

23 April 2024

Ferrexpo plc
(“Ferrexpo” or the “Company” or the “Group”)

Production Report for 1Q 2024

Ferrexpo plc (LSE: FXPO), a producer of premium iron ore pellets, is pleased to report production results for the first quarter to the end of March 2024 (“the quarter” or “1Q” or “1Q 2024”).

Commenting on the Group’s performance, Lucio Genovese, Executive Chair, said:

“Our operations have delivered an exceptional first quarter performance, with a 203% increase in total production compared to the previous quarter, to over two million tonnes of iron ore pellets and concentrate. This is our best quarterly performance since the full-scale invasion of Ukraine and is a tribute to the significant contribution of our workforce that has worked tirelessly since February 2022 to maintain operations in exceptionally challenging conditions.

During the quarter, we were once again able to export from Ukrainian ports, allowing us to export larger volumes to Europe and resume sales to MENA and Asian customers. It has taken considerable effort to restart these exports, so we are grateful to our teams on site, at port and to the many logistics providers and authorities that have helped achieve this.

At present, we are experiencing more conscriptions from our workforce, with 669 Ferrexpo employees serving in the army, the highest number since the start of the full-scale invasion. To date, 67 serving members have returned. The reintegration of veterans is a complex issue and we are responding with a comprehensive programme of support that includes physical and psychological rehabilitation as well as retraining for employees who cannot return to their previous roles due to health issues.

The challenges of the war are constantly changing our work environment and we must continuously adapt to shorter and tighter time scales, which requires a flexible workforce. To ensure our continued resilience we have placed a very strong focus on training where we have multiple initiatives in place at the Ferrexpo Technical Expertise Centre to upskill, cross-skill and re-skill employees, including fast tracking vocational qualifications.

It is pleasing that despite facing so many challenges, we are able to report solid production and sales numbers for the quarter. As long as we believe the level of risk is acceptable, taking into account the ongoing war in Ukraine, we will continue to use all the export capacity available to ensure that we are supporting the interests of all stakeholders.”

Highlights

- Ferrexpo is committed to the safety and wellbeing of the workforce and the Group continues to take extensive measures to protect employees, their families, and local communities.
- Ferrexpo continues to produce, transport and sell its products despite a challenging environment in Ukraine.
- At the end of March 2024, the Group reported a rolling 12-month LTIFR of 0.36, below the historic five-year trailing average of 0.52. Zero fatalities have been reported for over three years.
- The Group has successfully operated two, sometimes three pelletising lines (out of four) during the quarter, alternating product quality depending on demand from customers and expanded logistics capacity.
- With more stable production from each of the pelletiser lines, total iron ore pellet production for the quarter was 1,813,973 tonnes, a 189% increase compared to the previous quarter. In addition 240,516 tonnes of 67% Fe concentrate were also produced.
- Total sales volumes for the quarter totalled 1,991,936 tonnes. All sales were for products grading 65% Fe or above.

Commenting on the Group's technical performance, Nikolay Kladijev, Group Chief Financial Officer said:

"The ability to export through the Ukrainian Black Sea ports has been positive not just for our production and sales, but also for the morale of our workers. They can sense that the company is working hard to protect their jobs and livelihoods.

Although it is positive that we have been able to export through the Black Sea ports, it has not been without its challenges. Logistics have been complex and shipping and insurance costs have increased. As the ports provide access to larger vessels, we have, however, benefited from economies of scale.

The year started with strong iron ore prices, and it was pleasing that we could ramp-up production and exports to take advantage of these prices. Although our unit costs have benefited from higher production rates, as we brought back capacity, total costs increased and as the quarter closed, we have increased inventory."

Summary production statistics

	Fe Grade	1Q 2024	4Q 2023	Change	3M 2024	3M 2023	Change
Total commercial production		2,054,489	677,168	+203%	2,054,489	953,794	115%
Total pellet production		1,813,973	627,052	+189%	1,813,973	900,757	101%
Direct reduction pellets	67%	-	-	-	-	-	-
Ferrexpo premium pellets	65%	1,731,427	577,141	+200%	1,731,427	900,757	92%
Other pellets	65%	82,546	49,911	+65%	82,546	-	-
Concentrate production	67%	240,516	50,116	+380%	240,516	53,037	353%

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About Ferrexpo:

Ferrexpo is a Swiss headquartered iron ore company with assets in Ukraine and a premium listing on the London Stock Exchange in the FTSE 250 index (ticker FXPO). The Group produces high grade iron ore pellets, which are a premium product for the global steel industry and enable reduced carbon emissions and increased productivity for steelmakers when converted into steel, compared to more commonly traded forms of iron ore. Ferrexpo's operations have been supplying the global steel industry for over 50 years. Before Russia's invasion of Ukraine in February 2022, the Group was the world's third largest exporter of pellets to the global steel industry. The Group has a global customer base comprising of premium steel mills around the world, which includes steel mills in Austria, Germany, Japan, South Korea, Taiwan, China, Slovakia, the Czech Republic, Turkey, Vietnam and America. For further information, please visit www.ferrexpo.com.

Please note that numbers may not add up due to rounding and all numbers contained herein may be subject to change.