metal Exchange) prices.

[3] CNFEOL (China FerroAlloy Online), "Other mining countries".

[4] TZMI, Eramet analysis (premium zircon).

[5] Market analysis, Eramet analysis.

[6] Eramet calculation (based on CRU monthly price index for manganese ore and alloys only), rounded to the nearest decimal.

Appendix 5: Half-year performance indicators of continuing operations (IFRS 5)

€ million[1]		H1 2022[2]	H1 2021 Re-stated[2]	2021 Re-stated[2]	H1 Change (€m)	H1 Change[3] (%)
Manganese BU	Turnover	1,647	887	2,267	760	+86%
	EBITDA	**831**	**280**	**910**	**551**	**+197%**
	COI[4]	765	219	769	546	+249%
	FCF	**395**	**157**	**490**	**239**	**+152%**
Manganese ore activity[5]	Turnover	747	432	1,063	315	+73%
	EBITDA	343	151	387	192	+127%
	FCF	71	65	126	6	+9%
Manganese alloys activity[5]	Turnover	901	455	1,204	446	+98%
	EBITDA	488	128	522	360	+281%
	FCF	324	92	364	232	+252%
Nickel BU	Turnover	762	438	1,046	323	+74%
	EBITDA	**118**	**24**	**113**	**94**	**+395%**
	COI	78	(16)	37	94	n.a.
	FCF	**99**	**22**	**111**	**77**	**+346%**
Mineral Sands BU	Turnover	224	138	349	86	+62%
	EBITDA	**97**	**47**	**137**	**50**	**+107%**
	COI	76	25	94	51	+201%
	FCF	**4**	**51**	**108**	**(47)**	**-92%**
Lithium BU	Turnover	0	0	0	0	n.a.
	EBITDA	**(8)**	**(2)**	**(5)**	**(6)**	**n.a.**
	COI	(8)	(2)	(5)	(6)	n.a.
	FCF	**(64)**	**(13)**	**(24)**	**(51)**	**n.a.**
Holding, elim. and others	Turnover	2	7	6	(5)	-71%
	EBITDA	**(55)**	**(47)**	**(103)**	**(8)**	**n.a.**
	COI	(58)	(52)	(112)	-7	n.a.
	FCF	**(5)**	**(51)**	**(159)**	**46**	**n.a.**
GROUP total (IFRS5)[3]	Turnover	2,635	1,471	3,668	1,164	+79%
	EBITDA	**982**	**301**	**1,051**	**681**	**+226%**
	COI	853	175	784	677	+386%
	FCF	**429**	**166**	**526**	**264**	**+159%**

[1] Data rounded to the nearest million.

[2] Excluding Aubert & Duval, Sandouville and Erasteel which, in accordance with the IFRS 5 standard – "Non-current assets held for sale and discontinued operations", are presented as operations in the process of being sold in 2022 and 2021 See reconciliation tables in Appendix 1.

[3] Data rounded to higher or lower %.

[4] Current operating income.

[5] See Financial glossary in Appendix 8.

Appendix 5b: Half-year performance indicators of operations in the process of being sold (IFRS 5)

€ million[1]		H1 2022	H1 2021 Restated	2021 Restated	Change (€m)	Change[2] (%)
Aubert & Duval	Turnover	278	244	493	34	+14%
	EBITDA	**(30)**	**(15)**	**(44)**	**(15)**	**n.a.**
	COI[4]	(36)	(21)	(57)	(15)	n.a.
	FCF	**(107)**	**(51)**	(124)	**(55)**	**n.a.**
Erasteel	Turnover	138	86	184	52	+61%
	EBITDA	**12**	**3**	**13**	**9**	**+300%**
	COI	11	2	12	9	+366%
	FCF	**(20)**	**(9)**	(11)	**(12)**	**n.a.**
Sandouville	Turnover	11	77	154	(66)	-85%
	EBITDA	**(2)**	**(14)**	**(27)**	**11**	**n.a.**
	COI	(2)	(14)	(27)	13	n.a.
	FCF	**3**	**(15)**	**(48)**	**17**	**n.a.**

[1] Data rounded to the nearest million.

[2] Data rounded to higher or lower %.

Appendix 6: Sensitivities of Group EBITDA

Sensitivities	Change	Impact on EBITDA
Manganese ore prices (CIF China 44%)	+$1/dmtu	c. €250m[1]
Manganese alloys prices	+$100/t	c. €70m[1]
Nickel prices (LME)	+$1/lb	c. €80m[1]
Nickel ore prices (CIF China 1.8%)	+$10/wmt	c. €35m[1]
Exchange rate	-$/€0.1	c. €265m
Oil price per barrel (Brent)	+$10/bbl	c. €(15)m[1]

[1] For an exchange rate of $/€1.09.

Appendix 7: Performance indicators

Operational performance by division

(in millions of euros)	Mining and metals				Holding company Eliminations, Restatements and Other Entities	**Total from operations continuing**	Erasteel and Aubert & Duval	Sandouville	Eliminations and Restatements	**Total from operations continuing and held for sale**
	Manganese	Nickel	Sand Minerals	Lithium						
H1 2022										
Revenue	1 647	762	224	-	2	**2 635**	416	11		**3 063**
EBITDA	831	118	97	(8)	(55)	**982**	(18)	(2)	17	**979**
Current operating income	765	78	76	(8)	(58)	**853**	(25)	(2)	17	**843**
Net cash flow from operating activities	548	26	30	(31)	(85)	**488**	(92)	5	(11)	**390**
Industrial investments (intangible assets and property, plant & equipment)	144	37	26	28	5	**240**	22	0	-	**262**
H1 2021 Restated										
Revenue	887	438	138	-	7	**1 471**	330	77		**1 878**
EBITDA	280	24	47	(2)	(47)	**301**	(12)	(14)	18	**293**
Current operating income	219	(16)	25	(2)	(52)	**175**	(18)	(14)	18	**159**
Net cash flow from operating activities	222	(17)	59	(11)	(59)	**194**	(45)	(13)	20	**155**
Industrial investments (intangible assets and property, plant & equipment)	72	9	8	0	4	**93**	15	2	-	**110**
Financial year 2021										
Revenue	2 267	1 046	349	-	6	**3 668**	677	154	-	**4 499**
EBITDA	910	113	137	(5)	(103)	**1 051**	(32)	(27)	38	**1 031**
Current operating income	769	37	94	(5)	(112)	**784**	(45)	(27)	38	**751**
Net cash flow from operating activities	728	39	129	(20)	(164)	**713**	(84)	(42)	58	**644**
Industrial investments (intangible assets and property, plant & equipment)	244	35	21	5	7	**312**	46	6	-	**364**

Turnover and investments by region

(in millions of euros)	France	Europe	North America	China	Rest of Asia	Oceania	Africa	South America	Total
Revenue (destination of sales)									
H1 2022	168	718	138	453	331	372	89	366	**2 635**
H1 2021 restated	50	400	318	230	391	13	55	14	**1 471**
Financial year 2021	253	966	657	604	985	57	115	31	**3 668**
Industrial investments (intangible assets and property, plant & equipment)									
H1 2022	6	15	4	-	-	37	150	28	**240**
H1 2021 restated	3	18	1	-	-	9	61	0	**93**
Financial year 2021	9	42	2	-	-	35	219	5	**312**

Consolidated performance indicators – Income statement

(in millions of euros)	H1 2022	H1 2021 Restated	Financial year 2021
Revenue	**2 635**	**1 471**	**3 668**
EBITDA	**982**	**301**	**1 051**
Depreciation of fixed assets	(130)	(123)	(259)
Provisions for contingencies and losses	1	(3)	(8)
Current operating income	**853**	**175**	**784**
Impairment of assets	(2)	(0)	117
Other operating income and expenses	(1)	(1)	(22)
Operating income	**850**	**174**	**879**
Financial profit (loss)	(56)	(71)	(111)
Share of income from associates	147	77	121
Income taxes	(158)	(57)	(98)
Net income from continuing operations	**783**	**123**	**791**
Net income from operations held for sale[1]	(13)	(53)	(426)
Net income for the period	**770**	**70**	**365**
- attributable to non-controlling interests	93	17	67
- Group share	**677**	**53**	**298**
Basic earnings per share (in euros)	23,54	1,98	10,42

(1) Pursuant to IFRS 5 – "Non-current assets held for sale and discontinued operations", the CGU of Sandouville, Erasteel and Aubert & Duval are presented as operations held for sale.

Consolidated performance indicators – Net financial debt flow table

(in millions of euros)	**H1 2022**	**H1 2021 Restated**	**Financial year 2021**
Operating activities			
EBITDA	982	300	1 051
Cash impact of items below EBITDA	(220)	(107)	(258)
Cash flow from operations	**762**	**193**	**793**
Change in WCR	(273)	1	(80)
Net cash flow from continuing operations (A)	**489**	**194**	**713**
Investing activities			
Industrial investments	(240)	(93)	(312)
Other investment cash flows	180	65	125
Net cash used in investing activities of continuing operations (B)	**(60)**	**(28)**	**(187)**
Net cash used in financing activities of continuing operations	**(55)**	**(8)**	**21**
Impact of fluctuations in exchange rates and others	(10)	(9)	(25)
Acquisition of IFRS 16 rights of use	(14)	(5)	(10)
Change in the net financial debt of continuing operations before flows from operations sold/held for sale	**350**	**144**	**512**
Net cash flow from continuing operations generated from operations sold or held for sale(4)	(161)	(58)	(114)
Change in net financial debt of continuing operations	**189**	**86**	**398**
Change in net financial debt of operations sold/held for sale before flow from continuing operations	**(138)**	**(57)**	**(125)**
Net cash flow from operations sold or held for sale generated from continuing operations(4)	161	58	114
Change in net financial debt of operations sold or held for sale	**23**	**1**	**(11)**
(Increase)/Decrease in net financial debt	**212**	**87**	**387**
Opening (net financial debt) of continuing operations	**(936)**	**(1 378)**	**(1 378)**
Opening (net financial debt) of operation sold or held for sale	**(54)**	**N/A**	**N/A**
Closing (net financial debt) of continuing operations	**(748)**	**(1 289)**	**(936)**
(Net financial debt) of operations sold or held for sale	**(30)**	**N/A**	**(54)**
Free cash flow (A) + (B)	**429**	**166**	**526**

(1) Pursuant to IFRS 5 – "Non-current assets held for sale and discontinued operations", the CGU of Sandouville, Erasteel and Aubert & Duval are presented as operations held for sale.

(4) The amounts are essentially related to financing flows from operations sold/held for sale by the continuing operations

Consolidated performance indicators – Balance sheet

(in millions of euros)	**30 June 2022**	**31 December 2021**
Non-current assets	**3 313**	**3 083**
Inventories	723	577
Trade receivables	605	375
Trade payables	(456)	(403)
Simplified Working Capital	**872**	**549**
Other Working Capital items	(275)	(233)
Total Working Capital Requirement (WCR)	**597**	**316**
Derivatives	**43**	**-**
Assets held for sale[1]	**671**	**651**
Total assets	**4 624**	**4 050**

(in millions of euros)	**30 June 2022**	**31 December 2021**
Shareholders' equity – Group share	1 729	1 012
Minority interests	426	323
Shareholders' equity	**2 155**	**1 335**
Cash and cash equivalents and other current financial assets	(1 239)	(1 176)
Borrowings	1 987	2 112
Net financial debt	**748**	**936**
Provisions and employee-related liabilities	**900**	**899**
Net deferred tax	**200**	**184**
Derivatives	**-**	**11**
Liabilities associated with assets held for sale[1]	**621**	**685**
Total liabilities	**4 624**	**4 050**

(1) In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", the assets and liabilities of the CGUs Aubert et Duval, Erasteel and Eramet Sandouville are presented in the consolidated balance sheet at 31 December 2021 as "assets held for sale".

Appendix 8: Financial glossary

Consolidated performance indicators

The consolidated performance indicators used for the financial reporting of the Group's results and economic performance and presented in this document are restated data from the Group's reporting and are monitored by the Executive Committee.

Turnover at constant scope and exchange rates

Turnover at constant scope and exchange rates corresponds to turnover adjusted for the impact of the changes in scope and the fluctuations in the exchange rate from one financial year to the next.

The scope effect is calculated as follows: for the companies acquired during the financial year, by eliminating the turnover for the current period and for the companies acquired during the previous period by integrating, in the previous period, the full-year turnover; for the companies sold, by eliminating the turnover during the period considered and during the previous comparable period.

The exchange rate effect is calculated by applying the exchange rates of the previous financial year to the turnover for the financial year under review.

EBITDA ("Earnings before interest, taxes, depreciation and amortisation")

Earnings before financial revenue and other operating expenses and income, income tax, contingencies and loss provision, and amortisation and impairment of property, plant and equipment and tangible and intangible assets.

Manganese ore activity

Manganese ore activity corresponds to Comilog's mining activities (excluding the activity of the Moanda Metallurgical Complex, "CMM", which produces manganese alloys) and Setrag's transport activities.

Manganese alloys activity

Manganese alloys activity corresponds to the plants that transform manganese ore into manganese alloys. It includes the three Norwegian plants comprising Eramet Norway ("ENO", i.e., Porsgrunn, Sauda, and Kvinesdal), Eramet Marietta ("EMI") in the United States, Comilog Dunkerque ("CDK") in France and the Moanda Metallurgical Complex ("CMM") in Gabon.

Manganese ore FOB cash cost

The FOB ("Free On Board") cash cost of manganese ore is defined as all production and overhead costs (R&D including exploration geology, administrative expenses, sales expenses, overland transport expenses), which cover all stages of ore extraction through to shipping to the port of shipment and loading, and which impact the EBITDA in the company's financial statements, over tonnage sold for a given period. This cash cost does not include sea transport or marketing costs. Conversely, it includes the mining taxes and royalties from which the Gabonese state benefits.

SLN's cash cost

SLN's cash cost is defined as all production and overhead costs (R&D including exploration geology, administrative expenses, logistical and commercial expenses), net of by-products credits (including exports and nickel ore) and local services, which cover all the stages of industrial development of the finished product until delivery to the end customer and which impact the EBITDA in the company's financial statements, over tonnage sold.