

7 April 2025

Ferrexpo plc
("Ferrexpo" or the "Company" or the "Group")

Production Report for 1Q 2025

Ferrexpo plc (LSE: FXPO), a producer and exporter of premium iron ore pellets, is pleased to report production results for the first quarter to the end of March 2025 ("the quarter" or "1Q" or "1Q 2025").

Highlights

- Ferrexpo remains committed to the safety and wellbeing of its workforce and the Group continues to take extensive measures to protect employees, their families, and local communities.
- At the end of February 2025, the Group reported a rolling 12-month LTIFR of 0.66, which was above the historic five-year trailing average of 0.52. Zero workplace fatalities reported for over four years.
- During the quarter the Group operated two pelletising lines (out of four) in addition to commercial concentrate production, however, due to the recently announced suspension of VAT refunds, operations have reduced to one pellet line.
- Record quarterly production since the start of the full-scale invasion in February 2022, totalling 2.1 million tonnes, comprising 1.3 million tonnes of pellets and 0.8 million tonnes of 67% Fe concentrate due to a strong increase in high grade concentrates sold to customers in Asia.
- Production of higher margin Ferrexpo DR pellets (FDP) continued during the quarter, albeit at a lower rate of 81k tonnes.

Summary production statistics

<i>(tonnes, unless otherwise stated)</i>	Fe Grade	1Q 2025	4Q 2024	Change	1Q 2025	1Q 2024	Change
Total commercial production		2,125,467	1,769,073	+20%	2,125,467	2,054,489	+3%
Total pellet production		1,347,749	1,503,373	-10%	1,347,749	1,813,973	-26%
DR pellets (FDP)	67%	81,787	163,552	-50%	81,879	0	-
Ferrexpo premium pellets	65%	1,105,049	1,204,380	-8%	1,105,049	1,731,427	-36%
Other pellets	65%	160,913	135,441	+19%	160,913	82,546	+95%
Commercial concentrate	67%	777,718	265,700	+193%	777,718	240,516	+223%

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

"For the first quarter of 2025, total commercial production was the highest quarterly rate since the full-scale invasion started in February 2022. This is due to an increase in production of high-grade concentrates, sold to customers in Asia, combined with a stable production of Ferrexpo premium pellets. We are pleased that once again we have demonstrated our ability to adapt to changing market conditions, taking advantage of the demand for our concentrates in Asia.

The increase in production however did not translate into improved earnings because of sustained high input costs, in particular imported electricity and deteriorating iron ore pellet premiums and prices. The environment in which we are operating has become increasingly challenging. In March, the Ukrainian tax authorities notified our two main operating subsidiaries, Ferrexpo Poltava Mining and Ferrexpo Yeristovo Mining of their decision to suspend the refund of VAT for the month of January 2025, for the total amount of UAH 512.9 million (approximately US 12.5 million). This suspension of the VAT refund, which is considerable, has resulted in lowering the available liquidity to fund the operations. This has forced us to immediately downscale our operations to one pellet line and to implement significant cost cutting measures across the business, affecting the workforce, mining and processing operations, repairs and maintenance, capital expenditure and humanitarian and social funding.

This will have a broader impact on the economic and social fabric of Horishni Plavni, a city of 50,000 people where we are the main employer, the Poltava Region and the 3,000 small and local businesses that depend on us. There will also be an impact on the national economy due to lower tax and royalty contributions, and payments to suppliers, including energy providers, Ukrainian railways and ports.

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We continue to make representations to the Ukrainian government and other stakeholders to restore the refund of VAT so that we can sustain our business at higher operating levels, maintain our workforce, and the integrity of our operations.

At the end of March, 708 of our colleagues were serving in the Armed Forces of Ukraine and 103 of the 176 veterans that have been demobilised have returned to work. Tragically, we received confirmation in February of one more colleague killed while serving in the Armed Forces of Ukraine bringing the total to 46 since the full-scale invasion in February 2022."

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About Ferrexpo:

Ferrexpo is a Swiss headquartered iron ore company with assets in Ukraine and a listing in the equity shares commercial companies category on the London Stock Exchange (ticker FXPO) and a constituent of the FTSE 250 and FTSE4Good indices. 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 full-scale invasion of Ukraine in February 2022, the Group was the world's third largest exporter of pellets. The Group has a global customer base comprising of premium steel mills around the world. For further information, please visit www.ferrexpo.com.

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