

11 January 2023

Ferrexpo plc
(“Ferrexpo” or the “Company” or the “Group”)
Production Report and Trading Update for 4Q 2022

Ferrexpo plc (LSE: FXPO), a producer and exporter of high grade iron ore pellets to the global steel industry, with operations in central Ukraine, hereby provides the following summary of its production for the fourth quarter of 2022 (“4Q 2022”) and a trading update, in line with previous year-end reporting:

- The safety of Ferrexpo’s workforce continues to be the Group’s first priority. The Group’s operations have completed a second successive fatality-free year in 2022, and overall safety performance remains in line with recent years. The war in Ukraine continues to impact the Group’s workforce and communities across the country, and the Group continues to support Ukraine at this difficult time.
- Total iron ore pellet production for 4Q 2022 of 0.4 million tonnes (4Q 2021: 3.1 million tonnes). This reduction is primarily due to the loss of electrical power for the majority of the quarter, which was partially restored in late December, in addition to existing constraints relating to Russia’s invasion. As of the date of this release, the Group continues to produce iron ore pellets using one pelletiser line (out of a total of four).
- Operations continue to focus on the production of high grade forms of iron ore, with 100% of output grading 65% Fe or above in 4Q 2022. Given recent operational disruptions, the Group elected to reduce output of higher grade Direct Reduction (“DR”) Pellets (67% Fe) during the period. DR pellets represented 6% of total pellet production in 2022 (2021: 4%), and the Group expects to continue to increase its focus on this particular product in the coming year.
- Full year pellet production of 6.1 million tonnes in 2022, down 46% year on year, reflecting operational and logistical constraints throughout 2022 due to the war in Ukraine (2021: 11.2 million tonnes produced).
- Despite interruptions to the Group’s production during 4Q 2022, shipments to customers continued as planned at approximately the same run rate as seen in the previous quarter of 2022.
- Total full year sales of 6.2 million tonnes in 2022, representing a 46% decrease year on year due to the ongoing war in Ukraine, principally relating to the closure of Ukraine’s access to the Black Sea, Russian attacks on Ukraine’s state-owned electricity network and logistics constraints for users of Ukraine’s railway network, in addition to other factors.
- Full year production of commercial concentrate of 124 kilotonnes, representing 2% of total iron ore output in 2022 (2021: 2%), providing an additional product in the Group’s marketing portfolio.
- Resignation of Non-executive Director Kostyantyn Zhevago in December 2022.
- Group net cash position, subject to minor final year-end adjustments, of approximately US\$105 million as of 31 December 2022 (31 December 2021: US\$117 million), with minimal lease obligations and no debt.

Jim North, Chief Executive Officer of Ferrexpo commented:

“The past year has been an exceptionally difficult year for anyone connected to Ukraine. After more than 320 days of conflict, however, Ukraine continues to successfully defend itself. At Ferrexpo, our operating and marketing teams have remained resilient throughout the war, and we remain committed to supporting the people of Ukraine through our continued operations and investments. Our full year pellet production of 6.1 million tonnes reflects both the determination of our workforce, and the strong and supportive relationships that we have with our stakeholders, such as our global customer network and local government. We hope that the coming year will bring peace, and we look forward to being a part of the process to deliver a new future for our people, their families and communities across Ukraine.”

Thousand tonnes, unless stated otherwise	Product Grade Fe	4Q 2022	QoQ (vs. 3Q 2022)	YoY (vs. 4Q 2021)	12M 2022	YoY (vs. 12M 2021)
Total commercial production (pellets and commercial concentrate)		457	(49%)	(85%)	6,177	(46%)
Total pellet production		417	(50%)	(86%)	6,053	(46%)
<i>Pellet production comprised of:</i>						
○ Direct Reduction Pellets	67%	-	(100%)	(100%)	353	(18%)
○ Ferrexpo Premium Pellets	65%	417	(28%)	(86%)	5,700	(47%)
○ Ferrexpo Basic Pellets	62%	-	-	-	-	-
Commercial concentrate production	67%	40	(38%)	+3%	124	(47%)

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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 the Group's iron ore pellets are 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, and in 2022 the Group produced 6.1 million tonnes of iron ore pellets, despite the war in Ukraine. Historically, Ferrexpo has been the world's third largest exporter of pellets to the global steel industry, recently having a market share of approximately 9% in 2021. 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.