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PRESS RELEASE

Eramet: Record year with EBITDA above €1.5bn and very strong deleveraging

- EBITDA[1] at €1.5bn and **Adjusted EBITDA**[1,2] at **€1.9bn** (+58%), including the proportional contribution of **Weda Bay**:
  - **Intrinsic performance** of **€180m**, driven by **strong growth in volumes in Gabon and Indonesia**: 7.5 Mt (+7%) of manganese ore in Moanda, 21.1 Mwmt (x 2) of nickel ore in Weda Bay
  - **High price levels in H1** for all of the Group's markets, combined with a **favourable €/$ currency effect**
  - **New record year for manganese alloys** in a very favourable price environment in H1 and with a good control of rising energy and reductant costs
  - **Record** increase **in Free Cash-Flow (FCF)** to **€824m** (+57%) and **continued Group deleveraging** with net debt of **€344m** and leverage of **0.2x**
- **Net income, Group share** at **€740m**
- **Significant progress in CSR**, particularly regarding climate, biodiversity and safety, with one of the lowest accident rates in the sector
- **Finalisation of Eramet's repositioning**, with the planned completion at end-March of the **divestment of Aubert & Duval** and the receipt of an **exclusive put option agreement** for **Erasteel**
- **Solid** fundamentals enabling to accelerate on **growth projects in metals for the energy transition**: lithium, nickel-cobalt and longer-term, battery recycling
- Proposal of a **dividend** of **€3.5** per share (+40%), in line with the Group's capital allocation policy which priorities deleveraging and growth projects
- **2023 outlook** which is in line with a less buoyant and inflationary macroeconomic context:
  - **Ore volumes up**: **more than 30 Mwmt** of **nickel** ore in Indonesia and **more than 7.5 Mt** of **manganese** ore in Gabon
  - **Average prices expected to decline** compared to 2022, notably for manganese alloys
  - **Energy** and **reductant costs** to remain at a **high level**
  - Group **adjusted EBITDA** expected at **around €1.2bn** in 2023, including the proportional contribution of Weda Bay

Christel Bories, *Group Chair and CEO:*

« Eramet achieved a record year in 2022, with further increases in our mining productions. The price environment was very favourable in the first half, before a strong slowdown in the second, in a context of inflation and significantly rising energy prices. The year ended also marks the finalisation of our strategic repositioning and the acceleration of our deleveraging.

Eramet now has solid operating assets and the financial resources required to develop its ambitious and promising projects, whether in lithium in Argentina and France, nickel-cobalt in Indonesia, or battery recycling in France. These medium-term strong growth projects position us as a leading player in mining and metals for the energy transition.

In 2023, in an uncertain economic environment, we remain focused on the strict control of our cash, delivering excellence in our operational management and making good progress in our priority projects.

Driven by the commitment of our employees worldwide, we are firmly focused on responsible mining and our ambition is to provide efficient and sustainable solutions to meet the essential challenges of economic development and the energy transition. »

CSR commitments

The Group continued to successfully implement its CSR Roadmap 2018-2023, ahead of its targets, with further progress in 2022 (see Appendix 7) resulting in a performance rate of 115% compared to the target:

- Safety is constantly improving with a 27% decline in the number of accidents versus 2021. The **TIR**[3] was 1.6 for the Group and **1.1** for continuing operations, achieving one of the lowest rates in the Mining and Metals industry (*Safety Performance Report 2021*, ICMM, July 2022).
- A **40% reduction in the Group's carbon intensity since 2018**, significantly exceeding the 2023 target initially set for a 26% reduction.
- Continued actions to promote **biodiversity**:
  - GCO returned 85 hectares of land to the Senegalese government, which was rehabilitated and replanted with species chosen by local communities,
  - Eramet rehabilitated 17 hectares in Gabon thanks to an innovative drone seed planting initiative, in collaboration with the start-up Morfo.

The Group continued to implement the ***Initiative for Responsible Mining Assurance (IRMA)*** **standard** in its activities, conducting two self-assessments in 2022: the Lithium project in Argentina and the mineral sands site in Senegal.

Our CSR progress was again recognised in 2022 by extra-financial rating agencies. The Carbon Disclosure Project (CDP) upgraded the Group's *Climate Change* rating from B to A-, ranking Eramet among the best in the industry.

In addition, the Group received a B- score as part of CDP's *Water Security* ratings for its first participation in the assessment. This score reflects the efforts made at its industrial and mining sites and, more specifically, its commitment to the responsible management of the aquatic environment and to the management of runoff water in operational and rehabilitated areas.

Moreover, in 2022, Eramet updated its materiality matrix of extra-financial risks, in collaboration with more than 600 internal and external stakeholders. The results of this consultation, published in the 2022 Universal Registration Document, will be used to update the Group's CSR objectives.

Eramet's Board of Directors met on 22 February 2023, chaired by Christel Bories, and approved the financial statements for the 2022 financial year[4] which will be submitted for approval at the Shareholders' General Meeting on 23 May 2023.

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

(Millions of euros)[1]	2022[2]	2021[2]	Chg. (€m)	Chg.[3] (%)
Turnover	5,014	3,668	+1,346	+37%
Adjusted EBITDA[4]	**1,897**	**1,204**	**+693**	**+58%**
EBITDA	1,553	1,051	+502	+48%
Current operating income (COI)	1,280	784	+496	+63%
Net income from continuing operations	**930**	**791**	**+139**	**+18%**
Net income from discontinued operations	(156)	(426)	+270	n.a.
Net income, Group share	**740**	**298**	**+442**	**+148%**
Group Free Cash-Flow (continuing operations)	**824**	**526**	**+298**	**+57%**

	31/12/22[3]	31/12/21[3]	Chg. (€m)	Chg.[2] (%)
Net debt (Net cash)	**344**	**936**	**-592**	**-63%**
Shareholders' equity	2,245	1,335	+910	+68%
Adjusted leverage (Net debt-to-adjusted EBITDA ratio)	**0.2**	**0.8**	**-0.6 pts**	n.a.
Leverage (Net debt-to-EBITDA ratio)	0.2	0.9	-0.7 pts	n.a.
Gearing (Net debt-to-Shareholders' equity ratio)	15%	70%	-55 pts	n.a.
Gearing within the meaning of bank covenants[5]	2%	51%	-49 pts	n.a.
ROCE (COI/capital employed[6] for previous year)	51%	30%	+21pts	n.a.

[1] Data rounded to the nearest million.

[2] Excluding Aubert & Duval, Sandouville and Erasteel, which in accordance with the IFRS 5 standard – "Non-current assets held for sale and discontinued operations", are presented as operations in the process of being sold in 2022 and 2021. See reconciliation tables in Appendix 1.

[3] Data rounded to higher or lower %.

[4] Adjusted EBITDA and adjusted leverage are defined in the financial glossary in Appendix 9.

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

[6] 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 2022 and FY 2021 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 2022 are with respect to FY 2021, 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 turnover** amounted to **€5,014m** in 2022, up significantly by 37% (+25% at constant exchange rates[5]). This growth was driven by a very favourable price and currency environment, mainly in H1, as well as excellent operational performance in the manganese ore business (+13% in volumes sold).

Group **EBITDA** totalled **€1,553m**.

Adjusted EBITDA[1,2] (including the proportional contribution of Weda Bay) amounted to **€1,897m**, a very strong increase (+58% vs. 2021), notably reflecting:

- The **positive impact of external factors** of around **€530m**, including a very favourable price effect (€960m, of which nearly half linked to manganese alloys) as well as a favourable currency effect (around €230m) partly offset, among other factors, by the strong increase in input costs (around €450m, mainly reductants and energy);
- A **positive intrinsic performance** of **€180m** for activities in the new scope, mainly reflecting the growth in nickel ore volumes sold in Weda Bay (around €160m) and manganese ore sales (around €90m) despite an increase in fixed costs to support the growth in volumes (around €50m) and the difficulties at SLN (around €30m).

Net loss for discontinued operations amounted to **-€156m**, mainly reflecting the asset impairment booked for Erasteel (-€126m).

Net income, Group share for the year was **€740m**. It also includes the share of income in Weda Bay (€258m) as well as the asset impairment related to SLN (-€124m, Group share).

Capex accounted for **€588m**, excluding operations in the process of being sold (€62m), and **€436m** excluding capex linked to the Lithium project (€152m), entirely financed by Tsingshan via a capital increase of the Argentine subsidiary. It includes €200m in organic growth capex, mainly in Gabon (€168m). Current capex increased, amounting to €236m in 2022.

Free Cash-Flow ("FCF") totalled **€824m,** including a contribution from **Weda Bay** of **€237m**.

Net debt stood at **€344m** at 31 December 2022, **a reduction** of nearly **€600m**[6] due to the Group's strong cash generation, despite **negative FCF** of **-€214m in discontinued operations**. The change in net debt also includes dividends paid to Eramet shareholders (-€72m) and Comilog minority shareholders (-€32m) in respect of the 2021 financial year.

The leverage ratio was **0.2x**, the lowest level achieved by the Group for the last ten years.

Moreover, a proposal to pay out a **dividend** of **€3.5 per share** in respect of the 2022 financial year will be made at the Shareholders' General Meeting on 23 May 2023, representing an increase of 40%. This proposal is in line with the Group's capital allocation policy which priorities deleveraging, to maintain leverage below 1x on average over the cycle, as well as capex in its growth projects and shareholders return.

As of 31 December 2022, Eramet's **liquidity**, including undrawn credit lines, remained high at **€2.6bn**. In January 2023, Eramet renewed and extended the term loan for an amount of €480m with a pool of banks. The maturity date of the new loan is January 2027, with a floating rate, amortising from January 2025. The loan was drawn down for €270m mainly to refinance the outstanding amount of the former loan.

♦ Key figures by activity[2]

(Millions of euros)[1]		2022[2]	2021[2]	Change (€m)	Change[3] (%)
CONTINUING OPERATIONS					
Manganese BU	**Turnover**	**3,151**	**2,267**	**884**	**+39%**
	EBITDA	**1,402**	**910**	**492**	**+54%**
Manganese ore activity[4,5]	Turnover	1,527	1,063	464	+44%
	EBITDA	722	387	335	+87%
Manganese alloys activity[4]	Turnover	1,624	1,204	420	+35%
	EBITDA	680	522	158	+30%
Nickel BU	**Turnover**	**1,392**	**1,046**	**346**	**+33%**
	Adjusted EBITDA[6]	**430**	**266**	**164**	**+62%**
Mineral Sands BU	**Turnover**	**465**	**349**	**116**	**+33%**
	EBITDA	**184**	**137**	**47**	**+34%**
Lithium BU	**Turnover**	**0**	**0**	**n.a.**	**n.a.**
	EBITDA	**(12)**	**(5)**	**(7)**	**n.a.**

DISCONTINUED OPERATIONS					
Aubert & Duval	**Turnover**	**553**	**493**	**60**	**+12%**
	EBITDA	**(47)**	**(44)**	**(3)**	**n.a.**
Erasteel	**Turnover**	**273**	**184**	**89**	**+48%**
	EBITDA	**23**	**13**	**10**	**+77%**
Sandouville	**Turnover**	**11**	**154**	**(143)**	**-93%**
	EBITDA	**(2)**	**(27)**	**25**	**n.a.**

[1] Data rounded to the nearest million.

[2] Excluding Aubert & Duval, Sandouville and Erasteel, which in accordance with the IFRS 5 standard – "Non-current assets held for sale and discontinued operations", are presented as operations in the process of being sold in 2022 and 2021. See reconciliation tables in Appendix 1.

[3] Data rounded to higher or lower %.

[4] See financial glossary in Appendix 9.

[5] Turnover linked to external sales of manganese ore only, including €64m linked to Setrag transport activity other than Comilog's ore (vs. €82m in 2021).

[6] Adjusted EBITDA and adjusted leverage are defined in the financial glossary in Appendix 9.

- **Continuing operations**

Manganese BU

In 2022, in Gabon, Moanda confirmed its status as the world's leading manganese mine with production that almost doubled in the last five years and a positioning in the first quartile of the cash cost curve.

The Manganese BU posted a very strong increase in EBITDA to €1,402m (+54%).

EBITDA for the manganese ore activity was up very significantly to €722m[7] (+87%), reflecting the growth in volumes sold externally (+13%) in a favourable price and currency environment.

EBITDA for the alloys activity posted a new record at €680m (+30%). This strong increase was driven by the very strong increase in selling prices in H1, partially offset by significantly rising energy and coke prices; volumes sold declined by 3% with a less favourable product mix.

Market trends[8] & prices[9]

Global production of carbon steel, the main end-product for manganese, was down by more than 4% in 2022 to 1,855 Mt.

Production in China, which accounts for more than 50% of global production, declined by 2% due to the health situation and the slowdown in the construction sector. Production also declined in the rest of the world (-7%), notably in North America (-7%) and Europe (-10%), where inflation and the energy crisis led to production cuts. Among the major markets, only India increased production (+6%).

As a result, annual manganese ore consumption decreased by 3% to 20.8 Mt in 2022. Conversely, global ore production increased by 2% to 21.1 Mt. The production increases in Gabon (+15%) and South Africa (+7%) more than offset the decline in production in Brazil (-37%) and the decline in Australia (-7%).

In this context, the surplus supply increased slightly, and Chinese port ore inventories stood at 6.1 Mt at year-end, an increase compared to 2021.

The average CIF China 44% manganese ore price index stood at $6.0/dmtu in 2022, up 13% on a full-year basis. The price was strongly driven up in H1 with an anticipated recovery in the Chinese economy, reflected at the same time in a historically high price differential between high-grade ore (44%), which is coveted for its better energy performance, and lower grade South African ore (37%). The price then contracted in H2, reflecting a return to a market in significant surplus.

The price index (CRU) for refined alloys in Europe (MC Ferromanganese) was up 11% on a full-year basis, with a 5% increase for standard alloys (Silicomanganese). Conversely, these indices declined by 34% and 31% respectively in H2 compared to H1. Faced with uncertainty weighing on demand, steelmakers reduced their production in H2 and reduced their contractual commitments to volume floor levels.

Activities

In Gabon, the **manganese ore** production target of 7.5 Mt was reached thanks to the mine expansion programme combined with continuous operational improvement.

The improvement in Setrag's logistical performance enabled the achievement of nearly 7.2 Mt in transported and shipped ore volumes (+10% vs. 2021). However, the transport of ore was penalised at end-December by the suspension of rail traffic following a landslide.

Factoring in the consumption of the Group's alloys plants during the year, external sale volumes stood at 6.5 Mt in 2022 (+13%).

The FOB cash cost[10] of manganese ore activity was $2.3/dmtu (+$0.1/dmtu vs. 2021). Favourable effects linked to growth in volumes and currency were offset by the increase in sales taxes[11] and fixed costs to support the ramp-up in production.

Sea transport costs per tonne decreased to $1.1/dmtu with freight prices remaining stable on average in 2022 and gains made from the optimised transport solution deployed at the beginning of the year.

Manganese alloys production volumes declined by 9% to 677 kt, reflecting the optimisation of production methods in order to adapt to market conditions and to limit the impact of energy price increases (for the part of energy supply unprotected by long-term contracts). Sales were down 3% to 698 kt. Over the year, the mix remained unfavourable, with a lower share of refined alloys sold.

The manganese alloys margin significantly increased in 2022, driven by the increase in selling prices and despite the higher cost of metallurgical coke (used as a reducing agent). Conversely, it strongly declined in H2 compared to H1, reflecting the decrease in selling prices, a less favourable mix, and the increase in the cost of manganese ore consumed by the plants.

Outlook

Global carbon steel production is expected to remain limited in 2023, in a context of inflation and high energy costs. Demand from the construction sector is slowing in several regions. Only India is expected to post growth again, driven by the country's momentum.

As a result, demand for manganese ore could decline over the year, while supply capacity should continue to increase. The recent increase in the CIF China 44% price index may not continue due to excessive supply.

Demand for manganese alloys is expected to decrease very slightly, notably in Europe, while uncertainties in the automotive market, still affected by the shortage of semiconductors, should continue to weigh on refined manganese alloys. As a result, the alloys supply should continue adjusting.

In 2023, manganese alloys invoiced selling prices could stabilise to the level of end-2022/early 2023 and thus remain significantly below the average prices for 2022, notably with a very strong decline in North America.

In Gabon, following the landslide on the railway, mining activities were halted for nearly four weeks in January. Rail traffic gradually recovered at the end of the month. This recovery, combined with the continued organic growth in ore, enables to target a production of 7.5 Mt in 2023, which is stable compared to 2022, despite the loss of nearly one month of production (approximately 0.4 Mt). Transported volumes should amount to more than 7.5 Mt

The planned shutdowns as part of the multi-year furnace rehabilitation programme and the adjustment of the production to energy prices, will result in a decline in alloys production in 2023.

Nickel BU

In 2022, Weda Bay in Indonesia became the world's leading nickel mine, with a positioning in the 1st quartile of the cash cost curve of the industry.

Adjusted EBITDA[2] for the BU amounted to €430m, up 62%, including a proportional contribution from Weda Bay which more than doubled in 2022 to €344m, thanks to excellent operational performance in the mine, as well as a favourable price and currency environment.

EBITDA for SLN[12] declined to €75m (-26%), reflecting the subsidiary's persistent difficulties in a context of very bad weather conditions.

Market trends[13] & prices

Global stainless steel production, which is the main end-market for nickel, was down by more than 4% to 55.2 Mt in 2022. Production in China declined by 2% on a full-year basis, despite a rebound in Q4 (+18% vs. Q3) due to the lifting of health measures. In the rest of the world, production declined by 7%, mainly owing to the energy crisis in Europe.

However, global demand for primary nickel continued to grow, increasing by 5% in 2022 to 2.9 Mt, mainly driven by strong growth in the batteries sector (+37%).

In parallel, global primary nickel production grew by more than 15% in 2022 to 3.1 Mt, supported by the NPI supply in Indonesia (+27%), as well as the strong ramp-up in new projects, notably HPAL[14]. Conversely, NPI production[15] in China as well as traditional production were down by 5% and 4% respectively.

The nickel supply/demand balance (class I and II[16]) was thus in surplus in 2022. Nickel inventories at the LME and SHFE[17] remained low and totalled 58 kt at year-end, considering the inventories in the developing battery sector.

In 2022, the LME price average (price of class I nickel), was $25,638/t, a strong increase versus 2021 (+39%), albeit with a significant decline in H2 (-14% vs. H1).

The average for the NPI price index[18] as sold at Weda Bay was $18,808/t, up 9% on a full-year basis (-19% in H2 vs. H1).

The spot price of ferronickel as produced by SLN (class II nickel) was set at a level very significantly below the LME and approached prices for NPI (also class II nickel), notably in H2, posting an increase of 17% over the year (-23% in H2 vs. H1).

The nickel ore market remained tight over the period, factoring in a limited supply. 1.8% CIF China nickel ore prices increased on average by 10% to $116/wmt[19] over the year (-14% in H2 vs. H1).

In Indonesia, the official domestic price index for high-grade nickel ore (“HPM Nickel”) averaged approximately $54/wmt[20], an increase of 35% (-8% in H2).

Activities

In Indonesia, the Weda Bay mine continued its exceptional ramp-up with the sale of 21.1 Mwmt in 2022 (for 100%), of which 3.9 Mwmt in low-grade ore. This represents an increase of more than 100%.

External ore sales, at the plants on the industrial site other than the Joint Venture (JV) plant, amounted to 17.9 Mwmt, with internal consumption for nickel ferroalloys production remaining stable at 3.2 Mwmt.

Production at the plant reached 36.6 kt-Ni over the year (on a 100% basis), a decline of 6% due to operating difficulties in Q4. The volumes sold by Eramet as part of the off-take contract for production remained stable, contributing €278m to Group turnover, up 21%, in a favourable price environment.

The excellent operational performance of Weda Bay was again reflected in a substantial contribution to Group FCF over the period of €237m.

In New Caledonia, mining production amounted to 5.4 Mwmt, stable compared to 2021, reflecting persistent operating difficulties in the mines in a context of very bad weather conditions (with a rainfall volume nearly 90% higher in 2022 compared to the average of the last six years). Low-grade nickel ore exports stood at 3.0 Mwmt, stable compared to 2021.

Ferronickel production and sales were up 5% to 40.9 kt-Ni and 41.3 kt-Ni respectively. However, over the year, the operation of the Doniambo plant was strongly disrupted by ore and power supply difficulties.

Cash cost[21] amounted to $8.2/lb on average in 2022, up 17%, reflecting a very strong increase in energy costs, mainly electricity and coal (which price more than doubled vs. 2021), but also fixed costs, combined with a decline in productivity. These effects were partly offset by a favourable currency and ore price impact.

As a result, SLN generated negative Free Cash-Flow in H2, with a total of -€70m at the local level for the year. A plan to reduce costs and preserve cash was introduced by the subsidiary in Q4 to address its difficulties.

Outlook

In 2023, demand for primary nickel is expected to continue growing thanks to the development of the batteries sector and the recovery of the stainless steel industry.

In parallel, primary nickel production could also increase, notably in Indonesia with the continued growth of NPI and new projects for batteries (HPAL, intermediate products and mattes).

In Indonesia, the Weda Bay mine should continue its exceptional ramp-up in 2023, with a marketable target (on a 100% basis) of more than 30 Mwmt, of which approximately 15 Mwmt in low-grade ore. The nickel ferroalloys production (on a 100% basis) is expected to total approximately 38kt-Ni.

In New Caledonia, in response to the structural difficulties of the SLN, a short term answer is being implemented to drastically reduce costs and focus efforts on production. In light of its critical financial situation, the French State granted SLN a €40m loan in early February to enable the entity to meet its short-term cash requirements. This new loan, together with the implementation of the contingency progress plan, makes it possible to avoid the risk of suspension of payments.

The Temporary Offshore Power Plant, aimed at ensuring a continued electricity supply for the Doniambo site was commissioned at full capacity in early January 2023, replacing the old plant, which will be phased out in Q1 2023.

Assuming normal functioning of operations, SLN's nickel ore exports are expected to total around 3.5 Mwmt in 2023 with ferronickel production for the Doniambo plant above 45 kt-Ni.

Strategic growth projects

In 2022, Eramet continued, in partnership with BASF, studies related to the **Sonic Bay project**, **the hydrometallurgical project (high pressure acid leach or HPAL[18]) intending to produce battery-grade nickel and cobalt** intermediate products using laterite ores extracted from the Weda Bay mine, with a view to making an investment decision in H2 2023.

The start of production is currently envisaged for 2026. The latest studies have helped to specify and update the performances of the plant and planned production levels, which are expected to be around 60 kt-Ni and 6 kt-Co per year (in MHP[22] content, an intermediate mixed hydroxide product).

This project would position Eramet as a participant in the electric vehicle battery chain by adding value to the ore mined at Weda Bay.

In addition, the Group continues its exploration and business development activity targeting nickel laterites, with a particular emphasis on Indonesia.

Mineral Sands BU

The Mineral Sands BU delivered a record performance with EBITDA at €184m, up more than 30%, mainly reflecting a favourable price and currency environment, and partly offset by the increase in input costs.

Market trends & prices[23]

Global demand for zircon remained stable in 2022, driven by the ceramics sector in H1 (approximately 50% of the end-product). However, a slowdown was observed in Q3 due to the global economic decline, impacting ceramics consumption as well as foundry and refractory activity. Parallel to this, zircon production was slightly down, with a decline of 1%. The market remained in slight deficit over the year.

Zircon market prices were well-oriented over the year and averaged $2,093/t FOB, (+40% vs. 2021), while starting a trend reversal at the end of the year.

Global demand for TiO2 pigments[24] remained stable in comparison to the records achieved in 2021. This results from sustained production in TiO_2 pigments[25] (approximately 90% of the end-market for titanium-based products) in H1, partly offset by a decline in demand in Q4, linked to the large-scale destocking of end products. In a pressured environment in H1, the market started to decelerate in Q3 before ending the year with a surplus.

The average market price for CP titanium dioxide slag, as produced by Eramet in the ETI (Eramet Titanium & Iron's) plant in Norway, increased to $858/t in 2022 (+10%).

Activities

In Senegal, mineral sands production declined by 8% to 742 kt in 2022, due to a lower average content in the area mined compared to 2021.

Zircon production decreased by 11% to 57 kt, and sale volumes totalled 59 kt, a decline of 7%.

In Norway, CP grade titanium slag production amounted to 188 kt in 2022, down 10%, owing to the reduction of production in the second half of the year, in order to limit the impact of significantly rising energy prices for the part of supply unprotected by long-term contracts.

The optimisation of production at the plant also made it possible to limit the negative impact of the strong increase of reducing agent costs over the year (notably the cost of thermal coal which spot price more than doubled compared to 2021, despite a decline of more than 30% in Q4 22 vs. Q3 22[26]).

Sales volumes also decreased to 175 kt (-20%) due to extremely low inventory levels at end-2021.

Outlook

Demand for zircon is expected to slow in 2023, still with some uncertainties (logistics, energy prices in Europe, construction market in China). The market could be in slight surplus, which would result in the normalisation of prices in 2023 on the back of a record year.

Demand for titanium-based products is expected to remain constrained, leading to average price levels in 2023 that are likely to be slightly lower than those reported in 2022.

In Senegal, mineral sands production in 2023 is expected to be equivalent to that of 2022. The commissioning of the dry mining unit at end-2022 made it possible to offset the lower average content in the mined area of the deposit. This unit, as well as higher content from the deposit in 2024, will enable a significant increase in production from 2024.

In Norway, major ten-yearly maintenance works planned at the ETI plant, as well as various debottlenecking operations, should enable the plant's capacity to be increased to 230 kt of slag per year from 2024 (+7%). These works, which will last two and a half months, will significantly limit production in H1. In addition, in response to high energy prices and constrained margins, the plant will continue to adapt its production to economic and market conditions, as was successfully done in 2022.

Lithium BU

Lithium carbonate prices remained at very high levels in 2022 (nearly $71,400/t LCE[27] on average, x4 vs. 2021), in a context of very significant growth in demand for this critical metal for the energy transition. They currently amount to more than $70,000/t LCE[27] and the long-term price forecast, based on the market consensus, is now $17,800/t LCE.

In Argentina, the construction of the Centenario lithium plant (Phase 1), launched in 2022, is continuing according to the announced schedule, with commissioning of the plant in Q1 2024 and a full ramp-up in production to 24 kt LCE[28] (100% basis), in mid-2025.

Based on the market consensus price forecast, and factoring in an expected positioning in the 1st quartile of the cash cost curve of the industry, **estimated EBITDA** (at 100%), after ramp-up, is expected to total **around $300m**[29] per year, with a very high Internal Rate of Return (IRR).

Capex linked to the project in 2023, estimated at around €310m, will mainly be financed by Tsingshan.

Together with its partner in Phase 1, Eramet is continuing a **feasibility study into a Phase 2 expansion of the project** in order to reach an annual total production capacity of around 75 kt LCE. An investment decision could be taken by the end of the year.

In France, Eramet and Électricité de Strasbourg (ÉS) announced in January 2023 their ongoing collaboration by signing an exclusive Memorandum of Understanding (MoU) with a view to jointly studying the development of lithium production in the Alsace region from geothermal brines. The envisaged annual production would be approximately 10,000 tonnes of lithium carbonate and corresponds to 15 to 20% of France's lithium needs (by 2030). It could start before the end of the decade subject to a Final Investment Decision (FID), which would take place within four years.

In addition, the exploration and business development activity targeting brine-based lithium projects remains a priority for the Group.

Battery recycling in France

In France, Eramet is considering becoming a **major player in recycling across Europe through its ReLieVe project in partnership with SUEZ,** from the collection and dismantling of end-of-life batteries to their recovery in the form of metal salts in an almost infinite closed-loop recycling process.

The Group is therefore continuing pre-feasibility studies into the potential establishment of a battery pre-treatment production plant in collaboration with SUEZ, as well as a hydrometallurgical refinery using extraction and refining processes developed by Eramet. The potential scale of the proposed recycling facility should enable the processing of up to 50 kt of battery modules per year.

Eramet was recently awarded material financial grants of around €80m, notably by the European Union.

The Group has started the construction of a pre-industrial demonstration facility at its research and innovation centre near Paris and is currently finalising discussions to reserve a location for an initial battery recycling facility in the Dunkirk area (northern France). Activities could start by 2027, subject to a FID.

This project would position Eramet **upstream and downstream of the electric vehicle battery chain**.

▪ Discontinued Operations

In accordance with the IFRS 5 standard – "Non-current assets held for sale and discontinued operations", the Aubert & Duval, Erasteel and Sandouville entities are presented in the Group's consolidated financial statements as operations in the process of being sold for the 2021 and 2022 financial years:

- The sale of the Sandouville plant to Sibanye-Stillwater was closed in February 2022, for a net sale price of around €86m.
- Regarding the divestment of Aubert & Duval, the transaction is expected to be completed at end-March, subject to the satisfaction of one last regulatory approval,

- Regarding the divestment of Erasteel, Eramet has today been granted an exclusive put option from the Syntagma Capital fund. The transaction is expected to be completed in the months ahead, once the proposal has been submitted to employee representative bodies and the usual conditions precedent have been waived.

Aubert & Duval[30,31]

The global aerospace sector, which represents approximately 70% of A&D turnover, returned to pre-Covid crisis levels, leading to a strong increase in the subsidiary's order book.

A&D turnover ended at €553m in 2022, up 12%, with a 30% increase for the aerospace sector, which posted €373m. Conversely, Energy and Defence sector sales declined by 16% to €123m.

Activity was strongly affected by the very sharp increases in energy costs, notably electricity (which cost more than doubled on average in 2022) and rising raw material costs with an impact on both EBITDA and FCF, in the absence of an automatic pass-through in commercial contracts.

As a result, EBITDA was negative at -€47m (slightly down vs. 2021) and the subsidiary's cash consumption amounted to €220m, including disbursements as part of the divestment agreement.

Erasteel[30]

Erasteel's turnover increased 48%, totalling €273m in 2022. Growth in sold volumes of high-speed steels was also supported by the positive impact of reinvoicing raw material and energy price increases to customers. Recycling activity (batteries and catalysts) also posted an increase of 7% to €21m.

As such, EBITDA almost doubled, ending at €23m in 2022.

The cash consumption of €14m for the year reflects the increase in working capital requirement (WCR), resulting from strong growth in activity and the increase in materials costs.

The high level of Erasteel's order book enables the entity to face the first half of 2023 with confidence, despite the macroeconomic uncertainties weighing on its main markets.

♦ Outlook

The climate of geopolitical and macroeconomic uncertainties and the inflationary context continue to weigh on all of the Group's markets, with a trend reversal in demand and prices in line with Q4 2022. The latter is to a greater or lesser extent, depending on markets and regions. Stainless steel is expected to rebound while carbon steel should stabilise.

Strong uncertainties also remain regarding freight (with its costs significantly reduced currently, but which could rise again over the year, while remaining at lower levels than observed in 2022) as well as reducing agents and energy costs. The latter, which were down compared to 2022 at the start of this year, could remain at a historically high level, which would weigh on the performance of metallurgical activities. However, the Group continues to benefit from long-term supply contracts that cover approximately 80% of its electricity needs.

The Group is expected to invest **nearly €600m** in capex in 2023, **excluding the operations in the process of being sold and excluding the share of the Lithium project financed by Tsingshan.** On the one hand, this capital expenditure includes nearly €300m in current capex and, on the other, approximately €300m in organic growth capex. The latter is mainly intended to **continue**, **but also** to **sustain** growth in production and transport for **ore in Gabon** (around €200m), as well as to develop Phase 1 of the Lithium project in Argentina (around €50m).

Decisions will be made in 2023 on major growth projects, including Sonic Bay and Lithium Phase 2, which could lead to capex expenditure from 2023. The amount of this expenditure remains to be determined depending on the date of the decision.

As part of its strategic roadmap, Eramet is targeting new records:

- **More than 30 Mwmt** of marketable nickel ore at Weda Bay, of which approximately 15 Mwmt of low-grade ore,
- **More than 7.5 Mt** of manganese ore transported in Gabon, despite the loss of nearly one month's production (approximately 0.4 Mt) following the landslide on the railway.

Invoiced selling prices for manganese alloys should remain significantly below 2022 on average for the year, particularly in North America, while the consensus for average manganese ore prices is **$5.2/dmtu**.

The price of ferronickel should be set at a level slightly above the SMM NPI 8-12% index but well below the consensus for the LME nickel price. Consensus for the LME is $23,100/t for 2023[32]. Domestic prices for nickel ore sold in Indonesia are indexed to the LME and change accordingly.

The €/$ exchange rate is expected at **1.09**[33] for 2023.

Based on the above production targets and price forecasts, and factoring in energy and reductant costs which remain high, the **Group's adjusted EBITDA**[2] **would be around €1.2bn in 2023**, including the proportional contribution of Weda Bay.

Thanks to its solid fundamentals and the finalisation of its repositioning towards highly cash-generating Mining and Metals activities, the Group is focusing on the development of its projects to produce the metals required for the energy transition, and to meet the needs of this fast-growing market in the years to come.

Calendar

23.02.2023: 2022 annual results presentation

A live Internet webcast of the 2022 annual results presentation will take place on Thursday 23 February 2023 at 10:30 a.m. (Paris time), on our website: www.eramet.com. Presentation material will be available at the time of the webcast.

27.04.2023: Publication of 2023 first-quarter turnover

23.05.2023: Shareholders' General Meeting

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.

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Appendix 1: Reconciliation tables

2022 reported reconciliation table before IFRS 5

(in millions of euros)	2022 Before IFRS 5 treatment	Aubert & Duval CGU	Erasteel CGU	Sandouville CGU	Restatements and eliminations	Total discontinued operations	2022 reported
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 dicontinued operations		(90)	(121)	13	42	(156)	(156)

2021 reported reconciliation table before IFRS 5

(in millions of euros)	2021 Before IFRS 5 treatment	Aubert & Duval CGU	Erasteel CGU	Sandouville CGU	Restatements and eliminations	Total discontinued operations	2021 reported
Turnover	4 499	493	184	154		831	3 668
Current operating income	751	(57)	12	(27)	40	(32)	784
Operating income	545	(394)	17	19	26	(332)	879
Net income from dicontinued operations		(488)	15	9	39	(426)	791

Appendix 2: Quarterly turnover (IFRS 5)

€ million[1]	Q4 2022	Q3 2022	Q2 2022	Q1 2022	FY 2022	FY 2021 Restated
Manganese BU	630	873	926	722	3,151	2,267
Manganese ore activity[2]	*315*	*465*	*439*	*308*	*1,527*	*1,063*
Manganese alloys activity[2]	*316*	*407*	*487*	*414*	*1,624*	*1,204*
Nickel BU[3]	331	300	409	352	1,392	1,046
Mineral Sands BU	142	99	134	90	465	349
Lithium BU	0	0	0	0	0	0
Holding, elim. and others	4	0	1	1	6	6
Eramet group published IFRS 5 financial	**1,107**	**1,272**	**1,470**	**1,165**	**5,014**	**3,668**

[1] Data rounded to the nearest million.

[2] See financial glossary in Appendix 9.

[3] Nickel BU excluding Sandouville (discontinued operation).

[4] Excluding Aubert & Duval, Sandouville and Erasteel, which in accordance with the IFRS 5 standard – "Non-current assets held for sale and discontinued operations", are presented as operations in the process of being sold in 2022 and 2021. See reconciliation tables in Appendix 1.

Appendix 2b: Reconciliation of quarterly turnover

€ million[1]	Q4 2022	Q3 2022	Q2 2022	Q1 2022	FY 2022	FY 2021 Restated
Eramet group published IFRS 5 financial statements[2]	**1,107**	**1,272**	**1,470**	**1,165**	**5,014**	**3,668**
Aubert & Duval	153	122	137	141	553	493
Erasteel	72	63	74	64	273	184
Sandouville	0	0	0	11	11	154
Eramet group before IFRS 5	**1,332**	**1,456**	**1,682**	**1,381**	**5,851**	**4,499**

[1] Data rounded to the nearest million.

[2] Excluding Aubert & Duval, Sandouville and Erasteel, which in accordance with the IFRS 5 standard – "Non-current assets held for sale and discontinued operations", are presented as operations in the process of being sold in 2022 and 2021. See reconciliation tables in Appendix 1.

Appendix 3: Productions and shipments

In thousands of tonnes	H2 2022	Q4 2022	Q3 2022	H1 2022	Q2 2022	Q1 2022	FY 2022	FY 2021
MANGANESE BU								
Manganese ore and sinter production	3,915	1,854	2,061	3,624	1,862	1,762	7,539	7,024
Manganese ore and sinter transportation	3,782	1,734	2,048	3,385	1,765	1,620	7,167	6,544
External manganese ore sales	3,593	1,753	1,840	2,944	1,535	1,409	6,537	5,765
Manganese alloys production	296	132	164	381	193	188	677	747
Manganese alloys sales	356	166	190	342	186	156	698	716
NICKEL BU								
Nickel ore production *(in thousands of wet tonnes)*								
SLN	2,950	1,490	1,460	2,444	1,290	1,154	5,394	5,378
Weda Bay Nickel (100%) – marketable production (high-grade)	7,024	3,539	3,485	8,115	3,552	4,563	15,139	9,899
Ferronickel production – SLN	20.5	11.0	9.5	20.4	10.5	9.9	40.9	39.0
Low-grade nickel ferroalloys production – Weda Bay Nickel (kt of Ni content – 100%)	17.0	8.1	8.9	19.6	9.6	10.0	36.6	39.0
Nickel ore sales *(in thousands of wet tonnes)*								
SLN	1,558	982	576	1,462	830	632	3,020	2,949
Weda Bay Nickel (100%)	10,512	7,581	2,931	7,451	3,576	3,875	17,963	6,559
Ferronickel sales – SLN	21.3	10.7	10.6	20.0	10.8	9.2	41.3	39.2
Low-grade nickel ferroalloy sales – Weda Bay Nickel/Off-take Eramet (kt of Ni content)	7.3	3.2	4.1	8.5	4.2	4.3	15.8	15.7
MINERAL SANDS BU								
Mineral Sands production	356	186	170	386	188	198	742	804
Zircon production	27	13	14	30	15	15	57	64
Titanium dioxide slag production	88	40	48	100	48	52	188	209
Zircon sales	28	14	14	31	16	15	59	63
Titanium dioxide slag sales	83	44	39	92	52	40	175	220

Appendix 4: Price and index

	Q4 2022	H2 2022	H1 2022	FY 2022	Q4 2021	H2 2021	H1 2021	FY 2021	Chg. H2 2022 – H1 2022[8]	Chg. 2022 – 2021[8]
MANGANESE BU										
Mn CIF China 44% ($/dmtu)[1]	4.40	5.14	6.79	5.97	5.61	5.49	5.06	5.27	*-24%*	***+13%***
Ferromanganese MC – Europe (EUR/t)[1]	1,950	2,158	3,254	2,706	3,480	2,996	1,886	2,441	*-34%*	***+11%***
Silicomanganese – Europe (EUR/t)[1]	1,163	1,205	1,739	1,472	1,709	1,607	1,191	1,399	*-31%*	***+5%***
NICKEL BU										
Ni LME ($/lb)[2]	11.50	10.75	12.51	11.63	8.99	8.83	7.93	8.38	*-14%*	***+39%***
Ni LME ($/t)[2]	*25,349*	*23,702*	*27,575*	*25,638*	*19,818*	*19,472*	*17,485*	*18,478*	*-14%*	***+39%***
SMM NPI Index ($/t)[3]	16,945	16,837	20,778	18,808	19,721	19,256	15,339	17,297	*-19%*	***+9%***
Ni ore CIF China 1.8% ($/wmt)[4]	105.3	107.1	124.8	116.0	121.1	115.4	95.4	105.4	*-14%*	***+10%***
HPM[5] Nickel prices 1.8%/35% ($/wmt)	51	52	56	54	43	42	38	40	*-8%*	***+35%***
MINERAL SANDS BU										
Zircon ($/t)[6]	2,100	2,150	2,035	2,093	1,780	1,655	1,338	1,496	*+6%*	***+40%***
CP-grade titanium dioxide ($/t)[7]	880	865	850	858	820	810	753	781	*+2%*	***+10%***

[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), market prices in Q2 2022 were adjusted after analysis of additional transactions
[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]		2022[2]	2021 Restated[2]	Change (€m)	Change[3] (%)
Manganese BU	Turnover	3,151	2,267	884	+39%
	EBITDA	**1,402**	**910**	**492**	**+54%**
	COI[4]	1,255	769	486	+63%
	FCF	**835**	**490**	**345**	**+70%**
Activity Mn ore[5]	Turnover	1,527	1,063	464	+44%
	EBITDA	722	387	335	+87%
	FCF	371	126	245	+194%
Activity Mn alloys[5]	Turnover	1,624	1,204	420	+35%
	EBITDA	680	522	158	+30%
	FCF	464	364	100	+27%
Nickel BU	Turnover	1,392	1,046	346	+33%
	Adjusted EBITDA[6]	**430**	**266**	**164**	**+62%**
	EBITDA	**86**	**113**	**(27)**	**-24%**
	COI	14	37	(23)	-62%
	FCF	**148**	**111**	**37**	**+33%**
Mineral Sands BU	Turnover	465	349	116	+33%
	EBITDA	**184**	**137**	**47**	**+34%**
	COI	140	94	46	+49%
	FCF	**105**	**108**	**(3)**	**-3%**
Lithium BU	Turnover	0	0	n.a.	n.a.
	EBITDA	**(12)**	**(5)**	**(7)**	**n.a.**
	COI	(13)	(5)	(8)	n.a.
	FCF	**(175)**	**(24)**	**(151)**	**n.a.**
Holding, elim. and others	Turnover	6	6	0	n.a.
	EBITDA	**(107)**	**(103)**	**(4)**	**n.a.**
	COI	(116)	(112)	(4)	n.a.
	FCF	**(89)**	**(159)**	**70**	**n.a.**
GROUP total (IFRS5)[3]	Turnover	5,014	3,668	1,346	+37%
	Adjusted EBITDA[6]	**1,897**	**1,204**	**693**	**+58%**
	EBITDA	**1,553**	**1,051**	**502**	**+48%**
	COI	1,280	784	496	+63%
	FCF	**824**	**526**	**298**	**+57%**

[1] Data rounded to the nearest million.

[2] Excluding Aubert & Duval, Sandouville and Erasteel, which in accordance with the IFRS 5 standard – "Non-current assets held for sale and discontinued operations", are presented as operations in the process of being sold in 2022 and 2021. See reconciliation tables in Appendix 1.

[3] Data rounded to higher or lower %.

[4] Current operating income (COI).

[5] See financial glossary in Appendix 9.

[6] Adjusted EBITDA and adjusted leverage are defined in the financial glossary in Appendix 9.

Appendix 5b: Performance indicators of operations in the process of being sold (IFRS 5)

***€ million*[1]**		**2022[2]**	**2021 Restated[2]**	**Change (€m)**	**Change[3] (%)**
Aubert & Duval	Turnover	553	493	60	+12%
	EBITDA	**(47)**	**(44)**	**(3)**	**n.a.**
	COI[4]	(50)	(57)	7	n.a.
	FCF	**(220)**	**(124)**	**(96)**	**n.a.**
Erasteel	Turnover	273	184	89	+48%
	EBITDA	**23**	**13**	**10**	**+77%**
	COI	23	12	11	+92%
	FCF	**(14)**	(11)	**(3)**	**n.a.**
Sandouville	Turnover	11	154	(143)	-93%
	EBITDA	**(2)**	**(27)**	**25**	**n.a.**
	COI	(2)	(27)	25	n.a.
	FCF	**3**	**(48)**	**51**	**n.a.**

[1] Data rounded to the nearest million.

[2] Excluding Aubert & Duval, Sandouville and Erasteel, which in accordance with the IFRS 5 standard – "Non-current assets held for sale and discontinued operations", are presented as operations in the process of being sold in 2022 and 2021. See reconciliation tables in Appendix 1.

[3] Data rounded to higher or lower %.

[4] Current operating income (COI).

Appendix 6: Sensitivities of Group adjusted EBITDA

Sensitivities	Change	Impact on adjusted EBITDA
Manganese ore prices (CIF China 44%)	+$1/dmtu	c.€275m[1]
Manganese alloys prices	+$100/t	c.€60m[1]
Ferronickel prices - SLN	+$1/lb	c.€90m[1]
Nickel ore prices (CIF China 1.8%) - SLN	+$10/wmt	c.€35m[1]
Nickel ore prices (HPM nickel, 1.8%, 35% moisture) – Weda Bay	+$10/wmt	c.€90m[1]
Exchange rate	-$/€0.1	c.€220m
Oil price per barrel (Brent)	+$10/bbl	c.€(20)m[1]

[1] For an exchange rate of $/€1.09

Appendix 7 - 2018-2023 CSR roadmap progress

Commitment to people	Indicator	2018	2022	2023 x Target
1 - Ensure the Health and Safety of employees and subcontractors	*FR2 incident rate / # of fatalities*	8.3 / 1	1.6 / 0 ✓	*<4 / 0*
2 - Build skills and promote talent and career development	*% of employees trained per year*	71%	85%	*100%*
3 - Strengthen employee engagement	*Employees engagement rate*	67%	n.a.[2]	*>75%*
4 - Integrate and foster the richness of diversity	*% of women managers*	22%	26%	*30%*
5 - Be a valued and contributing partner to our host communities	*% of sites engaging with local stakeholders* *% of sites having implemented investment programme to contribute to local communities*	*Ref. Year*	100% ✓	*100%*
Commitment to economic responsibility				
6 - Be an energy transition leader in the metals sector	*Diversification in projects related to EV batteries*	*Ref. Year*	☑	☑
7 - Actively contribute to the development of the circular economy	*Low-grade ore and tailings recovered* *Waste recovered*	*Ref. Year* *Ref. Year*	2,311 Mt ✓ 185 kt ✓	*2 Mt* *10 kt*
8 - Be a reference company in terms of respect for human rights	*Mature Level in the Shift reporting for the expectations of the UN Guiding Principles on Business and Human Rights (UNGPs)*	*Ref. Year*	☑	☑
9 - Be an ethical partner of choice	*% of S&P[1] teams trained on anti-corruption*	*Ref. Year*	100% ✓	*100%*
10 - Be a responsible company of reference in the M&M sector	*% of high-risk suppliers / customers aligned with Eramet's CSR commitments*	*Ref. Year*	90% / 99%	*100%*
Commitment to the planet				
11 - Reduce our atmospheric emissions	*t ducted dust emitted by industrial facilities*	*Ref. Year*	(69)%	*(80)%*
12 - Protect water resources and accelerate the rehabilitation of our mining sites by fostering biodiversity	*Ratio of rehabilitated areas to cleared areas (cumulated over the period 2019-2023)*	*Ref. Year*	1.2 ✓	*>1*
13 - Reduce our energy and climate footprint	*tCO2/t outgoing product*	*Ref. Year*	(40)% ✓	*(26)%*

[1] Sales & Purchasing teams
[2] No survey performed in 2022, last one performed in 2021 with 70% engagement rate
✓ 2023 target already reached in 2022
☑ Performance in line to reach 2023 target

Appendix 8: Performance indicators

Operational performance by division

(in millions of euros)	Operations Department				Holding and other eliminations, and others	**Total of continuing operations**	High performance Alloys	Sandouville	Eliminations	**Total continuing and discontinued**
	Manganese	Nickel	Sand Minerals	Lithium						
FY 2022										
Turnover	3 151	1 392	465	-	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	-	157	(23)	(142)	**1 116**	(146)	5	16	**991**
Industrial investments (intangible assets and property, plant & equipment)	273	85	52	109	11	**530**	63	-		**593**
FY 2021										
Turnover	2 267	1 046	349	-	6	**3 668**	677	154		**4 499**
EBITDA	910	113	137	(5)	(103)	**1 051**	(32)	(27)	38	**1 031**
Current operating income	769	37	94	(5)	(112)	**784**	(45)	(27)	38	**751**
Net cash flow generated by operating activities	728	39	129	(20)	(164)	**713**	(84)	(42)	58	**644**
Industrial investments (intangible assets and property, plant & equipment)	244	35	21	5	7	**312**	46	6		**364**

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 2022	313	1 215	294	1 057	1 261	76	128	670	**5 014**
Financial year 2021	253	966	657	604	985	57	115	31	**3 668**
Industrial investments (intangible assets and property, plant & equipment)									
Financial year 2022	9	50	13	1	-	84	263	110	**530**
Financial year 2021	9	42	2	-	-	35	219	5	**312**

Consolidated performance indicators – Income statement

(in millions of euros)	**Financial year 2022**	**Financial year 2021**
Turnover	**5 014**	**3 668**
EBITDA	**1 553**	**1 051**
Amortisation and depreciation of non-current assets	(271)	(259)
Provisions for liabilities and charges	(2)	(8)
Current operating income	**1 280**	**784**
(Impairment of assets)/reversals	(221)	117
Other operating income and expenses	(34)	(22)
Operating income	**1 025**	**879**
Financial income (loss)	(89)	(111)
Share of income from associates	258	121
Income taxes	(264)	(98)
Net income from continuing operations	**930**	**791**
Net income from discontinued operations (1)	(156)	(426)
Net income for the period	**774**	**365**
- Attributable to non-controlling interests	34	67
- **Attributable to Group share**	**740**	**298**
Basic earnings per share (in euros)	25,81	10,42

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

Consolidated performance indicators – Net financial debt flow table

(in millions of euros)	**Financial year 2022**	**Financial year 2021**
Operating activities		
EBITDA	1 553	1 051
Cash impact of items below EBITDA	(326)	(258)
Cash flow from operations	**1 227**	**793**
Change in WCR	(111)	(80)
Net cash flow generated by operating operations (A)	**1 116**	**713**
Investing activities		
Industrial investments	(530)	(312)
Other investment cash flows	238	125
Net cash flows from investing activities of continuing operations (B)	**(292)**	**(187)**
Net cash flows from financing activities of continuing operations	**80**	**21**
Impact of fluctuations in exchange rates and others	(49)	(25)
Acquisition of IFRS 16 rights of use	(26)	(10)
Change in the net financial debt of continuing operations before taking into account flows with discontinued operations	**829**	**512**
Net cash flow from continuing operations carried out with discontinued operations[1]	(236)	(114)
Change in net financial debt of continuing operations	**593**	**398**
Change in net financial debt of discontinued operations before taking into account flows with continuing operations	**(213)**	**(125)**
Net cash flow from discontinued operations carried out with continuing operations[2]	236	114
Change in net financial debt of discontinued operations	**23**	**(11)**
(Increase)/Decrease in net financial debt	**616**	**387**
Opening (net financial debt) of continuing operations	**(936)**	**(1 378)**
Opening (net financial debt) of discontiued operations	**(54)**	**N/A**
Closing (net financial debt) of continuing operations	**(344)**	**(936)**
(Net financial debt) of discontinued operations	**(31)**	**(54)**
Free Cash Flow (A) + (B)	**824**	**526**

(1) Pursuant to IFRS 5 – "Non-current assets held for sale and discontinued operations", the Sandouville, Erasteel and Aubert & Duval CGUs are shown as discontinued operations.
(2) In 2022, the amounts relate mainly to investment cash flows from discontinued operations by the continuing operations

Consolidated performance indicators – Balance sheet

(in millions of euros)	**31 december 2022**	**31 december 2021**
Non-current assets	**3 122**	**3 083**
Inventories	724	577
Customers	369	375
Suppliers	(424)	(403)
Simplified Working Capital Requirements (WCR)	**669**	**549**
Other items of WCR	(201)	(233)
Total Working Capital Requirements (WCR)	**468**	**316**
Derivatives	**62**	-
Assets held for sale(1)	**714**	**651**
TOTAL ASSETS	**4 366**	**4 050**

(in millions of euros)	**31 december 2022**	**31 december 2021**
Shareholders' equity – Group share	1 781	1 012
Non-controlling interests	464	323
Shareholders' equity	**2 245**	**1 335**
Cash and cash equivalents and other current financial assets	(1 660)	(1 176)
Loans	2 004	2 112
Net financial debt	**344**	**936**
Employee-related liabilities and provisions	**814**	**899**
Net deferred tax	**226**	**184**
Derivatives	-	**11**
Liabilities associated with assets held for sale(1)	**737**	**685**
TOTAL LIABILITIES	**4 366**	**4 050**

(1) Pursuant to IFRS 5 "Non-current assets held for sale and discontinued operations", the assets and liabilities of Aubert et Duval and Erasteel CGUs are shown in the consolidated balance sheet at 31 December 2022 as assets held for sale.

Appendix 9: 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 financial year under review.

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 December 31, 2022, 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 owning 90% of PT Weda Bay Nickel, which is booked in the Group's consolidated financial statements under the equity method.

A reconciliation with Group EBITDA is provided in Note 4 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 at the end of the 2021 and 2022 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.

Appendix 10: Footnotes

[1] In accordance with the IFRS 5 standard – "Non-current assets held for sale and discontinued operations". See reconciliation tables in Appendix 1
[2] Definition of adjusted EBITDA, the Group's new Alternative Performance Indicator, presented in the financial glossary in Appendix 9
[3] TRIR (total recordable injury rate) = number of lost time and recordable injury accidents for 1 million hours worked (employees and sub-contractors)
[4] Audit procedures for the 2022 consolidated financial statements have been completed. The certification report will be released after the Board of Directors' meeting held on 21 March 2023, which will set the draft shareholders' resolutions.
[5] See financial glossary in Appendix 9
[6] Reduction in net debt of €616m, before application of the IFRS 5 standard
[7] Includes €29m linked to Setrag transport activity other than Comilog's ore (€37m in 2021)
[8] Unless otherwise indicated, market data corresponds to Eramet estimates based on World Steel Association production data
[9] 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
[10] See financial glossary in Appendix 9. Cash cost calculated excluding sea transport and marketing costs
[11] Export duties and proportional mining royalties
[12] SLN, ENI and others
[13] Unless otherwise indicated, market data corresponds to Eramet estimates
[14] High Pressure Acid Leach
[15] Nickel Pig Iron
[16] Class I: produced with a nickel content above or equal to 99%; Class II: produced with a nickel content below 99%
[17] LME: London Metal Exchange; SHFE: Shanghai Futures Exchange
[18] SMM NPI 8-12% index
[19] Source: CNFEOL (China FerroAlloy Online)
[20] 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.
[21] See financial glossary in Appendix 9
[22] MHP: Mixed Hydroxide Precipitate
[23] 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 CP slag (FOB prices): Market and Eramet analysis
[24] Titanium dioxide slag, ilmenite, leucoxene and rutile
[25] c.90% of titanium-based end-products
[26] Source: Argus, thermal coal spot price, ARA, Europe
[27] Source: Fastmarkets – Battery-grade Lithium Carbonate price CIF Asia
[28] LCE: Lithium Carbonate equivalent
[29] Includes royalties and logistics costs
[30] Unless otherwise indicated, the figures mentioned are restated in accordance with the IFRS 5 standard – "Non-current assets held for sale and discontinued operations"
[31] Aubert & Duval and others, excluding EHA
[32] Consensus of main market analysts
[33] Bloomberg forecast consensus as of 31/01/2023 for the year 2023