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PRESS RELEASE

Eramet: Adjusted turnover of €809m in Q3 2024

- **Adjusted turnover**[1] of €809m, down 17% versus Q3 2023, reflecting a negative volume effect (-43%), partly offset by a positive price effect (+26%)
- **Decrease in volumes sold** for the Group's main mining activities, except mineral sands:
  - Depressed market conditions for carbon steel in China in Q3, leading to a decline in sales of manganese ore (-37% vs. Q3 2023)
  - Timing of issuance by the Indonesian Authorities of the nickel ore sales permit for 2024, which significantly restricted nickel ore volumes sold in Q3 (-83%)
  - Good operational performance in Senegal, with an increase in zircon and ilmenite volumes sold[2] (+88% and +34%, respectively)
- **Significant volatility in selling prices** over the quarter:
  - Strong decline in manganese ore prices to around $4.0/dmtu currently (-56% vs. end-July), with an average quarterly index remaining above Q3 2023
  - Stability in prices for nickel ore sold in Indonesia, the decline of the LME being offset by a high level of local premiums, resulting from supply restrictions
- **Regaining full ownership of Centenario**, a key strategic asset for Eramet's sustainable development in lithium, a critical metal for the energy transition; impact of $699 million on the Group's net debt (press release of 24/10/2024[3])
- **Suspension of the Battery Recycling project**, pending a solid and sustainable economic model in Europe
- **Market conditions remain depressed in Q4 2024** and are expected to continue weighing on prices, notably for manganese
- **Volumes targets revised for 2024** (press release of 15/10/2024[3]):
  - Sales of high-grade manganese ore: between 6.0 and 6.5 Mt, including around 0.7 Mt of internal sales, factoring in the decline in Q3 sales
  - Nickel ore sales in Indonesia: 32 Mwmt, including 3 Mwmt of internal sales and a third of the volume being limonite, according to the revised sales permit for the year
  - Production of lithium carbonate: around 1 kt-LCE, scheduled to start in the coming weeks in Argentina
- **Adjusted EBITDA**[1] **in H2** expected **to be above that of H1**, considering the market environment and based on the above production and sales volume targets
- **Action plan aimed at preserving cash**:
  - Reduction in capex financed by the Group[4], revised downwards between €450m and €500m in 2024 (a decrease of €250m and €100m compared to the targets communicated end-February and end-July respectively)
  - Optimisation of WCR, particularly inventories by adjusting production as closely as possible to match demand
  - Strict cost control in all of our activities, with the temporary suspension of manganese ore production in Gabon notably enabling better cost control in a difficult market environment

Christel Bories, *Eramet group Chair and CEO:*

« In the third quarter, the manganese market faced a sudden downturn, with a very strong decline in demand from China.

Faced with this situation, which was compounded by the unexpected restriction to our annual permit to produce nickel in Indonesia, we responded very quickly and engaged a rigorous plan to manage our cash, with a reduction in our investments, and strict control of our WCR and our costs.

Despite this context, building on a more robust financial base, we are stepping up the implementation of our strategic roadmap. As a result, we have taken the opportunity to regain full ownership of our lithium assets in Centenario, in Argentina, one of the most promising salars worldwide.

By demonstrating stringent discipline in the Group's capital allocation, we continue to develop our high-quality assets' portfolio with a strong potential for value creation in the medium and long-term and are fully mobilised to address the challenges of our markets. »

♦ CSR commitments

Safety

For the first nine months of the year, the safety performance continued to post record results. As a result, the TRIR[5] was 0.8 at the Group level (-32% vs. 1.1 in 2023), significantly below the target set in the new CSR roadmap (<1.0).

Environment

In early September, Eramet chaired the 12th Water Congress in Santiago, Chile, bringing together 460 representatives from 20 countries. The event, which focused on managing the water used in mining and industrial processes, was attended by experts, industrialists, government authorities and universities.

Society

Building on the success of its "Femmes d'Avenir" programme supporting women entrepreneurs, rolled out in Gabon in 2022 and Senegal in 2023, Eramet extended the scheme to Argentina. Femmes d'Avenir benefits from a partnership between Eramet and Pro Mujer[6] in Argentina. Over three years, the programme in Argentina will support 1,200 women in their entrepreneurial endeavours. This scheme aims to contribute to the economic and social development of the country's Salta region, where the Group is based.

IRMA

Eramet is making progress in implementing the Initiative for Responsible Mining Assurance (IRMA) standard and audits at its mining sites, notably at Eramet Grande Côte. The Group's Senegal subsidiary is currently implementing actions, on the back of results to address gaps from a first independent audit. PT Weda Bay Nickel ("PT WBN"), Eramine and Comilog are in the process of conducting self-assessment, benchmarked against the standard to prepare for upcoming audits.

♦ Eramet group adjusted turnover by activity (IFRS 5)

Millions of euros[1]	Q3 2024	Q3 2023[2]	Chg.[3] (%)	9m 2024	9m 2023[2]	Chg.[3] (%)
Manganese	**569**	**528**	**8%**	**1,565**	**1,474**	**6%**
Manganese ore activity[4,5]	*338*	*330*	*2%*	*900*	*801*	*12%*
Manganese alloys activity[4]	*231*	*198*	*17%*	*665*	*673*	*-1%*
Adjusted Nickel[4]	**163**	**396**	**-59%**	**698**	**1,211**	***-42%***
Share of PT WBN (38.7% - excluding off-take contract)	*25*	*135*	*-81%*	*247*	*432*	*-43%*
Weda Bay (trading activity, off-take contract)	*39*	*37*	*5%*	*102*	*139*	*-27%*
SLN[6]	*99*	*224*	*-56%*	*349*	*640*	*-45%*
Mineral Sands	**75**	**55**	**36%**	**216**	**191**	**13%**
GCO	*75*	*48*	*56%*	*216*	*166*	*30%*
Intra-group eliminations[7]	*0*	*(11)*	*n.a.*	*0*	*(40)*	*n.a.*
ETI	*0*	*18*	*n.a.*	*0*	*65*	*n.a.*
Lithium	**0**	**0**	**n.a.**	**0**	**0**	**n.a.**
Holding and eliminations	2	0	n.a.	4	5	-20%
ERAMET GROUP adjusted[4]	**809**	**980**	***-17%***	**2,483**	**2,881**	***-14%***

[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 2023.
[3] Data rounded to higher or lower %.
[4] See definition in Appendix 5.
[5] Turnover linked to external sales of manganese ore only, including €18m linked to Setrag transport activity other than Comilog's ore in Q3 2024 (€15m in Q3 2023).
[6] SLN and others.
[7] Turnover for the sale of ilmenite produced by GCO to ETI until the date the Norwegian subsidiary was sold.

N.B. 1: all the commented figures for Q3 2024 and Q3 2023 correspond to figures in accordance with the IFRS 5 standard as presented in the Group's consolidated financial statements, unless otherwise specified.

N.B. 2: all the commented changes in Q3 2024 or 9m 2024 are calculated with respect to Q3 2023 or 9m 2023, unless otherwise specified.

N.B. 3: mentions of Q1, Q2, Q3 and Q4 refer to the four quarters of the financial year; mentions of H1 and H2 refer to the two half-years.

The Group's adjusted turnover[1], including the proportional contribution of PT WBN, amounted to €809m in Q3 2024, down 17% (also -17% at constant scope and exchange rates[7], with +1% of currency effect). This change mainly reflects a negative volume effect (-43%) due to the decline in manganese ore sales (depressed market conditions for carbon steel in China) as well as nickel sales in Indonesia (timing of issuance of the permit by local authorities) and in New Caledonia (societal context). This effect was partly offset by a favourable price effect (+26%), driven by a sudden rise of selling prices in the manganese activity compared to Q3 2023 (mainly ore and alloys to a lesser extent).

Manganese

Factoring in a strong decline in demand from China and the market's sudden oversupply created by South Africa, external sales volumes of high-grade manganese ore have been limited to 1.2 Mt on the quarter (-37% vs. Q3 2023).

In Q3 2024, turnover of the Manganese activities increased by 8% to €569m:

- **Sales for the manganese ore activity were up 2% to €338m, reflecting the increase in average selling prices from Q3 2023 largely offset by significant decline in volumes. However, the high-grade ore price index significantly corrected over the quarter to reach around $4/dmtu at end-October (-56% vs. end-July).**
- **Sales for the manganese alloys activity were up by 17% to €231m, reflecting higher selling prices driven by the rise in ore price, while volumes sold were down (-7%).**

Market trends[8] & prices[9]

Global production of carbon steel, the main end-product of manganese, decreased by more than 3% in Q3 2024, ending at 460 Mt (-1% over nine months).

China, which accounts for more than half of global steel production, posted an 8% decline vs. Q3 2023, and a 12% decline vs. Q2 2024. Conversely, steel production in North America and Europe was up by nearly 3% over the quarter (almost stable over nine months), compared to a low level in Q3 2023. India continued to outperform, with a 7% increase in steel production over the quarter and the first nine months of the year.

Given the sharp decline in steel production in China in Q3, the domestic market closed, and Chinese customers consumed their stocks. Additionally, the price gap between high-grade oxidised ore and semi-carbonated ore (CIF China index 36-38% lower by nearly $3/dmtu on average for the quarter) led to an overconsumption of the latter, further reducing the demand for high-grade ore.

Over the quarter, global manganese ore consumption fell 7% versus Q3 2023 and 6% from Q2 2024, to reach 5.0 Mt-Mn content.

In parallel, production remained almost stable at 5.3 Mt-Mn, with the decline in production in Australia (-75% vs. Q3 2023) mainly offset by an increase in volumes from South Africa (+29%), driven by low-grade ore production and record export levels. Production in Gabon remained stable.

In this context, the **manganese supply/demand balance** swung to a significant surplus in Q3 2024, and Chinese port ore inventories stood at 5.9 Mt-Mn at end-September (vs. 5.0 Mt-Mn at end-June), representing 10 weeks' consumption.

The **price index (CRU) for manganese ore (CIF China 44%)** averaged $7.3/dmtu over the quarter, up 62% vs. Q3 2023. However, this trend masks a strong decline over the quarter, with an average of $5.0/dmtu in September (vs. $8.9/dmtu in July), due to a downturn in the market.

Given the rise in ore prices at the beginning of summer, the **price index (CRU) for refined alloys in Europe** (MC Ferromanganese) was up over the quarter (+19%, averaging €1,695/t), as was the price index for **standard alloys** (Silicomanganese, +35% at €1,225/t), compared to low levels in Q3 2023. After being supported by logistics tensions in connection with the Red Sea in Q1, followed by rising manganese ore prices in Q2, prices have started to fall since August due to the sudden decline in manganese ore prices with demand still subdued.

Activities

In Gabon, the Moanda mine posted **ore** production of 2.0 Mt in Q3 2024 while transported volumes reached 1.8 Mt, respectively decreasing by 5% and 11% compared to a record Q3 2023.

However, the decline in demand from China, coupled with the current oversupply in manganese ore (notably from South Africa) did not enable the sale of all transported volumes over the quarter. Sales volumes thus stood at 1.5 Mt, including 1.2 Mt sold externally (-37% vs. Q3 2023).

The FOB cash cost[7] of manganese ore activity averaged $2.5/dmtu over the quarter, an increase from Q3 2023, mainly reflecting the decrease in volumes sold. Sea transport costs per tonne also increased to $1.1/dmtu, impacted by the situation in the Red Sea since December 2023 (+20% in freight rates over the period).

Alloys production slightly declined from Q3 2023 to 166 kt (-3%). Volumes sold also decreased to 143 kt (-7%), with a more favourable mix over the period.

The manganese alloys margin improved over the quarter, mainly driven by rising selling prices, while the increase in manganese ore prices will only be reflected in the cost of sales from Q4 (factoring in an approximate 4-month lag between the purchase and consumption dates).

Outlook

Global carbon steel production should be in line with Q3 over the final quarter. India is expected to continue posting sustained growth in its production thanks to strong demand from the infrastructures and automotive sectors. Türkiye and the countries of South-East Asia (ASEAN) are also expected to increase their production, while steel production in China should remain penalised by the real estate crisis. The Chinese government recently announced measures to support the economy in an effort to restore consumer and investor confidence, but the impact of these measures on steel demand still remains uncertain.

Balance in the manganese ore market should be restored by year-end, owing to stable demand and supply expected to contract under pressure from lower price levels.

To date, the price index for high-grade manganese ore (CIF China 44%) averaged $5.8/dmtu over the first 10 months of the year.

Manganese alloys selling prices should decline in Q4, with margins expected to remain under pressure.

As announced on 15 October[3], factoring in the current market situation, sales volumes of manganese ore are from now on estimated to be between 6.0 and 6.5 Mt in 2024, including approximately 0.7 Mt of internal sales.

Against this current backdrop, Eramet, as a responsible operator, decided to suspend the production at the Moanda mine for a minimum period of 3 weeks. Sales and shipments will continue during this period. The duration of this production suspension will be adjusted in line with market activity to enable strict cost control. As a result, full-year volumes of transported manganese ore are now estimated to be between 6.5 and 7.0 Mt (vs. 7.0 and 7.5 Mt previously).

Nickel

In Indonesia, volumes of nickel ore external sales were restricted to 1.4 Mwmt over the quarter, considering the timing of issuance by Indonesian authorities of the revised operating permit ("RKAB")[10] for the year.

In Q3 2024, adjusted turnover[1] for the Nickel activities totalled €163m (-59%):

- **The share of turnover for PT WBN (excluding the off-take contract) contributed up to €25m, down 81% due to timing of issuance of permits for volumes sold,**
- **The trading activity of nickel ferroalloys produced at Weda Bay (off-take contract on plant production) contributed up to €39m to the turnover, stable vs. Q3 2023,**
- **At SLN[11], sales decreased by 56% to €99m, reflecting the sharp drop in activity, given the local social and political context.**

Market trends[12] & prices

Global stainless-steel production, which is the largest end-market for nickel, was up by 2% to 15.3 Mt in Q3 2024 (+5% over nine months).

Stainless-steel production in China, which accounts for more than 60% of global production, increased by nearly 1% vs. Q1 2023 (+6% over nine months, driven by record exports in Q2).

Global demand for primary nickel decreased by nearly 4% from Q3 2023 to 0.8 Mt-Ni content, mainly owing to the slowdown in demand for nickel batteries (-16%), particularly in China. However, overall in the first nine months, demand increased by nearly 4%, benefitting from resilient demand for stainless-steel (+5%), while demand for nickel batteries was almost stable.

In parallel, global primary nickel production remained stable over the period at 0.8 Mt-Ni. Growth in the NPI[13] supply (+5%) and the ramp-up in new projects, notably HPAL[14] (+49%) in Indonesia – despite tensions in the local nickel ore supply – were offset by a decline in NPI production in China (-16%) as well as traditional rest of the world production (-12%). Nine-month production was up by 4%, with similar trends.

The **nickel supply/demand balance** (class I and II[15]) remained in slight surplus over the quarter and the first nine months. Visible nickel inventories at the LME and SHFE[16] amounted to 157 kt-Ni at end-September (vs. 118 kt-Ni at end-June).

In Q3 2024, the **LME price average** (class I nickel), stood at $16,255/t, down 20% vs. Q3 2023, reflecting a market still in surplus. A similar trend was observed over nine months, with a decline of 26%.

Parallel to this, the average for the **NPI price index**[17] (class II nickel) as sold at Weda Bay was $12,309/t over the quarter, down by 11%.

The spot price of **ferronickel** as produced by SLN (also class II nickel) followed the same trend as NPI prices, declining by 10% from Q3 2023.

In Indonesia, the official index for **domestic high-grade nickel ore prices** ("HPM Nickel") averaged $38/wmt[18] during the quarter, an 18% decline from the same period last year (-29% over nine months). This index corresponds to the price floor established by the government (calculation formula based on the London-based index, with a lag of approximately one month). Considering the timing of issuance of production and sales permits by the government, as well as unfavourable weather conditions this summer, tensions remained in Indonesia's domestic ore supply, resulting in premiums on the index, around 20% notably for high-grade nickel ore.

Activities

In **Indonesia**, mining operations were restricted by the timing of issuance of the revised "RKAB" for 2024. The Weda Bay mine produced 2.2 Mwmt (for 100%) of marketable ore (-73% vs. Q3 2023), including 1.8 Mwmt in saprolite and 0.4 Mwmt in limonite. Internal ore consumption of PT WBN's NPI plant amounted to 0.7 Mwmt and external ore sales (at the other plants on the industrial site) were restricted to 1.4 Mwmt high-grade saprolite. Production teams were also reallocated to the preparation of new production areas as well as maintenance and environmental operations.

In this context, PT Weda Bay Nickel ("PT WBN") sold nickel ore with a higher grade and lower moisture content than average over the period, while benefitting from significant high-grade ore premiums (around 20%) compared to the index floor established by the government (HPM).

Production at the NPI plant reached 7.4 kt-Ni in Q3 2024 (on a 100% basis), down 18% due to exceptional flooding impacting ore transportation to the plant, and the slowed production of one furnace as a result of technical issues. As part of the off-take contract, the Group sold 3.4 kt-Ni over the quarter, down 3%.

In **New Caledonia**, mining production amounted to 0.7 Mwmt in Q3 2024, down 52% vs. Q3 2023, factoring in extremely difficult operating conditions since the riots in May. Despite considerable damage to some of the main sites, mining activity partly resumed. In particular, this enabled nickel ore to be transported to the Doniambo plant, preventing a shutdown of the furnaces. However, in this respect, the situation remains tense, notably due to the enforced mothballing of the Thio mine site, announced on 11 October, resulting from the significant damage and continued blockage of access to the mine.

As a result, SLN's nickel ore exports were close to zero for the quarter (60 kwmt). Ferronickel production also declined to 7.8 kt-Ni (-39% vs. Q3 2023), with the latter reduced to a minimal level enabling operations at the Doniambo furnaces to be maintained. Volumes sold were also down to 7.7 kt-Ni (-42% vs. Q3 2023).

Cash cost[19] of ferronickel production averaged $8.7/lb in Q3 2024 (vs. $8.2/lb in Q3 2023). The decrease of volumes were partly offset by better cost control and lower energy prices.

Outlook

Demand for primary nickel is expected to slightly increase in Q4 2024 from the previous quarter, driven by resilient stainless-steel consumption in addition to an increase in batteries consumption.

Global primary nickel supply should keep increasing, bolstered by NPI and matte production in Indonesia while hydro-metallurgical units continue their growth.

The market is expected to remain in surplus at end-2024, albeit with a more significant share of class I nickel.

In **Indonesia**, following the publication by the Ministry of the Environment of the decree related to the Environmental Impact Analysis (AMDAL[20]) in July, and the publication of the new mining Plan ("Feasibility Study") in August, which enabled approval of the increase in mining production for the period 2024-2026 and then a gradual increase to over 60 Mwmt in the medium-term, the teams focused on finalising the RKAB issued by the Ministry of Mines.

As announced on 15 October[3], in the current context of the Indonesian government's transition and the timing of issuance of permits, and contrary to the Group's expectations and previous experiences, the Mines Ministry issued PT WBN with a revised RKAB restricing annual nickel ore sales for the 2024-2026 period to only 32 Mwmt (including 3 Mwmt internally to PT WBN's NPI plant).

As a result, the 2024 volume target for external marketable nickel ore is revised to 29 Mwmt, including two thirds in high-grade saprolite ore and one third in limonite ore (vs. 40 to 42 Mwmt previously).

The impact on PT WBN financial performance in 2024 should, however, be largely offset by a significant increase in premiums on ore price, resulting from restrictions to domestic supply. In H2, PT WBN's ore sales will benefit from those significant premiums vs. nickel ore floor price sold locally (HPM).

In **New Caledonia**, SLN continues to face major structural challenges, which are exacerbated by events ongoing since May.

Following an agreement signed in April with Eramet, the French State is expected to subscribe today to a further €20m in TSDI[21], enabling the New Caledonia entity's to meet its financing needs until the end of the year. The Group continues to offer support to operations, while its decision not to provide any further financing to SLN.

Mineral Sands

The Mineral Sands activity reported turnover up 56% to €75m in Q3 2024 (at comparable scope, excluding ETI), reflecting the increase in volumes, mainly linked to a better grade of mined zone, in a context of declining prices.

Market trends & prices[22]

Global demand for zircon declined over the quarter, notably impacted by the continued slowdown in China's construction market (ceramics are the main-end market for Zircon). Excluding China, zircon production adjusted to this subdued demand, limiting the surplus, with overall inventories remaining stable.

In Q3 2024, zircon market prices stood at $1,890/t FOB, down 8% vs. Q3 2023 (-4% over nine months).

Despite weak fundamentals, global demand for TiO_2[23] pigments, the main end-market for titanium-based products[24], remained up year-on-year with a sustained increase in Chinese production over the period, driven by exports.

In Q3 2024, the market price for ilmenite (chloride) as produced by Grande Côte Operations (“GCO”) was $300/t FOB, down 5% from Q3 2023 (-7% over nine months), resulting from the increased ilmenite supply, particularly in China.

Activities

In Senegal, mineral sands production at GCO reached a record level over the quarter with 250 kt, up by 55% versus a low Q3 2023 which was impacted by unfavourable mining conditions. This progress reflects a planned increase in the average heavy mineral grade of the mined zone as well as the improved equipment availability over the period.

Ilmenite volumes produced stood at 144 kt, up 41%, in line with the trend for mineral sands production. Ilmenite external sales reached 125 kt (including volumes linked to the long-term supply contract signed with ETI[25], which from now on is considered an external customer). At comparable scope (including ETI sales), ilmenite sales increased by 34% versus Q3 2023.

Zircon volumes produced increased by 31% to 17 kt. Volumes sold were up 88% compared to a low Q3 2023 which was affected by congestion observed at Dakar’s port.

Outlook

Demand for zircon should decline over the year, with a continued decline in Q4 2024. The market is expected to remain in surplus, leading to a further fall in prices by the end of the year.

Demand for ilmenite is expected to increase overall for the year, factoring in the low inventories of TiO_2 pigment producers in early 2024. Demand from China, boosted by the surge in titanium metal production (another end-market for titanium-based products), should notably increase despite strong uncertainty regarding pigment production trends following the announcement of provisional anti-dumping measures by the European Union (EU). The ilmenite market is expected to be in slight surplus, factoring in the additional capacities in China, leading to lower average price levels over the year.

Lithium

In July, in Argentina, Eramet inaugurated and started the commissioning of the Group’s 1st Direct Lithium Extraction (“DLE”) plant, a key milestone in Centenario’s project execution.

Market trends & prices[26]

Lithium carbonate prices (battery-grade, CIF Asia) were down 66% in the third quarter versus Q3 2023, averaging $11,597/t-LCE (-72% over nine months). This decline is due to high inventory levels in China across the entire battery value chain, as well as slower than expected sales for electric vehicles in Europe (notably the discontinuation of subsidies in Germany) and the United States.

The recent price environment has led some lithium rock producers to suspend operations or postpone specific projects, particularly in China and Australia.

Activities

In **Argentina**, Centenario’s plant is currently under commissioning, with production due to start up in the coming weeks. At full capacity, the plant will produce 24,000 t/year (100% basis) of battery-grade lithium carbonate (“LCE”), equivalent to the requirements for 600,000 electric vehicles/year.

The total amount of investment for this plant is forecast to be around $870m. Tsingshan, minority partner (49.9%), contributed to $619m via capital injection to finance the project. At full capacity, the cash cost[19] (estimated between $4,500 and $5,000/t-LCE) should be positioned in the first quartile of the industry cash cost curve, with annual EBITDA estimated between $210m and $315m, based on a long-term price scenario between $15,000 and $20,000/t-LCE.

Outlook

Global growth in demand for lithium is expected to be around 20% in 2024, albeit with lower-than-expected seasonality in H2.

The shutdown of certain mines and the later start of new production capacities should serve to reduce the oversupply observed in the market since the start of the year.

The market consensus (battery-grade CIF Asia lithium carbonate) currently averages around $12,800/t-LCE in 2024, remaining between $15,000 and $20,000/t-LCE in the long-term.

In **Argentina**, with production starting in the weeks ahead, produced volumes of lithium carbonate at Centenario will be restricted to **around 1 kt-LCE** in 2024.

Eramet announced today the buy-back of all its partner Tsingshan's minority interest (49.9%) in Centenario. The transaction was completed using Group's available liquidity, with an impact of $699 million on the Group's net debt; it has no impact on project delivery and operational plan.

This transaction marks a key milestone for Eramet at the right time of the cycle. It enables the Group to regain full ownership of its strategic asset and 100% of Centenario's production, providing the Group with the ability to be flexible regarding the development of its portfolio of lithium tier-one assets.

As a result, Eramet will evaluate in the coming months the most optimal execution model and calendar for the 2nd phase of extraction in Argentina.

Battery recycling project

During the quarter, the Group has continued the feasibility studies (economic and technical) for the battery recycling project in France.

Due to the lack of ramp-up in Europe of battery factories and their components (precursors and materials for cathodes), there are currently major uncertainties about the supply of raw materials to the plant, and about recycling opportunities for the metallic salts. The required conditions for pursuing a hydrometallurgical battery recycling plant project in France are therefore not met, and the Group has decided to suspend the project.

Convinced of the need to develop a circular economy for critical metals on European soil, Eramet will pursue its studies of the market fundamentals required to make such a project competitive.

♦ Outlook

Despite the interest rate cuts in Europe and the United States, demand across all underlying markets for the Group's products remains weak, with numerous factors of instability.

However, the Chinese government has recently announced substantial economic support measures to restore consumer and investor confidence, but their impact on steel demand remains uncertain. This difficult macroeconomic environment should continue to weigh on demand and prices across all the Group's markets until the end of the year.

In Q4 2024, sea freight prices are expected to be in line with those of Q3, pending developments in the situation in the Red Sea and the effects of the latest stimulus measures announced by the Chinese government. In H2, the price of consumed reductants should align with that of H1, lower than in 2023.

The **range for volume targets over the year** were **revised downwards** versus previously communicated guidance (press release of 15/10/2024[3]):

- Sales for high-grade manganese ore produced in Gabon: between **6.0** and **6.5 Mt**, including around 0.7 Mt is internal sales, factoring in the decline in Q3 sales,
- Nickel ore sales in Indonesia: **32 Mwmt**, including 3 Mwmt is internal sales and a third is limonite, according to the revised sales permit for the year,
- Lithium carbonate production: **around 1 kt-LCE**, scheduled to start in the coming weeks in Argentina.

The average analyst price consensus[27] for 2024 is currently:

- **$6.0/dmtu** for high-grade manganese ore (CIF China 44%), on average for 2024, it is currently at $5.8/dmtu on average over the first 10 months of the year,
- **$16,850/t** for LME nickel,
- **$12,500/t-LCE** for lithium carbonate (battery-grade, CIF Asia).

Invoiced selling prices for manganese alloys in 2024 should average slightly below 2023 levels and margins are expected to remain under pressure.

The price of ferronickel remains slightly above the SMM NPI 8-12% index. Domestic prices for nickel ore sold in Indonesia are indexed to the LME and change; accordingly, they should benefit from higher premiums on the HPM index in Q4.

Sensitivities of adjusted EBITDA to the price of metals and to the exchange rate are presented in Appendix 4. These sensitivities were updated on the basis of revised volume targets for 2024: a **$1/dmtu** high-grade manganese ore price variation on average over the year, which from now on represents a **€210m** impact on the Group's adjusted EBITDA.

The Group is targeting **an Adjusted EBITDA in H2 to be above that of H1**, based on the above price scenario as well as production and sales volume targets.

In this context, as it successfully did so during the 2020 health crisis, the Group is strengthening its financial discipline, and implementing action plans aimed at preserving cash:

- **Reduction in industrial investments financed by the Group**[4], revised **between €450m and €500m** in 2024 (a decrease of €250m and €100m compared to the targets communicated end-February and end-July respectively), including:
  - Current capex: revised downwards between €150m and €200m (vs. around €200m end-July),
  - Growth capex: revised downwards to around €300m (vs. between €350m and €400m end-July),
- **Optimisation of WCR**: as already illustrated in the past in difficult market conditions, the Group will notably adjust its production as closely as possible to demand by the end of the year in order to limit inventory levels, while ensuring that customer payment deadlines are optimised,
- **Strict cost control in all of our activities**: the temporary suspension of manganese ore production in Gabon enables better cost control in a difficult market environment.

Calendar

24.10.2024: Conference call with analysts and investors

*Eramet's management team will comment on today's announcements (in English) during a conference call to be held today at **8:15 a.m.** (Paris time).*

The conference call will be accessible (live and recorded) via the Group's website by clicking on the following link https://edge.media-server.com/mmc/p/m6x88in5

19.02.2025: Publication of 2024 Group annual results

24.04.2025: Publication of 2025 Group first-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, and lithium: 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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Appendix 1: Quarterly turnover (IFRS 5)

€ million[1]	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023[5]	Q2 2023[5]	Q1 2023[5]
Manganese	**569**	**548**	**448**	**504**	**528**	**505**	**440**
Manganese ore activity[2]	*338*	*308*	*254*	*288*	*330*	*262*	*209*
Manganese alloys activity[2]	*231*	*241*	*193*	*216*	*198*	*244*	*231*
Nickel	138	160	153	215	261	228	290
Adjusted Nickel[3,4]	**163**	**276**	**259**	**356**	**396**	**356**	**459**
Mineral Sands	**75**	**89**	**52**	**84**	**55**	**93**	**44**
GCO	*75*	*89*	*52*	*72*	*48*	*79*	*40*
Intra-group eliminations[6]	*0*	*0*	*0*	*1*	*(11)*	*(16)*	*(12)*
ETI	*0*	*0*	*0*	*11*	*18*	*31*	*16*
Lithium	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Holding, elim. and others	0	0	2	(1)	0	3	1
Eramet group published financial statements	784	797	655	803	845	828	775
Eramet group adjusted[3,4]	**809**	**913**	**761**	**943**	**980**	**956**	**944**

[1] Data rounded to the nearest million.

[2] See definition in the financial glossary in Appendix 5.

[3] Adjusted turnover defined in the financial glossary in Appendix 5.

[4] Adjusted turnover restated for Q1 2023, following update of indicator definition.

[5] 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 2023.

[6] Turnover for the sale of ilmenite produced by GCO at ETI.

Appendix 2: Productions and shipments

In thousands of tonnes	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	9m 2024	9m 2023
MANGANESE									
Manganese ore and sinter production	2,045	1,595	1,926	2,620	2,149	1,543	1,097	5,566	4,789
Manganese ore and sinter transportation	1,819	1,559	1,638	1,737	2,038	1,489	1,359	5,016	4,886
External manganese ore sales	1,152	1,445	1,466	1,646	1,830	1,245	1,158	4,063	4,233
Manganese alloys production	166	170	154	153	171	160	151	490	482
Manganese alloys sales	143	173	149	175	154	170	140	465	464
NICKEL									
Nickel ore production *(in thousands of wet tonnes)*									
SLN	695	389	1,014	1,422	1,461	1,405	1,482	2,098	4,348
Weda Bay Nickel (100%) – marketable production (high-grade)	1,054	5,913	6,342	4,898	4,247	3,802	3,958	13,309	12,007
Ferronickel production – SLN	7.8	8.3	9.1	11.7	12.8	9.7	10.6	25.2	33.1
Low-grade nickel ferroalloys production – Weda Bay Nickel (kt of Ni content – 100%)	7.4	6.6	7.4	8.7	9.0	7.9	7.8	21.4	24.7
Nickel ore sales *(in thousands of wet tonnes)*									
SLN	60	196	247	668	675	734	657	503	2,066
Weda Bay Nickel (100%)	1,390	5,982	6,079	9,761	8,323	7,753	7,318	13,451	23,394
o/w Saprolite	*1,390*	*5,236*	*5,479*	*8,734*	*8,323*	*7,753*	*7,318*	*12,105*	*23,394*
Limonite	-	*746*	*600*	*1,027*	-	-	-	*1,346*	-
Ferronickel sales – SLN	7.7	8.7	8.7	10.9	13.2	10.1	10.2	25.1	33.5
Low-grade nickel ferroalloy sales – Weda Bay Nickel/Off-take Eramet (kt of Ni content)	3.4	2.9	2.8	3.8	3.5	3.9	3.1	9.2	10.5
MINERAL SANDS									
Mineral Sands production	250	215	192	161	161	194	112	657	468
Ilmenite production	144	138	116	113	102	129	77	398	308
Zircon production	17	18	14	11	13	15	9	49	37
Ilmenite sales[1]	125	166	75	132	58	88	20	366	166
Zircon sales	15	16	13	17	8	14	9	44	31

[1] Including volumes linked to the long-term supply contract signed with ETI, considered an external customer since Q4 2023, following the sale of the Norwegian subsidiary to INEOS at the end of September 2023.

Appendix 3: Price and index

	9m 2024	Q3 2024	H1 2024	9m 2023	Q3 2023	H1 2023	Chg. Q3 2024 – Q3 2023[9]	Chg. 9m 2024 – 9m 2023[9]
MANGANESE								
Mn CIF China 44% ($/dmtu)[1]	6.01	7.27	5.38	4.98	4.50	5.22	*+62%*	*+21%*
Ferromanganese MC – Europe (€/t)[1]	1,580	1,695	1,523	1,597	1,427	1,682	*+19%*	*-1%*
Silicomanganese – Europe (€/t)[1]	1,189	1,225	1,171	1,036	907	1,100	*+35%*	*+15%*
NICKEL								
Ni LME ($/lb)[2]	7.75	7.37	7.94	10.40	9.23	10.99	*-20%*	*-26%*
Ni LME ($/t)[2]	17,089	16,255	17,506	22,938	20,342	24,236	*-20%*	*-26%*
SMM NPI Index ($/t)[3]	12,008	12,309	11,858	14,866	13,860	15,368	*-11%*	*-19%*
Ni ore CIF China 1.8% ($/wmt)[4]	71.9	74.7	70.5	90.4	86.8	92.2	*-14%*	*-20%*
HPM[5] Nickel prices 1.8%/35% ($/wmt)	38	38	38	54	47	57	*-18%*	*-29%*
MINERAL SANDS								
Zircon ($/t)[6]	1,995	1,890	1,915	2,083	2,050	2,100	*-8%*	*-4%*
Chloride ilmenite ($/t)[7]	300	300	300	322	315	325	*-5%*	*-7%*
LITHIUM								
Lithium carbonate, battery-grade, CIF Asia **($/t LCE)**[8]	13,114	11,597	13,902	46,328	33,722	52,835	*-66%*	*-72%*

[1] Quarterly average market prices (based on monthly Index CRU prices), Eramet calculation and analysis.
[2] LME (London Metal Exchange) prices.
[3] SMM NPI 8-12%.
[4] CNFEOL (China FerroAlloy Online), "Other mining countries".
[5] Official index for domestic nickel ore prices in Indonesia.
[6] Market and Eramet analysis (premium zircon).
[7] Market and Eramet analysis.
[8] Lithium carbonate price index: Fastmarkets – battery-grade spot price CIF Asia. Figures updated for H1 2023 and H1 2024 due to the recognition of daily vs. weekly data previously (immaterial impact).
[9] Data rounded to higher or lower %.

Appendix 4: Sensitivities of Group adjusted EBITDA

Sensitivities	Change	Impact on adjusted EBITDA
Manganese ore prices (CIF China 44%)	+$1/dmtu	c.€210m[1]
Manganese alloys prices	+$100/t	c.€60m[1]
Ferronickel prices - SLN	+$1/lb	c.€70m[1]
Nickel ore prices (CIF China 1.8%) – SLN	+$10/wmt	c.€5m[1]
Nickel LME	+$1/lb	c.€50m[1]
Nickel ore prices (HPM Nickel) – Weda Bay	+$10/wmt	c.€100m[1]
Lithium prices (lithium carbonate, battery-grade, CIF Asia)	+$1,000/t-LCE	n.a.
Exchange rate	-$/€0.1	c.€165m
Oil price per barrel (Brent)	+$10/bbl	c.-€15m[1]

[1] For an exchange rate of $/€1.10.

Appendix 5: 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 year under review.

Adjusted turnover

Adjusted turnover is presented to provide a better understanding of the underlying operating performance of the Group's activities. Adjusted turnover corresponds to turnover including Eramet's share of the turnover of significant joint ventures accounted for using the equity method in the Group's financial statements, restated for the off-take of all or part of the business activity.

As of 30 September 2024, turnover was adjusted to include the contribution of PT Weda Bay Nickel, a company in which Eramet owns a 38.7% indirect interest. Eramet owns a 43% interest in Strand Minerals Pte Ltd, the holding which owns 90% of PT Weda Bay Nickel and is booked in the Group's consolidated financial statements under the equity method. An off-take agreement for nickel ferroalloys production (NPI) is in place with Tsingshan, with Eramet holding a 43% interest, and Tsingshan 57%.

A reconciliation with Group turnover is provided in Note 3 to the Group's consolidated financial statements.

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.

Adjusted EBITDA

Adjusted EBITDA is presented to provide a better understanding of the underlying operating performance of the Group's activities. Adjusted EBITDA corresponds to EBITDA including Eramet's share of the EBITDA of significant joint ventures accounted for using the equity method in the Group's financial statements.

As of 30 September 2024, EBITDA was adjusted to include the proportional EBITDA of PT Weda Bay Nickel, a company in which Eramet owns a 38.7% indirect interest. Eramet owns a 43% interest in Strand Minerals Pte Ltd, the holding which owns 90% of PT Weda Bay Nickel and is booked in the Group's consolidated financial statements under the equity method.

A reconciliation with Group EBITDA is provided in Note 3 to the Group's consolidated financial statements.

Adjusted leverage

Adjusted leverage is defined as net debt (on a consolidated basis) to adjusted EBITDA (as defined above), as PT Weda Bay did not have any external debt during the 2022 and 2023 financial years.

However, in the future, should other significant joint ventures restated for adjusted EBITDA have external debt, net debt will be adjusted to include Eramet's share in the external debt of the joint ventures ("adjusted net debt"). Adjusted leverage would then be defined as adjusted net debt to adjusted EBITDA, in compliance with a fair and economic approach to Eramet's debt.

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.

Ex-Works cash cost for lithium carbonate

The Ex-Works cash cost for lithium carbonate produced by Eramine is defined as all the production and structure costs covering the entire extraction and refining stages required to make the finished or final product upon leaving the plant, and which have an impact on EBITDA in the company's financial statements, over tonnage sold for a given period. This cash cost does not include land and sea transport costs, mining taxes and royalties paid to the Argentine State, or marketing costs.

Appendix 6: Footnotes

[1] Definitions for adjusted turnover and adjusted EBITDA are presented in the financial glossary in Appendix 5
[2] At comparable scope (sale of ETI at end-September 2023), i.e., a total of 93 kt in Q3 2023, of which 35 kt is internal sales to ETI
[3] Publications and press releases - Eramet
[4] Net of capital contributions by Tsingshan (Centenario project) and the French State (SLN)
[5] TRIR (total recordable injury rate) = number of lost time and recordable injury accidents for 1 million hours worked (employees and sub-contractors)
[6] Pro Mujer is a nonprofit development organization that provides financial inclusion, health and education programs to low-income women in Latin America
[7] See Financial glossary in Appendix 5
[8] Unless otherwise indicated, market data corresponds to Eramet estimates based on World Steel Association production data
[9] Unless otherwise indicated, price data corresponds to the average for market prices, Eramet calculations and analysis; manganese ore price index: CRU CIF China 44% spot price; manganese alloys price indices: CRU Western Europe spot price
[10] RKAB: "Rencana Kerja dan Anggaran Biaya" (Full-year operating permit)
[11] SLN and others
[12] Unless otherwise indicated, market data corresponds to Eramet estimates
[13] Nickel Pig Iron ("NPI")
[14] High Pressure Acid Leach
[15] Class I: produced with a nickel content above or equal to 99%; Class II: produced with a nickel content below 99%
[16] LME: London Metal Exchange; SHFE: Shanghai Futures Exchange
[17] SMM NPI 8-12% index
[18] 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.
[19] See financial glossary in Appendix 5
[20] AMDAL: "Analisis Mengenai Dampak Lingkungan" (Environmental and Social Impact Study)
[21] "TSDI": *Titres Subordonnés à Durée Indéterminée* = undated fixed rate subordinated bonds
[22] Unless otherwise indicated, price data corresponds to the average for market prices, Eramet calculations and analysis; Source Zircon premium (FOB prices): Market and Eramet analysis; Source Chloride ilmenite (FOB prices): Market and Eramet analysis
[23] c.90% of titanium-based end-products
[24] Ilmenite, leucoxene and rutile
[25] Contract signed as part of the sale of the Norwegian subsidiary to INEOS at end-September 2023
[26] Unless otherwise indicated, price data corresponds to the average for market prices, Eramet calculations and analysis; Lithium carbonate price index: Fastmarkets – battery-grade spot price CIF Asia
[27] Eramet analysis based on a panel of the main sell-side and market analysts