

6 July 2023

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

Production Report for 2Q 2023

Ferrexpo plc (LSE: FXPO), a premium iron ore pellet producer and exporter to the global steel industry, with operations in central Ukraine, and customers across Europe and Asia, is pleased to report production results for the second quarter (“the quarter” or “2Q 2023”) and six months to the end of June 2023 (“1H 2023” or “first half”):

- The war in Ukraine remains very challenging, however Ferrexpo continues to produce, transport and sell its products.
- The safety and wellbeing of the Group’s workforce is the highest priority, and the Group continues to take extensive measures to protect its workforce, their families and local communities.
- For the quarter and first half, the Group reported LTIFRs of 0.31, below the historic five year trailing average of 0.69.
- Despite the ongoing conflict in Ukraine, and associated energy and logistics constraints during the first half of the year, the Group successfully operated two pelletiser lines, the second which was recommissioned earlier in the year, ramping up to add additional flexibility and capacity.
- With stable production from a first pellet line, and an initial contribution from second pellet line, total iron ore pellet production for 2Q 2023 was 1.066 million tonnes, 18% higher compared to the previous quarter, and for the 1H 2023 1.967 million tonnes, a 57% increase compared to 2H 2022.
- The focus on higher grade iron ore production continued during the quarter, all grading 65% Fe or above, and comprised entirely of high grade blast furnace pellets.
- Sales continued to be exported by rail and barge to Central-Eastern Europe, and the Black Sea. Sales for the quarter totalled 1.2 million tonnes, 45% higher than the previous quarter, and 2.1 million tonnes for 1H 2023, a 15% increase compared to 2H 2022.
- The Group intends to continue to operate with between one and two pellet lines for the remainder of the year, in line with 1H 2023, assuming no further material changes to the operating environment and logistics availability in Ukraine.

Lucio Genovese, Interim Executive Chair commented:

“The end of this week will mark 500 days since Russia invaded Ukraine. On behalf of the Board, and everybody at Ferrexpo, we must commend the people of Ukraine for their incredible resilience. I would also like to acknowledge all those who have tragically lost their lives, especially the 27 brave members of the Ferrexpo workforce who served in the armed forces.

“Despite the ongoing bombardment, and in the face of so many challenges, the commitment and resourcefulness of our workforce means that we are able to adapt our business. It is pleasing to see that during the first half, a second pellet line returned to production, improving flexibility and enabling us to recover production. Logistics, however, remain constrained, and whilst we now have the capacity to produce more, currently we do not have sufficient availability at alternative Black Sea ports to export more.

“During the first six months we have continued to maintain a strong cash position, whilst funding our CAPEX commitments. We continue to assess alternative supply routes in the near-term, and indeed looking to a post-war future, we are developing plans to rebuild capacity so that we can return to full production levels and play our part in the recovery of Ukraine.”

Summary production statistics Q2 2023 and 1H 2023**

	Fe Grade	2Q 2023 (kt)	1Q 2023 (kt)	Change	1H 2023 (kt)	2H 2022 (kt)	Change
Total commercial production (pellets and commercial concentrate)		1,172	954	+23%	2,126	1,335	+59%
Total pellet production		1,066	901	+18%	1,967	1,256	+57%
Pellet production comprised of:							
○ Direct Reduction Pellets	67%	0	0	-	0	263	-
○ Ferrexpo Premium Pellets	65%	1,066	901	+18%	1,967	993	+98%
○ Ferrexpo Basic Pellets	62%	0	0	-	0	0	-
Commercial concentrate production	67%	106	54	+96%	160	106	+51%

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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:

*LTIFR numbers are estimated and will be confirmed with the publication of the interim results.

**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. 2Q 2023 to 2Q 2022 and 1H 2023 to 1H 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. 2Q 2023 to 1Q 2023 and 1H 2023 to 2H2022). Hence, for this and subsequent reporting periods, and until further notice, it has been decided to present production reports in this time format.

Please note that all numbers contained herein maybe subject to change.

The Company will report Interim Results for the six months ended 30 June 2023 on 2 August 2023.