Paris, 21 February 2024, 6:30 p.m.

**PRESS RELEASE**

# Confirmation of solid fundamentals for the Group, in a very depressed price environment in 2023

- **Excellent intrinsic performance** in second half (+€230m, for a total of **+€153m** over the year) leading to **adjusted EBITDA**[1] at **€772m** in 2023, in a depressed price environment on a full-year basis (**-€1,373m):**
  - **New record** for nickel ore volumes **in Indonesia** (+72% at 36.3 Mwmt)
  - **Rebound in manganese ore production in Gabon** in H2 2023 (+22% vs. H2 2022) reaching stable production over the year (at 7.4 Mt)
  - **Very strong decline in selling prices** for all of the Group's markets, notably manganese, and class II nickel
  - **Limited decline in input costs**, compared to the decline in prices
- **Net income, Group share** positive at **€109m,** including the asset impairment related to SLN[(*)]
- Solid performance of **restated Free Cash-Flow (FCF)**[2], at **€78m** in a context of growth capex, resulting in **net debt** of **€614m,** and **adjusted leverage** of **0.8x**
- Proposal of a **dividend** of **€1.5** per share, in line with the Group's capital allocation policy
- **Start of lithium production in Argentina** this summer, with the achievement of full capacity confirmed by mid-2025
- Advanced work ongoing on **solutions to neutralize SLN's debt weighing on the Group's consolidated accounts**; the selected solution will be announced in the very next few weeks
- **Success of the Group's 1st CSR roadmap** and launch of the new roadmap – "**Act for positive mining**" – including the roll-out of the **IRMA Standard** for Responsible Mining at all mining sites[3]
- **2024 outlook** set against the background of a continued very difficult macroeconomic context with **low market price levels** at the start of this year**.**
- **Growth in volume targets** in 2024:
  - Manganese ore transported in Gabon: between **7.0** and **7.7 Mt**
  - Marketable nickel ore at Weda Bay: between **40** and **50 Mwmt**, depending on the schedule for regulatory approvals, of which a third is limonites
  - Lithium carbonate produced at Centenario: between **5** and **7 kt-LCE**
- **Financial performance in H1 2024** expected to be **significantly below that of H2 2024** given the unfavourable seasonality but also market prices which should not rebound before the second part of the year
- **Ambitious and controlled capex plan**, of around **€700m** to **€750m**[4] financed by the Group in 2024, in order to support growth in activities and plan for the future

**Christel Bories,** *Group Chair and CEO:*

« In 2023, the Group demonstrated its ability to withstand low cycle periods and continue its development projects despite the economic situation.

The second half confirmed the strong improvement in our operational performance, notably with record manganese production in Gabon and continued strong growth in nickel production in

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[(*)] SLN asset impairment amounts to €218m (100% basis), of which €122m Group share

Indonesia. These results enabled us to face the price environment, which was depressed throughout the year, and to achieve a solid performance in terms of cash generation.

The 2023 financial year was also marked by the conclusion of our first CSR roadmap, with major progress. At our first Capital Markets Day, we unveiled a new, even more ambitious roadmap, "Act for positive mining", with targets that will position Eramet among the leading players in responsible mining.

In 2024, we will accomplish a new key milestone with the start of our lithium production in Argentina. This ambitious and innovative project will position us as a key player in the production of this metal which is essential for the energy transition.

The price environment remains very depressed in early 2024 and we are focusing our efforts on the performance of our operations and the strict control of our cash.

Building on the repositioning on our high-quality mining assets' portfolio, and thanks to the commitment of our teams, our solid fundamentals, as well as our innovations, we are confidently pursuing our responsible development strategy in the new era of metals. »

## ♦ CSR commitments

2023 was the year the Group **concluded its first CSR roadmap**, launched in 2018 in order to achieve Eramet's strategic ambition "to be a committed and socially responsible corporate citizen".

Over the period, **Eramet averaged a performance of 98%** with 9 of the 13 targets either met or exceeded, including:

- **Safety:** the TRIR[5] was divided by 5, reaching 1.1 at end-2023 (vs. 5.4 in 2018) in a context of significantly increasing activity (80 million hours ("Mh") worked in 2023 vs. 22 Mh in 2018),
- **Climate:** the Group's carbon intensity was reduced by 40% versus 2018, exceeding the target for 2023 (initially set for a reduction of 26%),
- **Rehabilitation:** the ratio of rehabilitated to cleared areas reached 1.2 for the 2019-2023 period, exceeding the initial target (>1),
- **Community relations:** a dedicated organisation was implemented throughout the Group with the development of specific standards and tools, notably resulting in the creation of the "Eramet Beyond" impact investment programme,
- **Human Rights:** in December, the Group published its first Human Rights report[6] to provide a transparent response to stakeholders' questions about the integration of these fundamental rights into its organisation and activities.

The 4 targets below 100% did, however, make considerable progress (see Appendix 7). Actions are ongoing in order to achieve them fully.

Eramet's ESG performance continues to be **recognised** by various **extra-financial rating agencies**. For the third consecutive year, the Group was awarded an A rating by MSCI, and this year obtained a B score for the Carbon Disclosure Project ("CDP") Climate Change rating and a C score for CDP's Water Security rating**.**

In Indonesia, **PT Weda Bay Nickel** ("PT WBN") made **notable progress in several areas** in 2023:

- The process of an independent audit using the **IRMA**[3] standard has started with PT WBN's self-assessment completed at end-2023;
- The site is developing its ability to rehabilitate and revegetate areas with the extension of a nursery enabling to cover the current annual needs as well as more than 20% of the revegetation targeted in 2028 (>500 hectares per year). Two additional nurseries will be created in 2024, in order to gradually reach this target. In addition to the international regulations in force, PT WBN issued additional studies to strengthen its Biodiversity action plan, in line with IFC standards[7].

Furthermore, 869 hectares of watershed area have been offset with rehabilitation planting outside of the mining concession in 2023, under Indonesian regulations, representing a total of 1,944 hectares since 2020;

- PT WBN has implemented an active engagement program with the Tobelos' semi-nomadic community[8], based on an ethnological due diligence carried out in 2010. PT WBN updated its knowledge in 2023. A field study, conducted under the guidance of an independent anthropologist from Khairun University in Ternate City (Indonesia), thus found that a group of 9 individuals belonging to this community lives within the perimeter of the mining concession and that specific groups also live outside the perimeter. All the groups maintain regular contact with local communities and do not live in isolation. PT WBN decide to deepen this work in 2024. An additional team of anthropologists should improve the understanding of the livelihoods of these groups and their interactions with ecosystem services. It should also roll-out a complementary engagement plan with the Tobelo community.

2023 also saw the Group launch its **new CSR roadmap "Act for positive mining".** The latter is structured around three ambitions covering the whole span of Eramet's responsibilities and interactions, namely: Caring for people; Protecting the environment, a trusted partner for nature, and Transforming our value chain. The roadmap is broken down into **ten objectives** for the 2024-2026 period, and **three objectives** to be met by 2035 (see Appendix 8) that meet Eramet's main challenges and are based on industry best practices.

In H2 2023, the Eramet Grande Côte Opérations ("GCO") site in Senegal performed an independent audit using the **IRMA**[3] standard, which was a first for the Group. The process is advancing according to schedule, notably with Eramine in Argentina preparing an audit which is scheduled for 2024.

Eramet's Board of Directors met on 21 February 2024, chaired by Christel Bories, and approved the financial statements for the 2023 financial year[9] which will be submitted for approval at the Shareholders' General Meeting on 30 May 2024.

## ♦ Eramet group key figures (in accordance with the IFRS 5 standard)

| *Millions of euros*[1] | 2023[2] | 2022[2] | Chg. (€m) | Chg.[3] (%) |
|---|---|---|---|---|
| **Adjusted turnover**[4] | **3,824** | **5,385** | **(1,561)** | **-29%** |
| Turnover | 3,251 | 5,014 | (1,763) | -35% |
| **Adjusted EBITDA**[4] | **772** | **1,897** | **(1,125)** | **-59%** |
| EBITDA | 347 | 1,553 | (1,206) | -78% |
| Current operating income (COI) | 127 | 1,280 | (1,153) | -90% |
| **Net income from continuing operations** | **12** | **930** | **(918)** | **-99%** |
| Net income from sold/discontinued operations | 6 | (156) | (162) | n.a. |
| **Net income, Group share** | **109** | **740** | **(631)** | **-85%** |

| | | | | |
|---|---|---|---|---|
| **Group Free Cash-Flow** | **(243)** | **824** | **(1,067)** | **n.a.** |
| Restated Free Cash-Flow[5] | 78 | 1,007 | (929) | n.a. |

| *Millions of euros*[1] | 31/12/23[2] | 31/12/22[2] | Chg. (€m) | Chg.[3] (%/ pts) |
|---|---|---|---|---|
| **Net debt (Net cash)** | **614** | **344** | **270** | **+79%** |
| **Shareholders' equity** | **1,994** | **2,245** | **(250)** | **-11%** |
| **Adjusted leverage**[4] **(Net debt-to-adjusted EBITDA ratio**[4]**)** | **0.8x** | **0.2x** | **n.a.** | **+0.6 pts** |
| Leverage (Net debt-to-EBITDA ratio) | 1.8x | 0.2x | **n.a.** | +1.6 pts |
| **Gearing** (Net debt-to-Shareholders' equity ratio) | **31%** | **15%** | **n.a.** | **+16 pts** |
| **Gearing within the meaning of bank covenants**[6] | **13%** | **2%** | **n.a.** | **+11 pts** |
| **ROCE** (COI/capital employed[7] for the previous year) | **4%** | **51%** | **n.a.** | **-47 pts** |

[1] Data rounded to the nearest million.

[2] Excluding Aubert & Duval, Sandouville and Erasteel, which in accordance with the IFRS 5 standard, are presented as operations that are sold or in the process of being sold (discontinued) in 2023 and 2022. See reconciliation tables in Appendix 1.

[3] Data rounded to higher or lower %.

[4] Adjusted turnover, adjusted EBITDA and adjusted leverage are defined in the financial glossary in Appendix 10.

[5] Net of Tsingshan's capital contributions to the Centenario project (€321m in 2023 and €183m in 2022).

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

[7] Total shareholders' equity, net debt, site restoration provisions, restructuring and other social risks, less long-term investments, excluding Weda Bay Nickel capital employed.

*N.B. 1: all the commented figures for FY 2023 and FY 2022 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 FY 2023 are with respect to FY 2022, unless otherwise specified. "H1" corresponds to the first half of the year, "H2" to the second half and "Q1, Q2, Q3, Q4" to the quarters.*

**The Group's adjusted turnover**[1] amounted to **€3.8bn** in 2023, down 29% (-26% at constant scope and exchange rates[1], with -2% of scope effect linked to the sale of Eramet Titanium & Iron ("ETI")). This decline almost entirely reflects a negative price effect.

Group EBITDA totalled €347m. **Adjusted EBITDA**[1] amounted to **€772m**, down 59% from 2022, mainly reflecting:

- The **negative impact of external factors** of close to **€1.3bn**, including an unfavourable price effect of -€1,373m (of which -€933m for manganese and -€392m for nickel). The latter was partly offset by a decrease in freight costs (+€81m vs. 2022) as well as input costs (+€68m), factoring in the decline in the price of reductants and energy recorded in H2 2023;
- A **positive intrinsic performance** of **more than €150m** over the year, with €230m in H2, reflecting the success of productivity actions and the optimisation of production.

**Net profit for sold operations** amounted to **€6m**.

**Net income, Group share** for the year was **€109m**, after accounting for the share of income in Weda Bay (€295m) as well as the asset impairment related to SLN (-€218m), with conditions for the New Caledonian subsidiary to continue operations no longer met to date.

**Capex** accounted for **€920m**, including the share of the Lithium project financed by Tsingshan (via a capital increase in the Argentinian subsidiary). **The share financed by the Group amounted to €522m**[2,10] and includes €249m in growth capex, mainly in Gabon (€184m) and in Argentina (€53m[8]); current capex totalled €273m over the year.

**Free Cash-Flow** ("FCF") totalled **-€243m.** Net of Tsingshan's capital contributions to the Centenario project, it amounted to **€78m**. It notably includes the contribution from Weda Bay (€280m[11]), as well as the impact of the sale of ETI in September (€214m) and the initial payment made following the acquisition in early November of mining concessions in Chile (-€90m).

**Net debt** stood at **€614m** on 31 December 2023, with no material impact from the sale of Aubert & Duval and Erasteel, and includes dividends paid to Eramet shareholders (-€100m) and Comilog minority shareholders (-€87m) in respect of the 2022 financial year.

The **adjusted leverage ratio**[12] was **0.8x**. The Group's capital allocation policy continues to focus primarily on deleveraging, to maintain leverage below 1x on average through the cycle, while allocating capex to growth projects and rewarding its shareholders.

In line with this policy, a proposal to pay out a **dividend** of **€1.5** per share in respect of the 2023 financial year will be made at the Shareholders' General Meeting on 30 May 2024.

As of 31 December 2023, Eramet's **liquidity**, including undrawn credit lines, remains high at nearly **€3bn**. It notably includes an advance commercial payment of $400m as part of a joint marketing agreement for lithium carbonate signed with Glencore, of which $80m was drawn at year-end.

## Key figures by activity – continuing operations (IFRS 5)

| *Millions of euros*[1] | | 2023 | 2022 | Change (€m) | Change[2] (%) |
|---|---|---|---|---|---|
| **MANGANESE** | Turnover | 1,978 | 3,151 | (1,173) | -37% |
| | **EBITDA** | **499** | **1,402** | **(903)** | **-64%** |
| *Manganese ore activity*[3,4] | *Turnover* | *1,089* | *1,527* | *(438)* | *-29%* |
| | *EBITDA* | *443* | *722* | *(279)* | *-39%* |
| *Manganese alloys activity*[3] | *Turnover* | *889* | *1,624* | *(735)* | *-45%* |
| | *EBITDA* | *55* | *680* | *(625)* | *-92%* |
| **NICKEL** | Adjusted Turnover[5] | 1,567 | 1,763 | (196) | -11% |
| | **Adjusted EBITDA[5]** | **305** | **430** | **(125)** | **-29%** |
| *Weda Bay* | *Turnover (38.7%[6])* | *573* | *371* | *202* | *+54%* |
| | *Turnover (off-take contract)* | *178* | *278* | *(100)* | *-36%* |
| | *EBITDA (38.7%[6])* | *425* | *344* | *81* | *+24%* |
| | *EBITDA (off-take contract)* | *8* | *11* | *(3)* | *-27%* |
| *SLN*[7] | *Turnover* | *815* | *1,115* | *(300)* | *-27%* |
| | *EBITDA* | *(124)* | *75* | *(199)* | *n.a.* |
| *Other & projects* | *EBITDA* | (4) | 0 | (4) | *n.a.* |
| **MINERAL SANDS** | Turnover | 275 | 465 | (190) | -41% |
| | **EBITDA** | **105** | **184** | **(79)** | **-43%** |
| *GCO* | *Turnover* | *238* | *340* | *(102)* | *-30%* |
| | *EBITDA* | *89* | *166* | *(77)* | *-46%* |
| *Intra-group eliminations*[8] | *Turnover* | *(39)* | *(97)* | *58* | *+60%* |
| *ETI* | *Turnover* | *76* | *222* | *(146)* | *-66%* |
| | *EBITDA* | *16* | *18* | *(2)* | *-11%* |
| **LITHIUM** | Turnover | 0 | 0 | n.a. | n.a. |
| | **EBITDA** | **(17)** | **(12)** | **(5)** | **n.a.** |

[1] Data rounded to the nearest million.

[2] Data rounded to higher or lower %.

[3] See definition in financial glossary in Appendix 10.

[4] Turnover linked to external sales of manganese ore only, including €55m linked to Setrag transport activity other than Comilog's ore (vs. €64m in 2022).

[5] Adjusted turnover, adjusted EBITDA and adjusted leverage are defined in the financial glossary in Appendix 10.

[6] Excluding off-take contract.

[7] SLN and others.

[8] Turnover for the sale of ilmenite produced by GCO to ETI until the date the Norwegian subsidiary was sold.

## Manganese

**Factoring in a particularly unfavourable price environment and a decline in sales volumes, the Manganese activity posted EBITDA that was down to €499m in 2023 (-64%).**

**In Moanda, Gabon, ore volumes produced came to 7.4 Mt, almost stable on 2022, thanks to record production in H2; transported ore volumes totalled 6.6 Mt (-8%), reflecting the impact of non-recurring logistical incidents in H1 2023.**

**EBITDA for the manganese ore activity was down to €443m[13] (-39%), reflecting a decline in market prices (-20% for CIF China 44% ore) as well as a decline in volumes sold externally (-10%).**

**EBITDA for the manganese alloys activity was down very significantly to €55m (-92%). The latter reflects the decrease in selling prices, which fell strongly after the historic records reached in H1 2022, and a decline in volumes sold (-8%).**

*Market trends[14] & prices[15]*

Global production of carbon steel, the main end-product of manganese, remained stable in 2023, at 1,858 Mt.

Steel production in China, which accounts for more than 50% of global production, was very slightly up over the year (+0.5%). Factoring in the slowdown in the real estate sector, local steel consumption nonetheless declined, resulting in increased exports and strongly impacting steelmakers' production in several countries (Brazil, Turkey, etc.). Production in Europe was significantly down, with a 7.5% decline over the period considering a real estate sector that continues to be penalised by the economic situation. North America proved more resilient with relatively stable production (+0.3%) over the period. Among the major markets, India was the only exception with a 12% increase in production, now exceeding production volumes in Europe.

Global manganese ore consumption increased by 3%, to 20.5 Mt in 2023. Manganese ore production was stable over the year, at 20.7 Mt; the decline in production in Gabon (-5%) was offset by the temporary increase in production in Brazil (+72%).

In this context, the supply/demand balance was in very slight surplus in 2023. Chinese port ore inventories stood at 6.0 Mt at year-end, representing close to 10 weeks' consumption.

The price index (CRU) for manganese ore (**CIF China 44%**) averaged $4.8/dmtu in 2023, down 20% vs. 2022. Prices stabilised around $4.2/dmtu from end-November.

The price index for refined alloys in Europe (**MC Ferromanganese**) declined by 43% in 2023, as did that for standard alloys (**Silicomanganese**), down 31%, compared to very high comparatives in 2022, notably in H1.

*Activities*

The expansion programme continued in Gabon in 2023, with further operational progress. The Moanda mine, the world's largest manganese mine, posted **ore** production of 7.4 Mt in 2023, down 2% versus 2022. On the back of a H1 disrupted by logistical incidents which are now resolved (landslide at end-2022, breach of civil engineering structure in early April), manganese ore production achieved a new record in H2 with volumes up 22% to 4.8 Mt compared to H2 2022.

Transported ore volumes reached 6.6 Mt, a decrease of 8% versus 2022, of which 3.8 Mt in H2 2023 (stable vs. H2 2022), representing an annual pace of 7.6 Mt.

The FOB cash cost[16] of manganese ore activity was $2.2/dmtu, stable versus 2022. The positive impact of a reduction in fixed costs and the gradual implementation of three washing facilities on the Okouma plateau was offset by the decline in volumes, combined with cost inflation (fuel, coke, Setrag tariffs) as well as an unfavourable currency effect.

Sea transport costs per tonne declined by around 20% to $0.9/dmtu.

Manganese **alloys** production decreased by 6% to 635 kt in 2023. This decrease in production is linked to the “value over volume” strategy to adapt to market conditions as well as the scheduled relining programme of several furnaces during the year. Sales declined 8% to 640 kt, with a more favourable mix over the year (higher share of refined alloys sold than in 2022).

The manganese alloys margin, exceptionally high in 2022, strongly declined in 2023, driven by the decrease in selling prices, despite the decline in energy and reductants costs, particularly in H2, which remains limited, however, compared to the decline in prices.

*Outlook*

Global carbon steel production is expected to slightly increase in 2024 in a context of energy costs remaining relatively high. Only India, where Eramet has a strong footprint, is expected to continue posting significant growth in its production, thanks to investments from the State in infrastructures and an automotive sector that continues to grow strongly.

Global demand for manganese ore could decline slightly over the year, given the expected destocking of manganese alloys in China. Manganese ore supply is expected to decline in H1 2024, therefore with the expectation of a deficit versus demand on a full-year basis.

The market consensus, which is currently set around $4.6/dmtu for 2024, with a lower H1 than H2, expects a decline of close to 4% in the average manganese ore price index (CIF China 44%) compared with 2023.

Global demand for manganese alloys is expected to be relatively stable with a slight increase assuming steel production improves. Supply should continue to adjust accordingly, with several producers likely to resume production and a continued shutdown among those less competitive.

Manganese alloys invoiced selling prices, after declining sharply until early 2024, have recently started to lift in Europe notably given the conflict in the Red Sea which is impacting logistics costs and delivery times for Asia-based producers in the short term.

In Gabon, **transported ore** volumes should reach between 7.0 Mt and 7.7 Mt, factoring in works to renovate and maintain the railway. Manganese ore production will be adjusted to transport in order to limit inventories at the mine. The successful start of modular washing plants and a conveyor on the Okouma plateau enable to expect a production capacity of more than 8 Mt per year, as well as productivity gains and a reduction in $CO_2$ emissions in 2024.

Manganese alloys production is expected to reach around 700 kt over the year and may be adjusted to market conditions.

## Nickel

**In 2023, in Indonesia, the Weda Bay mine continued its ramp-up with external sales of 33.2 Mwmt in ore, an increase of 85% versus 2022.**

**Weda Bay's contribution to Group EBITDA (38.7% owned by Eramet) was up 24% to €425m, thanks to excellent operational performance in the mine, both in terms of volumes and ore quality, with a positive impact on selling prices.**

**Despite an improved operational performance, EBITDA for SLN[17] declined to -€124m, reflecting a strongly depressed price environment.**

*Market trends[18] & prices*

Global stainless-steel production, which is the main end-market for nickel, was up by 5% to 56.6 Mt in 2023.

Production in China, which accounted for more than 60% of global production in 2023, was up by 10% from 2022, notably thanks to a record level of production in Q3, driven by considerable investments in the infrastructure, green energy and automotive sectors and a substantial increase in exports. Production in the rest of the world declined by 3%, with a notable decrease in Indonesia (-9%) due to the temporary shutdown by some local producers and despite a strong recovery in Q4 2023.

Global demand for primary nickel increased by 5% in 2023, to 3.1 Mt, benefitting from the recovery in demand for stainless-steel (+3%) and continued sustained demand in the batteries sector (+15%). Global primary nickel production was up 3% over the year, to 3.2 Mt, supported by the NPI supply in Indonesia (+12%), as well as the strong ramp-up in new projects (+22%), notably HPAL[19] and Matte. As a result, NPI production[20] in China and traditional production were down by 6% and 5%, respectively.

The nickel supply/demand balance (class I and II[21]) was thus in surplus again in 2023 at 150 kt (representing more than 2 weeks' consumption). Nickel inventories at the LME and SHFE[22] strongly increased in Q4 2023, reaching 78 kt at end-December, notably from Russia and China.

In 2023, the **LME** price average (price of class I nickel) declined versus 2022, to $21,501/t over the year (-16%). The average in Q4 reached its lowest level since 2020, at $17,191/t.

Similarly, the average for the **NPI**[23] price index (class II nickel) as sold at Weda Bay was $14,293/t in 2023, down significantly (-24%).

The spot price of **ferronickel** as produced by SLN (also class II nickel) was set, as expected, at a level approaching NPI, posting a strong decline in 2023 (-25%).

**Nickel ore prices** (1.8% CIF China), as exported by SLN, averaged $89/wmt in 2023, also down significantly (-23%).

In Indonesia, the official **domestic price index for high-grade nickel ore** ("HPM Nickel") was approximately $51/wmt[24], a decline of 6% versus 2022. The price index followed nickel price trends at the LME, with the price formula indexed to the London-based exchange, with a lag of 1 month.

*Activities*

**In Indonesia,** Weda Bay, posted a new record with the sale of **36.3 Mwmt of nickel ore in 2023** (for 100%), an **increase of 72%** versus 2022.

External ore sales[25] totalled 33.2 Mwmt (+85%), including 32.2 Mwmt in saprolites (of which 14.4 Mwmt in high-grade ore) and approximately 1.0 Mwmt in limonite. Internal consumption for NPI production amounted to 3.1 Mwmt over the year.

Production at the plant reached 33.4 kt-Ni of NPI in 2023 (on a 100% basis), down by 9%, due to works to maintain the furnace and constraints in electricity supply at the industrial park in H1 2023. The volumes sold by Eramet as part of the off-take contract, representing 14.3 kt-Ni (-9%), contributed €178m to Group turnover in 2023, down 36% owing to the decline in volumes and an unfavourable price environment.

The mine's cash cost remains positioned in the first quartile of the nickel ore cash cost curve. The mining activity thus represents around 85%-95% of EBITDA in the PT Weda Bay Nickel joint venture.

As a result, Weda Bay's operational performance was again reflected in a substantial contribution to Group FCF over the period, of €280m, including €267m in dividends.

**In New Caledonia,** mining production amounted to a record 5.8 Mwmt in 2023 (+7%), reflecting improved weather conditions as well as better availability and use of mining equipment.

Low-grade nickel ore exports decreased by 9% to almost 2.7 Mwmt, factoring in the difficulties obtaining operating permits (operations suspended at the Poum site since August, restrictions in other mines) as well as persistent societal difficulties.

Ferronickel production and sales were up at 44.8 kt-Ni (+10%) and 44.4 kt-Ni (+8%) respectively, reflecting an improved ore supply as well as the plant's improved operation, now properly supplied with electricity by the Temporary Offshore Power Plant.

Cash cost[26] of ferronickel production increased to $8.3/lb on average over the year, slightly up versus 2022. The increase in ferronickel sales volumes, as well as better control of fixed costs, only partly offset the impact of a decline in export margins (price and volume) in addition to an unfavourable currency impact.

The savings plan implemented by the New Caledonia subsidiary enabled a reduction in cash consumption of approximately €140m in 2023. However, SLN continues to face major difficulties, both in terms of operating permits and access to competitive energy, in a depressed price environment. As a result, the Company posted a negative Free-Cash Flow of -€125m[27] over the year (vs. -€70m in 2022).

*Outlook*

Once again, global stainless-steel production is expected to increase in 2024, driven by strong growth in Indonesia and India.

Demand for primary nickel is expected to grow steadily, notably driven by replenished inventories in the batteries sector during the second part of the year. Global primary nickel production should also increase, mainly fuelled by the HPAL and NPI-to-Matte projects. The nickel supply/demand balance is expected to remain in surplus, albeit reducing versus 2023.

The consensus for LME nickel prices currently stands at $17,100/t for the year, down 21% from 2023.

The price of ferronickel is expected to remain slightly above the SMM NPI 8-12% index. The latter is currently set at $11,600/t.

**In Indonesia**, the Weda Bay mine will continue its ramp-up in 2024. Subject to permitting currently under review, nickel ore sales volumes (on a 100% basis) should reach between 40 and 50 Mwmt, of which around a third in low-grade limonite for HPAL plants. The average grade of marketable ore is expected to be slightly below that of 2023, factoring in the increased share of sales in limonites as well as the lower grade of saprolites (linked to the normal development of the mining plan). As a result, the mix will be less favourable with a negative impact on average selling prices.

The plant's NPI production should be limited to almost 35 kt-Ni in 2024, considering operations to maintain the furnace.

**In New Caledonia**, the financial situation of SLN remains critical with short-term cash requirements. In February 2024, the French State granted SLN a new loan of €60m. The subsidiary's external debt, consolidated in the Group's accounts, now stands at €320m.

Eramet is prioritising the search for solutions to ensure the entity's business continuity, while reiterating its decision not to provide any further financing to SLN, in order to preserve the Group's balance sheet and its ability to finance its strategic projects for the energy transition.

In this context, Eramet initiated an analysis process several weeks ago and is now in advanced discussions with the French State with a view to implementing solutions that will enable the long-lasting neutralisation of SLN's debt weighing on the Group's consolidated financial statements. Eramet will announce the selected solution in the very next few weeks.

Assuming a normal functioning of operations, ferronickel production for the plant is estimated at around 45 kt-Ni in 2024. Nickel ore exports should reach close to 2.5 Mwmt, factoring in the operations suspended at Poum.

*Strategic growth projects*

In partnership with BASF, Eramet continued studies in 2023 related to the **Sonic Bay project, the hydrometallurgical project** (HPAL[19]). Discussions are ongoing with respect to project execution and funding strategy.

## Mineral Sands

**EBITDA for Mineral Sands activities was down 43% to €105m in 2023, reflecting the softer performance by GCO (EBITDA of €89m, down 46%) due to the major equipment breakdown that occurred in Q1 2023, the lower grade in the area being mined, as well as a decline in selling prices.**

**In September, Eramet sold the Eramet Titanium & Iron ("ETI") plant to INEOS Enterprises for an enterprise value of $245m. ETI's EBITDA, until its sale, was €16m for the year, reflecting a decline in selling prices.**

*Market trends & prices*[28]

In an unfavourable macroeconomic context for the ceramics sector, global demand for zircon slowed throughout the year, declining compared to 2022. In parallel, zircon production remained stable over the year, resulting in a supply/demand balance in surplus and more producer inventories in 2023.

Zircon market prices therefore averaged $2,038/t FOB over the year, down 3% versus 2022, with a significant decline in Q4 (-7% vs. Q3 at $1,900/t FOB on average) after remaining stable in the first nine months of 2023.

Global demand for $TiO_2$[29] pigments, the main end-market for titanium-based products[30], declined slightly in 2023, impacted by the slowdown in the construction sector. Supply for titanium-based products continued to grow, driven by additional capacities in China with the market subsequently in surplus.

In 2023, the average market price for ilmenite as produced by GCO was $316/t FOB, slightly up (+4%) compared to 2022. This is owing to a very low Q1 2022 (averaging $241/t FOB vs. $325/t for the rest of 2022).

*Activities*

At **GCO**, in Senegal, mineral sands (HMC[31]) volumes produced were down by 15% over the year to 628 kt. This decline was due to a major breakdown in equipment at the start of the year, the expected decline in the average grade of the area being mined, as well as operating difficulties experienced in H2 2023, partly owing to a shift in the road to Lompoul.

Ilmenite volumes produced stood at 421 kt, also down 15%, in line with the trend for mineral sands production. Total sales for ilmenite (including internal sales for ETI until its sale, i.e., 122 kt) were 420 kt, slightly down versus 2022 (-2%). The agreement to sell the ETI plant signed at end-September includes a long-term contract to supply ilmenite produced by GCO.

Zircon volumes produced were down 16% to 48 kt, and fully sold over the year. Sales volumes thus totalled 48 kt (-19%).

*Outlook*

Demand for zircon could increase in 2024, notably driven by measures to support the renovation sector in China. However, the market should remain in surplus due to the arrival of new projects in Australia, therefore sustaining the pressure on prices started at end-2023.

Demand for titanium-based products could also increase thanks to the Chinese market and benefit from low inventories in the downstream value chain. Supply, however, is expected to remain in surplus, factoring in the additional capacities in China, leading to lower average price levels.

**In Senegal**, mineral sands production in 2024 is expected to rise to more than 800 kt-HMC, notably thanks to an increase in the grade of the mining zone and the end of the dredging operation in the complex zones of the Louga region.

## Lithium

*Market trends & prices*[32]

Lithium carbonate prices (battery-grade, CIF Asia) almost halved in 2023 (-45%), averaging $39,394/t-LCE in 2023, declining from $80,000/t-LCE in early January to $15,000/t-LCE at end-December. This decline is owing to lower-than-expected demand, notably in electric vehicle sales worldwide (+30% in 2023 vs. +60% in 2022), coupled with destocking among producers of cathodes.

*Activities*

**In Argentina**, the construction of the Centenario lithium plant (Phase I), launched in 2022, continued with a completion rate of more than 87% at end-January 2024. Factoring in the administrative delays in H2 resulting from the election period, the start of production could be postponed by a few weeks this summer. The achievement of full capacity, to 24 kt-LCE battery-grade, is expected by mid-2025.

At full capacity, the *cash cost*[33] for **Phase I** is positioned in the first quartile of the industry cash cost curve (estimated at around $4.5 to $5.0/kt-LCE) and annual EBITDA for Phase I (at full capacity) should reach between $210m and $315m, based on a long-term price scenario between $15k and $20k/t-LCE. The total amount of investment for Phase I is estimated at $800m, of which approximately $480m is financed by Tsingshan. In 2023, capex totalled around $270m (100% basis), for a combined total of approximately $600m since the start of construction.

In November, Eramet's Board of Directors approved the investment decision on the first tranche of **Phase II**, representing an additional 30kt-LCE per year. This remains subject to obtaining construction permits. Cash cost is expected to be in line with that of Phase I and the investment should total around $800m (100% basis) i.e., less capital-intensive. Preliminary works conducted in 2023 totalled around $50m (100% basis).

*Outlook*

Demand should continue to grow in 2024 (around +20%), driven by the increased sales of electric vehicles worldwide.

Strong growth in supply is also expected in 2024, driven by the arrival of new projects on the market as well as the development of already existing projects, although this growth remains conditional on price trends. In the current price environment, some high-cost producers could therefore decide to stop their production (notably spodumene) or put their plants on maintenance.

In 2024, factoring in the start of production for Phase I of Centenario in Argentina this summer, production volumes of lithium carbonate (battery-grade) are estimated between 5 and 7 kt-LCE in H2 2024.

Capex (100% basis) linked to Phase I of the Centenario project and that of Phase II are each estimated at around $200m for the year.

**In Chile**, following the acquisition in November of concessions covering a cluster of lithium salars in the Atacama region, the Group is working to develop future partnerships with companies authorised by the Chilean government in order to own lithium exploration and mining rights.

## Battery recycling in France

In partnership with Suez, Eramet continues the development of the **battery recycling project**, which would expand the Group's position in the electric battery value chain, with a presence upstream and downstream. Feasibility studies for the upstream part of the project, which are piloted by Suez, are currently being finalised. Designed to validate the downstream process, the pilot plant was inaugurated at 2023 year-end on the site of Eramet's Research and Innovation centre located near Paris.

## Outlook

In a macroeconomic environment that remains sluggish and a more unstable geopolitical context, global GDP growth is expected to slow to around 2% in 2024 (vs. 2.7% in 2023). In China, the numerous stimulus measures announced to support construction are yet to produce any material effects, and the country's GDP growth is expected to slow this year. In Europe and the United States, lower interest rates and declining inflation are not expected before H2 2024.

Demand across all the underlying markets for our products thus remains sluggish, which is reflected in a certain stability in prices at a lower level, awaiting a rebound in demand, notably from China.

In 2024, freight prices should reach higher levels than in 2023, especially given that uncertainties persist over the situation in the Red Sea, which could drive prices up higher. Although declining from 2022, the price of reductants and the cost of energy remain at high levels.

Volume growth targets over the year are:

- Between **7.0** and **7.7 Mt** of manganese ore transported in Gabon
- Between **40** and **50 Mwmt** of marketable nickel ore at Weda Bay, depending on the schedule for approvals, of which a third is limonites
- Between **5** and **7 kt-LCE** of lithium carbonate produced at Centenario

The average price consensus for the year[34] is currently:

- **$4.6/dmtu** for manganese ore (CIF China 44%)
- **$17,100/t** for LME nickel
- **$16,100/t-LCE** for lithium carbonate (battery-grade, CIF Asia)

Invoiced selling prices for manganese alloys should remain below 2023 on average for the year.

The price of ferronickel is expected to remain slightly above the SMM NPI 8-12% index. Domestic prices for nickel ore sold in Indonesia are indexed to the LME and change accordingly.

The €/$ exchange rate is expected at **1.11**[35] for 2024.

Sensitivity of adjusted EBITDA to the price of metals and to the exchange rate are presented in Appendix 6.

**For illustrative purposes**, based on the current consensus prices for the year and the volume target range detailed above, **adjusted EBITDA** is expected to be **between €650m and €800m** in 2024. In addition, financial performance in H1 2024 is expected to be significantly below that of H2 2024, given the unfavourable seasonality, but also market prices which should not rebound before the second part of the year.

The amount **of investments** financed by the Group[4] is estimated **between €700m and €750m** in 2024, of which:

- **Current capex**: close to €250m
- **Growth capex**: close to €500m, notably aimed at sustaining growth in production and transport for ore in Gabon (around €150m), as well as to develop the Lithium project in Argentina (around €250m).

**Calendar**

22.02.2024: 2023 annual results presentation

*A live Internet webcast of the 2023 annual results presentation will take place on Thursday 22 February 2024 at 10:30 a.m. (Paris time), on our website: www.eramet.com. Presentation material will be available at the time of the webcast.*

25.04.2024: Publication of 2024 first-quarter turnover

30.05.2024: Shareholders' General Meeting

25.07.2024: Publication of 2024 half-year results

## 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.

www.eramet.com

## INVESTOR CONTACT


### Director of Investor Relations

**Sandrine Nourry-Dabi**

T. +33 1 45 38 37 02

sandrine.nourrydabi@eramet.com


## PRESS CONTACT


### Media relations manager

**Fanny Mounier**

fanny.mounier@eramet.com

T. +33 7 65 26 46 83

# Appendix 1: Reconciliation tables

## 2023 reported reconciliation table before IFRS 5

| *(in millions of euros)* | **Financial year 2023 before IFRS 5** | UGT Aubert & Duval | UGT Erasteel | UGT Sandouville | Restatements & eliminations | **Total discontinued operations** | **Financial year 2023 IFRS 5** |
|---|---|---|---|---|---|---|---|
| Turnover | **3,597** | 217 | 129 | - | - | 346 | **3,251** |
| Current operating income | **121** | (19) | 6 | - | 7 | (6) | **127** |
| Operating income | **(203)** | (13) | 8 | - | (6) | (10) | **(193)** |
| Net income from discontinued operations | | 8 | 2 | - | (4) | 6 | **6** |

## 2022 reported reconciliation table before IFRS 5

| *(in millions of euros)* | **Financial year 2022 before IFRS 5** | UGT Aubert & Duval | UGT Erasteel | UGT Sandouville | Restatements & eliminations | **Total discontinued operations** | **Financial year 2022 IFRS 5** |
|---|---|---|---|---|---|---|---|
| Turnover | **5,851** | 553 | 273 | 11 | | 837 | **5,014** |
| Current operating income | **1,288** | (50) | 23 | (2) | 37 | 8 | **1,280** |
| Operating income | **893** | (71) | (111) | 13 | 37 | (132) | **1,025** |
| Net income from discontinued operations | **-** | (90) | (121) | 13 | 42 | (156) | **(156)** |

## Appendix 2: Quarterly turnover (IFRS 5)

| *€ million*[1] | Q4 2023 | Q3 2023 | Q2 2023 | Q1 2023 | Q4 2022 | Q3 2022 | Q2 2022 | Q1 2022 |
|---|---|---|---|---|---|---|---|---|
| Manganese | 504 | 528 | 505 | 440 | 630 | 873 | 926 | 722 |
| *Manganese ore activity*[2] | *288* | *330* | *262* | *209* | *315* | *465* | *439* | *308* |
| *Manganese alloys activity*[2] | *216* | *198* | *244* | *231* | *316* | *407* | *487* | *414* |
| Nickel | 215 | 261 | 228 | 290 | 331 | 300 | 409 | 352 |
| **Adjusted Nickel**[3,4] | **356** | **396** | **356** | **459** | **464** | **357** | **514** | **428** |
| Mineral Sands | 84 | 55 | 93 | 44 | 142 | 99 | 134 | 90 |
| *GCO* | *72* | *48* | *79* | *40* | *101* | *77* | *95* | *67* |
| *Intra-group eliminations*[5] | *1* | *(11)* | *(16)* | *(12)* | *(24)* | *(24)* | *(25)* | *(24)* |
| *ETI* | *11* | *18* | *31* | *13* | *65* | *46* | *64* | *47* |
| Lithium | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Holding, elim. and others | (1) | 0 | 3 | 1 | 4 | 0 | 1 | 1 |
| Eramet group published financial statements | 803 | 845 | 828 | 775 | 1,107 | 1,272 | 1,470 | 1,165 |
| **Eramet group adjusted**[3,4] | **943** | **980** | **956** | **944** | **1,241** | **1,328** | **1,576** | **1,240** |

[1] Data rounded to the nearest million.

[2] See definition in financial glossary in Appendix 10.

[3] Adjusted turnover defined in the financial glossary in Appendix 10.

[4] Adjusted turnover restated for 2022 and Q1 2023, following update of indicator definition.

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

## Appendix 3: Productions and shipments

| *In thousands of tonnes* | H2 2023 | Q4 2023 | Q3 2023 | H1 2023 | Q2 2023 | Q1 2023 | FY 2023 | FY 2022 |
|---|---|---|---|---|---|---|---|---|
| **Manganese ore and sinter production** | 4,769 | 2,620 | 2,149 | 2,640 | 1,543 | 1,097 | 7,409 | 7,539 |
| **Manganese ore and sinter transportation** | 3,775 | 1,737 | 2,038 | 2,848 | 1,489 | 1,359 | 6,623 | 7,167 |
| **External manganese ore sales** | 3,476 | 1,646 | 1,830 | 2,403 | 1,245 | 1,158 | 5,879 | 6,537 |
| **Manganese alloys production** | 324 | 153 | 171 | 311 | 160 | 151 | 635 | 677 |
| **Manganese alloys sales** | 329 | 175 | 154 | 310 | 170 | 140 | 640 | 698 |
| **Nickel ore production** *(in thousands of wet tonnes)* | | | | | | | | |
| SLN | 2,883 | 1,422 | 1,461 | 2,887 | 1,405 | 1,482 | 5,770 | 5,394 |
| Weda Bay Nickel (100 %) – marketable production (HG Saprolites[1]) | 9,145 | 4,898 | 4,247 | 7,760 | 3,802 | 3,958 | 16,905 | 15,139 |
| **Ferronickel production** – SLN | 24.5 | 11.7 | 12.8 | 20.3 | 9.7 | 10.6 | 44.8 | 40.9 |
| **Low-grade nickel ferroalloys production** – Weda Bay Nickel (kt of Ni content – 100%) | 17.7 | 8.7 | 9.0 | 15.7 | 7.9 | 7.8 | 33.4 | 36.6 |
| **External nickel ore sales** *(in thousands of wet tonnes)* | | | | | | | | |
| SLN | 1,343 | 668 | 675 | 1,391 | 734 | 657 | 2,734 | 3,030 |
| Weda Bay Nickel (100%) | 18,084 | 9,761 | 9,323 | 15,071 | 7,753 | 7,318 | 33,156 | 17,963 |
| *o/w Saprolites* | *17,057* | *8,734* | *8,323* | *15,071* | *7,753* | *7,318* | *32,128* | *17,963* |
| *Limonites* | *1,027* | *1,027* | - | - | - | - | *1,027* | - |
| **Ferronickel sales** – SLN | 24.1 | 10.9 | 13.2 | 20.3 | 10.1 | 10.2 | 44.4 | 41.3 |
| **Low-grade nickel ferroalloy sales**– Weda Bay Nickel/Off-take Eramet (kt of Ni content) | 7.3 | 3.8 | 3.5 | 7.0 | 3.9 | 3.1 | 14.3 | 15.8 |
| **Mineral Sands production** | 322 | 161 | 161 | 306 | 194 | 112 | 628 | 742 |
| **Ilmenite production** | 215 | 113 | 102 | 206 | 129 | 77 | 421 | 498 |
| **Zircon production** | 24 | 11 | 13 | 24 | 15 | 9 | 48 | 57 |
| **Titanium dioxide slag production** | 34 | - | 34 | 32 | 13 | 19 | 66 | 188 |
| **Ilmenite sales** (external) | 190 | 132 | 58 | 108 | 88 | 20 | 298 | 231 |
| **Zircon sales** | 25 | 17 | 8 | 23 | 14 | 9 | 48 | 59 |
| **Titanium dioxide slag sales** | 17 | - | 17 | 39 | 26 | 13 | 56 | 175 |

[1] HG: High Grade

## Appendix 4: Price and Index

| | Q4 2023 | H2 2023 | H1 target | FY 2023 | Q4 2022 | H2 2022 | H1 2022 | FY 2022 | Chg. H2 2023 – H1 2023[8] | Chg. 2023 – 2022[8] |
|---|---|---|---|---|---|---|---|---|---|---|
| **MANGANESE** | | | | | | | | | | |
| **Mn CIF China 44% ($/dmtu)[1]** | 4.27 | 4.39 | 5.22 | 4.80 | 4.40 | 5.14 | 6.79 | 5.97 | *-16%* | *-20%* |
| **Ferromanganese MC - Europe (€/t)[1]** | 1,350 | 1,389 | 1,682 | 1,535 | 1,950 | 2,158 | 3,254 | 2,706 | *-17%* | *-43%* |
| **Silicomanganese - Europe (€/t)[1]** | 934 | 920 | 1,100 | 1,010 | 1,163 | 1,205 | 1,739 | 1,472 | *-16%* | *-31%* |
| **NICKEL** | | | | | | | | | | |
| **Ni LME ($/t)[2]** | 7.80 | 8.51 | 10.99 | 9.75 | 11.50 | 10.75 | 12.51 | 11.63 | *-23%* | *-16%* |
| ***Ni LME ($/lb)[2]*** | *17,191* | *18,766* | *24,236* | *21,501* | *25,349* | *23,702* | *27,575* | *25,638* | *-23%* | *-16%* |
| **NPI SMM Index ($/t)[3]** | 12,576 | 13,218 | 15,368 | 14,293 | 16,945 | 16,837 | 20,778 | 18,808 | *-14%* | *-24%* |
| **Ni ore CIF China 1.8% ($/wmt)[4]** | 86.6 | 86.7 | 92.2 | 89.4 | 105.3 | 107.1 | 124.8 | 116.0 | *-6%* | *-23%* |
| **HPM[5] Nickel prices 1.8%/35% ($/wmt)** | 42 | 44 | 57 | 51 | 51 | 52 | 56 | 54 | *-23%* | *-6%* |
| **MINERAL SANDS** | | | | | | | | | | |
| **Zircon ($/t)[6]** | 1,900 | 1,975 | 2,100 | 2,038 | 2,100 | 2,150 | 2,035 | 2,093 | *-6%* | *-3%* |
| **Chloride ilmenite ($/t)[7]** | 300 | 308 | 325 | 316 | 308 | 328 | 281 | 304 | *-5%* | *4%* |

[1] Quarterly average for market prices, Eramet calculations 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 analysis, Eramet analysis.
[8] Eramet calculation rounded to the nearest decimal place.

## Appendix 5: Performance indicators of continuing operations (IFRS 5)

| *€ million*[1] | | 2023 | 2022 | Change (€m) | Change[2] (%) |
|---|---|---|---|---|---|
| MANGANESE | Turnover | 1,978 | 3,151 | (1,173) | -37% |
| | **EBITDA** | **499** | **1,402** | **(903)** | **-64%** |
| | COI[3] | 361 | 1,255 | (894) | -71% |
| | **FCF** | **(39)** | **835** | **(874)** | **n.a.** |
| Activity Mn ore[4] | Turnover | 1,089 | 1,527 | (438) | -29% |
| | EBITDA | 443 | 722 | (279) | -39% |
| | FCF | -32 | 371 | (403) | n.a. |
| Activity Mn alloys[4] | Turnover | 889 | 1,624 | (735) | -45% |
| | EBITDA | 55 | 680 | (625) | -92% |
| | FCF | (7) | 464 | (471) | n.a. |
| NICKEL | Adjusted Turnover[5] | 1,567 | 1,763 | (196) | -11% |
| | Turnover | 994 | 1,392 | (398) | -29% |
| | **Adjusted EBITDA[5]** | **305** | **430** | **(125)** | **-29%** |
| | EBITDA | (120) | 86 | (206) | n.a. |
| | COI[3] | (146) | 14 | (160) | n.a. |
| | **FCF** | **220** | **148** | **+72** | **+49%** |
| MINERAL SANDS | Turnover | 275 | 465 | (190) | -41% |
| | **EBITDA** | **105** | **184** | **(79)** | **-43%** |
| | COI[3] | 62 | 140 | (79) | -56% |
| | **FCF** | **16** | **105** | **(89)** | **-85%** |
| LITHIUM | Turnover | 0 | 0 | n.a. | n.a. |
| | **EBITDA** | **(17)** | **(12)** | **(5)** | **n.a.** |
| | COI[3] | (17) | (13) | (4) | n.a. |
| | **FCF** | **(481)** | **(175)** | **(306)** | **n.a.** |
| Holding, elim. and others | Turnover | 4 | 6 | (2) | n.a. |
| | **EBITDA** | **(121)** | **(107)** | **(14)** | **n.a.** |
| | COI[3] | (133) | (116) | (17) | n.a. |
| | **FCF** | **42** | **(89)** | **+131** | **n.a.** |
| GROUP TOTAL (IFRS 5) | Adjusted Turnover[5] | 3,824 | 5,385 | (1,561) | -29% |
| | Turnover | 3,251 | 5,014 | (1,763) | -35% |
| | **Adjusted EBITDA[5]** | **772** | **1,897** | **(1,125)** | **-59%** |
| | EBITDA | 347 | 1,553 | (1,206) | -78% |
| | COI[3] | 127 | 1,280 | (1,153) | -90% |
| | **FCF** | **(243)** | **824** | **(1,067)** | **n.a.** |

[1] Data rounded to the nearest million.

[2] Data rounded to higher or lower %.

[3] Current operating income (COI).

[4] See definition in financial glossary in Appendix 10.

[5] Adjusted turnover, adjusted EBITDA and adjusted leverage are defined in the financial glossary in Appendix 10.

## Appendix 6: Sensitivities of Group adjusted EBITDA

| Sensitivities | Change | Impact on adjusted EBITDA |
|---|---|---|
| **Manganese ore prices** (CIF China 44%) | +$1/dmtu | c.€255m[1] |
| **Manganese alloys prices** | +$100/t | c.€65m[1] |
| **Ferronickel prices** - SLN | +$1/lb | c.€95m[1] |
| **Nickel ore prices** (CIF China 1.8%) - SLN | +$10/wmt | c.€30m[1] |
| **Nickel ore prices** (HPM nickel) – Weda Bay | +$10/wmt | c.€160m[1] |
| **Lithium prices** (lithium carbonate, battery-grade, CIF Asia) | +$1,000/t LCE | c. €5m |
| **Exchange rate** | -$/€0.1 | c.€175m |
| **Oil price per barrel (Brent)** | +$10/bbl | c.-€15m[1] |

[1] For an exchange rate of $/€1.11.

## Appendix 7: Progress in 2018-2023 CSR roadmap

| **Commitment to people** | **KPI** | **2018** | **2023** | ***2023 target*** |
|---|---|---|---|---|
| 1 - Ensure the Health and Safety of employees and subcontractors | *TRIR workplace accident frequency rate / # of deaths* | 8.3 / 1 | 1.1 / 0 | *<4 / 0* |
| 2 - Build skills and promote talent and career development | *% of employees trained in the year* | 71% | 83% | *100%* |
| 3 - Strengthen employee engagement | *Group employee engagement rate* | 67% | 76% | *>75%* |
| 4 - Integrate and foster the richness of diversity | *% of women managers* | 22% | 26.1% | *30%* |
| 5 - Be a valued and contributing partner to our host communities | *% holding dialogue with local stakeholders* | *Reference year* | 100% | *100%* |
| **Commitment to economic responsibility** | | | | |
| 6 - Be an energy transition leader in the metals sector | *Diversification of projects in the electric mobility batteries value chain* | *Reference year* | ✓ | ✓ |
| 7 - Actively contribute to the development of the circular economy | *Low-grade ores and tailings recovered* | *Reference year* | 3.6 Mt | *2 Mt* |
| | *Recovered waste* | *Reference year* | 268 kt | *10 kt* |
| 8 - Lead by example in the field of Human Rights | *Application of the United Nations Guiding Principles* | *Reference year* | ✓ | ✓ |
| 9 - Be an ethical partner of choice | *% of sales and purchasing teams trained in anti-corruption* | *Reference year* | 95-98% | *100%* |
| 10 - Be a responsible company of reference in the mining and metallurgy sector | *% of suppliers and customers at risk, in line with Eramet's CSR/Ethics commitments* | *Reference year* | 100% / 100% | *100%* |
| **Commitment to the planet** | | | | |
| 11 - Reduce our atmospheric emissions | *Tonnes of ducted dust emitted by industrial facilities* | *Reference year* | (77%) | *(80%)* |
| 12 - Protect water resources and accelerate the rehabilitation of our mining sites by fostering biodiversity | *Ratio of rehabilitated to cleared areas* | *Reference year* | 1.2 | *≥1* |
| 13 - Reduce our energy and climate footprint | *t CO2/t outgoing product* | *Reference year* | (40%) | *(26%)* |

[1] No survey conducted in 2022, the last survey was in 2021 with a result of 70%

# Appendix 8: 2024-2026 new CSR roadmap targets

| | | | |
|---|---|---|---|
| **CARE FOR PEOPLE** | **2035 target:** **All subsidiaries recognised for their D&I approaches** | **Take care of Health and Safety of people on our sites** | TRIR < 1.0 |
| | | | 100%(*) of our employees benefit from a common social protection floor |
| | | | 90% of sites have a Well Being programme |
| | | **Provide an inclusive environment where everyone and can grow** | 30% of women managers |
| | | | 1,000 "early career contracts" opportunities |
| | | | 90% of employees with a formal development discussion |
| | | **Beyond Eramet activities, accelerate the local and sustainable development for communities and host regions** | 6,000 jobs voluntarily supported (excluding core business) |
| | | | 500 young people, 50% of whom come from local communities and 50% girls, supported for qualifying training in secondary or higher education |
| **TRUSTED PARTNER FOR NATURE** | **2035 target:** **Acting towards a Net Positive Biodiversity impact** | **Control and optimise water consumption to preserve a quality water resource available to all** | Recycling in water-stressed areas for current or future projects: 60% for GCO and 80% for Lithium project |
| | | | 100% of sites have a Water management plan including reduction targets for all sites |
| | | **Integrate biodiversity preservation within all our activities and develop plans towards an overall net positive contribution to biodiversity** | Rehabilitation ratio ≥ 1 |
| | | | 100% of our mining sites have a Biodiversity Action Plan in line with IFC Performance Standards |
| | | **Mitigate the risks of pollution / Reduce our environmental impact** | 100% of sites have a diffuse dust source map and a reduction action plan for major sources |
| | | | 100% of sites, identified as sensitive, have ambient air quality monitoring at neighbouring communities and share data |
| | | | 100% of sites have a full water discharge monitoring and share data |
| **TRANSFORM OUR VALUE CHAIN** | **2035 target:** **-40% in our absolute CO2 emissions for scopes 1 & 2 vs. 2019** | **Reduce the $CO_2$ footprint of our value chain** | Reduce emissions per ton produced on scopes 1 & 2 to 0.221 tCO2/t |
| | | | Metallurgy (>80% of scopes 1 & 2): Develop and validate path to Near Zero Alloys |
| | | | Mine: Reduce by 10% the carbon footprint of our mining activities |
| | | | Bring 67% (in terms of scope 3 emissions) of our suppliers and customers to commit to reduce their CO2 footprint in line with the Paris agreement |
| | | **Optimise mineral resources and contribute to a circular economy** | Optimal management and recovery of plant material resources |
| | | | Monitor and continuously improve mineral resources valorisation ratio |
| | | | Develop a robust technical and economic model to industrially recycle EV batteries in Europe |
| | | **Develop responsible value chain with suppliers and customers that respect our Human Rights and CSR requirements** | 90% of our suppliers rated at-risk assessed on their CSR practices by Ecovadis |
| | | | 100 % of our customers assessed yearly on their compliance with our CSR or ethical commitments |
| | | | 100% of sales and purchasing teams trained on ethics every year |
| | | **Audit every mining site - including our Joint ventures - with IRMA standards** | 100% of mining sites have entered into the formal certification audit |

(*) After one year within the company

# Appendix 9: Performance indicators

## Operational performance by division

| *(in millions of euros)* | Mining activities | | | | Holding and other eliminations and others | **Total of continuing operations** | Erasteel and Aubert & Duval | Sandouville | Eliminations | **Total continuing and discontinued** |
|---|---|---|---|---|---|---|---|---|---|---|
| | Manganese | Nickel | Sand Minerals | Lithium | | | | | | |
| **Financial year 2023** | | | | | | | | | | |
| Turnover | 1,978 | 994 | 275 | - | 4 | **3,251** | 346 | - | - | **3,597** |
| EBITDA | 499 | (120) | 105 | (17) | (121) | **347** | (9) | - | 7 | **346** |
| Current operating income | 361 | (146) | 62 | (17) | (133) | **127** | (13) | - | 7 | **121** |
| Net cash flow generated by operating activities | 328 | (19) | 81 | 62 | (211) | **241** | (71) | - | 2 | **172** |
| Industrial investments (intangible assets and property | 378 | 20 | 65 | 226 | 16 | **706** | 26 | - | - | **732** |
| Free Cash Flow | (39) | 220 | 16 | (481) | 42 | **(243)** | 41 | - | (143) | **(345)** |
| **Financial year 2022** | | | | | | | | | | |
| Turnover | 3,151 | 1,392 | 465 | 0 | 6 | **5,014** | 826 | 11 | - | **5,851** |
| EBITDA | 1,402 | 86 | 184 | (12) | (107) | **1,553** | (24) | (2) | 37 | **1,564** |
| Current operating income | 1,255 | 14 | 140 | (13) | (116) | **1,280** | (27) | (2) | 37 | **1,288** |
| Net cash flow generated by operating activities | 1,124 | 0 | 157 | (23) | (142) | **1,116** | (146) | 5 | 16 | **991** |
| Industrial investments (intangible assets and property | 273 | 85 | 52 | 109 | 11 | **530** | 63 | - | - | **593** |
| Free Cash Flow | 835 | 148 | 105 | (175) | (89) | **824** | (234) | 89 | (69) | **610** |

## Turnover and investments by region

| *(in millions of euros)* | **France** | **Europe** | **North America** | **China** | **Other Asia** | **Oceania** | **Africa** | **South America** | **Total** |
|---|---|---|---|---|---|---|---|---|---|
| **Sales (destination of sales)** | | | | | | | | | |
| **Financial year 2023** | 43 | 663 | 403 | 1,011 | 944 | 71 | 75 | 41 | **3,251** |
| Financial year 2022 | 313 | 1,215 | 294 | 1,057 | 1,261 | 76 | 128 | 670 | **5,014** |
| **Industrial investments (intangible assets and property, plant & equipment)** | | | | | | | | | |
| **Financial year 2023** | 35 | 69 | 29 | - | - | 19 | 327 | 227 | **706** |
| Financial year 2022 | 9 | 50 | 13 | 1 | - | 84 | 263 | 110 | **530** |

## Consolidated performance indicators – Income statement

| *(in millions of euros)* | **Financial year 2023** | **Financial year 2022** |
|---|---|---|
| **Turnover** | **3,251** | **5,014** |
| **EBITDA** | **347** | **1,553** |
| Amortisation and depreciation of non-current assets<br>Provisions for liabilities and charges | (240)<br>7 | (271)<br>(2) |
| **Current operating income** | **127** | **1,280** |
| (Impairment of assets)/reversals<br>Other operating income and expenses | (218)<br>(102) | (221)<br>(34) |
| **Operating income** | **(193)** | **1,025** |
| Financial income (loss)<br>Share of income from associates<br>Income taxes | (2)<br>295<br>(88) | (89)<br>258<br>(264) |
| **Net income from continuing operations** | **12** | **930** |
| Net income from discontinued operations (1) | 6 | (156) |
| **Net income for the period** | **18** | **774** |
| - Attributable to non-controlling interests<br>**- Attributable to Group share** | (91)<br>**109** | 34<br>**740** |
| Basic earnings per share (in euros) | 3.79 | 25.81 |

*(1) Pursuant to IFRS 5 "Non-current assets held for sale and discontinued operations", Erasteel and Aubert & Duval CGUs are shown as discontinued operations.*

## Consolidated performance indicators – Net financial debt flow table

| *(in millions of euros)* | **Financial year 2023** | **Financial year 2022** |
|---|---|---|
| **Operating activities** | | |
| EBITDA | 347 | 1,553 |
| Cash impact of items below EBITDA | (179) | (326) |
| **Cash flow from operations** | **168** | **1,227** |
| Change in WCR | 73 | (111) |
| **Net cash flow generated by operating operations (A)** | **241** | **1,116** |
| **Investing activities** | | |
| Industrial investments | (706) | (530) |
| Other investment cash flows | 222 | 238 |
| **Net cash flows from investing activities of continuing operations (B)** | **(484)** | **(292)** |
| **Net cash flows from financing activities of continuing operations** | **124** | **80** |
| Impact of fluctuations in exchange rates and others | (8) | (49) |
| Acquisition of IFRS 16 rights of use | (10) | (26) |
| **Change in the net financial debt of continuing operations before taking into account flows with discontinued operations** | **(137)** | **829** |
| Net cash flow from continuing operations carried out with discontinued operations [1] [2] | (133) | (236) |
| **Change in net financial debt of continuing operations** | **(270)** | **593** |
| | | |
| **Change in net financial debt of discontinued operations before taking into account flows with continuing operations** | **(102)** | **(213)** |
| Net cash flow from discontinued operations carried out with continuing operations [1] [2] | 133 | 236 |
| **Change in net financial debt of discontinued operations** | **31** | **23** |
| | | |
| **(Increase)/Decrease in net financial debt** | **(239)** | **616** |
| | | |
| **Opening (net financial debt) of continuing operations** | **(344)** | **(936)** |
| **Opening (net financial debt) of discontiued operations** | **(31)** | **(54)** |
| **Closing (net financial debt) of continuing operations** | **(614)** | **(344)** |
| **Closing (Net financial debt) of discontinued operations** | **-** | **(31)** |
| **Free Cash Flow (A) + (B)** | **(243)** | **824** |

*(1) Pursuant to IFRS 5 – "Non-current assets held for sale and discontinued operations", Erasteel and Aubert & Duval CGUs are shown as discontinued operations.*

*(2) The amounts relate mainly to investing cash flows from discontinued operations by the continuing operations*

## Consolidated performance indicators – Balance sheet

| *(in millions of euros)* | **31 December 2023** | **31 December 2022** |
|---|---|---|
| **Non-current assets** | **3,231** | **3,122** |
| Inventories | 619 | 724 |
| Customers | 221 | 369 |
| Suppliers | (445) | (424) |
| **Simplified Working Capital Requirements (WCR)** | **395** | **669** |
| Other items of WCR | (41) | (201) |
| **Total Working Capital Requirements (WCR)** | **354** | **468** |
| **Derivatives** | **15** | **62** |
| **Assets held for sale(1)** | - | **714** |
| **TOTAL ASSETS** | **3,600** | **4,366** |

| *(in millions of euros)* | **31 December 2023** | **31 December 2022** |
|---|---|---|
| Shareholders' equity – Group share | 1,600 | 1,781 |
| Non-controlling interests | 394 | 464 |
| **Shareholders' equity** | **1,994** | **2,245** |
| Cash and cash equivalents and other current financial assets | (1,613) | (1,660) |
| Loans | 2,227 | 2,004 |
| **Net financial debt** | **614** | **344** |
| *Net financial debt/shareholders' equity (gearing)* | *31%* | *15%* |
| **Employee-related liabilities and provisions** | **810** | **814** |
| **Net deferred tax** | **182** | **226** |
| **Derivatives** | - | - |
| **Liabilities associated with assets held for sale**[(1)] | - | **737** |
| **TOTAL PASSIF** | **3,600** | **4,366** |

*(1) Pursuant to IFRS 5 "Non-current assets held for sale and discontinued operations", the assets and liabilities of Aubert & Duval and Erasteel CGUs were shown in the consolidated balance sheet at 31 December 2022 as assets held for sale. As of 31 December 2023, as Aubert & Duval and Erasteel were sold during the first semester, assets and liabilities of these two CGUs are not part of the balance sheet.*

## Appendix 10: 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 31 December 2023, 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 5 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 31 December 2023, 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 5 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 11: Footnotes

[1] See Financial glossary in Appendix 10
[2] Net of Tsingshan's capital contributions to the Centenario project; total capital increase amounted to €321m, o/w €250m and €71m to finance capex and opex, respectively
[3] IRMA: "*Initiative for Responsible Mining Assurance"*
[4] Excluding Tsingshan's capital contributions to the Centenario project
[5] TRIR (total recordable injury rate) = number of lost time and recordable injury accidents for 1 million hours worked (employees and subcontractors).
[6] Eramet publishes its first Human Rights report
[7] International Finance Corporation, Performance Standard 6 ("PS6")
[8] Also known as the O'Hongana Manyawa people
[9] Audit procedures for the 2023 consolidated financial statements have been completed. The certification report will be released after the Board of Directors' meeting held on 22 March 2024, which will set the draft shareholders' resolutions
[10] Excluding the impact of the devaluation of the Argentine Peso (ARS – around €150m at 100%) on the capex of the Centenario project, with a consideration in financial income, and no impact on Group FCF
[11] Of which €267m in dividends paid
[12] Net debt to adjusted EBITDA
[13] Includes €17m linked to Setrag transport activity other than Comilog's ore (€29m in 2022)
[14] Unless otherwise indicated, market data corresponds to Eramet estimates based on World Steel Association production data
[15] 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
[16] See financial glossary in Appendix 10. Cash cost calculated excluding sea transport and marketing costs
[17] SLN and others
[18] Unless otherwise indicated, market data corresponds to Eramet estimates
[19] High Pressure Acid Leach
[20] Nickel Pig Iron ("NPI")
[21] Class I: produced with a nickel content above or equal to 99%; Class II: produced with a nickel content below 99%
[22] LME: London Metal Exchange; SHFE: Shanghai Futures Exchange
[23] SMM NPI 8-12% index
[24] 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.
[25] Sales at the plants on the industrial site other than the JV plant
[26] See Financial glossary in Appendix 10
[27] Statutory accounts
[28] 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 Ilmenite (FOB prices): TZMI
[29] c.90% of titanium-based end-products
[30] Titanium dioxide slag, ilmenite, leucoxene and rutile
[31] Heavy Minerals Concentrates
[32] 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
[33] See Financial glossary in Appendix 10
[34] Eramet analysis based on a panel of the main sell-side and market analysts
[35] Bloomberg forecast consensus as of 31/01/2023 for the year 2023