

5 October 2023

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

Production Report for 3Q 2023

Ferrexpo plc (LSE: FXPO), producer of premium iron ore pellets for the transition to lower carbon and green steel, is pleased to report production results for the third quarter to the end of September 2023 (“the quarter” or “3Q” or “3Q 2023”).

Commenting on the results, Lucio Genovese, Interim Executive Chair, said: *“It is pleasing to report that our performance during the quarter exceeded our expectations and that we were able to operate up to two of our four pellet lines. Our strategy to move early and right-size our business, so that we are more responsive to ever changing circumstances, is working. Contrary to the prevailing market pessimism, iron ore prices strengthened over the quarter; a supportive factor given the higher logistics costs we are experiencing. Despite the challenging rail logistics and sea ports capacity available, we have continued to export premium products and service the needs of our premium European customers. This achievement is once again, testament to the resilience and commitment of our workforce, who are operating in exceptionally challenging circumstances.*

We have noted over the last few months how various initiatives focused on Ukraine’s post-war reconstruction are gaining momentum. This is especially the case for the iron ore and steel sector. Several ideas are under discussion among leaders across the value chain, with broad support of international finance institutions, trade bodies and governments and multi-laterals. While the future holds much potential, today during a time of war, it is not possible to understate how challenging it is to operate our business. This is especially the case as we head into the winter season, when energy infrastructure is vulnerable to disruption. We have deliberately focused on building pellet production during 3Q to mitigate risks in the months ahead.

It is with great sadness that I must announce that 33 of our employees serving in the Ukrainian Armed Forces have died. Each of these brave soldiers has their own story, over half of them had partners, half of them children. They all had careers at Ferrexpo, including as electricians, mechanics, drill rig operators and pit supervisors.

At present, 739 members of our workforce are currently serving in the Ukrainian Armed Forces, 50 have been demobilised and returned as veterans, 30 of whom have returned to work. We continue to provide support for all these courageous employees and their families through our humanitarian programme that also extends further afield, including aid to the Kherson Region following the blowing up of the Nova Kakhovka Dam.

Highlights

- The safety and wellbeing of the workforce is the highest priority, and the Group continues to take extensive measures to protect all 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 September 2023, the Group reported a rolling 12 month LTIFR of 0.27, below the historic five year trailing average of 0.69.
- The Group has successfully operated between one and two pelletising lines (out of four) during the quarter, alternating product quality depending on demand from customers and available logistics routes.
- With variable, yet stable production at different times from each of the two pelletiser lines in 3Q, total iron ore pellet production was 1,251 million tonnes, 17% higher than 2Q.
- The focus on production of higher grade pellets continued during the period, all grading 65% Fe or above.
- For the remainder of the year, the Group intends to operate between one and two pelletising lines, assuming no further material changes to the operating environment and logistics availability in Ukraine.
- Certain legal challenges against the Group and certain senior management personnel of Ferrexpo Poltava Mining (“FPM”) continue to progress through the Ukrainian courts. In a recent court hearing concerning claims regarding the sale of waste products by FPM, which the Group continues to believe are without merit, the Chair of the FPM Management Board was detained with bail set at a very high amount. An appeal has been lodged against this decision and the Group will provide an update to the market as and when appropriate.

Summary production statistics Q3 2023 and 9M 2023

	Fe Grade	3Q 2023 (kt)	2Q 2023 (kt)	Change	1Q 2023 (kt)	9M 2023 (kt)
Total commercial production (pellets and commercial concentrate)		1,349	1,172	+15%	954	3,475
Total pellet production		1,251	1,066	+17%	901	3,218
Pellet production comprised of:						
○ Direct Reduction Pellets	67%	0	0	-	0	-
○ Ferrexpo Premium Pellets	65%	1,251	1,066	+17%	901	3,218
○ Ferrexpo Basic Pellets	62%	0	0	-	0	-
Commercial concentrate production	67%	98	106	-8%	54	257

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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. 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.

Notes:

**Due to the ongoing war in Ukraine, and the multiple challenges that this places on production, it is not considered appropriate at the current time to compare quarterly and half yearly production numbers to same period last year, i.e. 3Q 2023 to 3Q 2022 and 9M 2023 to 9M 2022, because the circumstances in which they are produced are different. Even withstanding seasonal anomalies, it is believed that at the present time, investors and other readers will have a better understanding of how the Company is performing if the latest quarterly and half yearly production is compared to the previous period (i.e. 3Q 2023 to 2Q 2023). Hence, since 2Q 2023 it has been decided to present production reports in this time format and until further notice.

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

The Company will report fourth quarter and full year production results for the 12 months ended 31 December 2023 on 11 January 2024.