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PRESS RELEASE

Eramet: Excellent year with EBITDA above €1bn[1] and an acceleration of repositioning into activities which are driving growth

- **New milestone for the Group** which is refocusing on Mining and Metals activities, following the announcement of the signature of a Memorandum of Understanding for the divestment of Aubert & Duval[2]
- **Confirmed positioning as a responsible and contributive company.** 2021 commitments met or exceeded, particularly regarding climate and safety, with one of the lowest accident rates in the industry
- **Excellent operational performance** in **manganese, nickel and mineral sands,** and resilience in mining activity in New Caledonia:
  - Strong organic growth in ore production in Gabon at 7 Mt (+21% versus 2020)
  - Increase in manganese alloys production (747 kt, +7%), with an improvement in the mix and record price levels
  - Increase in nickel ore exports in New Caledonia to nearly 3 Mwmt (+17%)
  - Strong growth in nickel ore production in Weda Bay, with a fourfold increase to 14 Mwmt
- **Construction of the lithium plant in Argentina restarted** in response to the acceleration in demand for metals for the energy transition
- In the new Eramet scope, excluding operations sold or in the process of being sold[1]:
  - **Group EBITDA doubled** to **€1,051m** in 2021**,** with a very significant contribution from manganese alloys, in a very favourable price environment partly offset by the strong increase in freight and energy costs
  - **Free Cash-Flow (FCF)** of **€526m**, including a contribution from Nickel activity in Weda Bay of €146m
- Including operations sold or in the process of being sold:
  - **Net income, Group share** at **€298m**
  - **Strong reduction in net debt** of **€388m,** with leverage[3] below 1
- Proposal of a **dividend of €2.5** per share
- Over the last two years, **64% increase in Group EBITDA** mainly resulting from **intrinsic gains** of nearly **€450m**[4]

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[1] 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 2021 and 2020. See reconciliation tables in Appendix 1

[2] The transaction is subject to consultation with employee representative bodies and all necessary regulatory approvals

[3] Net debt-to-EBITDA ratio

[4] Operations sold or in the process of being sold included

- **2022** Outlook:
    - Production targets up, including **7.5 Mt** of **manganese ore** in Gabon**,** approximately **15 Mwmt** in **nickel ore** in Indonesia[5] and **more than 4 Mwmt** of nickel ore **exports** in New Caledonia
    - **Invoiced selling prices for manganese alloys** should remain slightly **above 2021** on average for the year; consensus for average **manganese ore** prices at **$5.2/dmtu** and **LME nickel** prices at **$19,800/t**
    - **Energy and freight prices** are expected to continue to weigh on Eramet's costs, similarly to those of **coke**
    - Based on the consensus of the abovementioned price forecasts, Group **EBITDA** would be approximately **€1.2bn**[6] in 2022.

Christel BORIES, *Eramet group Chair and CEO:*

« We achieved excellent results in 2021. They reflect the commitment and agility of our teams who have been able to seize opportunities in a changing environment. These very good performances demonstrate the relevance of our operating model, which strongly generates intrinsic improvements and cash-flow over time.

We accelerated the deployment of our strategy to refocus on our mining and metallurgical activities which are driving growth. The restart of the Lithium project as well as the signature of the Memorandum of Understanding for the divestment of Aubert & Duval are significant milestones.

Furthermore, recent developments in the market, marked by the very strong growth in demand for critical metals for the energy transition and the strengthening of environmental and societal requirements, fully confirm the relevance of our strategic decisions.

We therefore enter this new phase of the Group's history stronger, with the ambition to become a reference for the responsible transformation of the Earth's mineral resources for living well together. »

5 Pending administrative approval

6 Based on an exchange rate at $/€1.18

Eramet's Board of Directors met on 23 February 2022, chaired by Christel Bories, and approved the financial statements for the 2021 financial year[7] which will be submitted for approval at the Shareholders' General Meeting on 31 May 2022.

♦ CSR commitments

Corporate social responsibility is at the heart of the Eramet project. This ambition is now reflected in its Corporate Purpose, as stated in its 2021 articles of association since May 2021: **To become a reference for the responsible transformation of the Earth's mineral resources for living well together**.

Since 2018, the Group's CSR roadmap has posted constant and regular progress towards its targets, which overall performance reached **104%** over the year. The 2021 Group's CSR performance was notably illustrated by:

- The exceptional **safety** improvement with a **46%** decline in the number of accidents versus 2020 (TRIR[8] at 2.2 in 2021)
- The **-39%** reduction in the Group's carbon intensity since 2018, and the **validation of the 2035 and 2050 Group's climate trajectory by the Science Based Targets initiative (SBTi)**
- The recognition of Eramet's voluntary commitments to biodiversity by **act4nature international** through avoidance actions, impacts reduction, as well as raising awareness and promoting its preservation.

In addition to its internal performance targets, the Group continued its work in 2021 on ESG performance management by conducting two self-assessments of mining sites in New Caledonia based on the *Initiative for Responsible Mining Assurance (**IRMA**)* international standard.

The extra-financial performance ratings were also maintained, notably the ratings awarded by the Carbon Disclosure Project (climate 2021, B rating), VigeoEiris (Advanced). The ESG risks assessment rating awarded by Sustainalytics improved from 38.8 in 2020 to 26.2 in 2021.

[7] Audit procedures for the 2021 consolidated financial statements have been completed. The certification report will be released after the Board of Directors' meeting held on 10 March 2022, which will set the draft shareholders'resolutions

[8] TRIR (total recordable injury rate) = number of lost time and recordable injury accidents for 1 million hours worked (employees and subcontractors)

♦ Eramet group key figures (in accordance with the IFRS 5 standard, excluding operations sold or in the process of being sold)

(Millions of euros)[1]	2021[3]	2020 Restated[3]	Chg. (€m)	Chg.[2] (%)
Turnover	3,668	2,792	+876	+31%
EBITDA	**1,051**	**516**	**+535**	**+104%**
Current operating income (COI)	784	257	+527	+205%
Net income from continuing operations	**791**	**(160)**	**+951**	**n.a.**
Net income from discontinued operations	(426)	(516)	+90	n.a.
Net income, Group share	**298**	**(675)**	**+972**	**n.a.**
Group Free Cash-Flow	**526**	**116**	**+410**	**+353%**
	31/12/21[3]	**31/12/20[6]**	**Chg. (€m)**	**Chg.[2] (%)**
Net debt	**(936)**	**(1,378)**	**-442**	**-32%**
Shareholders' equity	1,335	958	+377	+39%
Leverage (Net debt-to-EBITDA ratio)	0.9	2.7	-1.8 pts	n.a.
Gearing (Net debt-to-equity ratio)	70%	144%	-74pts	n.a.
Gearing within the meaning of bank covenants[4]	51%	115%	-64pts	n.a.
ROCE (COI/capital employed[5] for previous year)	30%	8%	+22pts	n.a.

[1] Data rounded to the nearest million

[2] Data rounded to higher or lower %

[3] 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 2021 and 2020. See reconciliation tables in Appendix 1. The balance sheet impacts are only restated to 2021.

[4] Net debt-to-equity ratio, excluding IFRS 16 impact and French state loan to SLN

[5] Total shareholders' equity, net debt, site restoration provisions, restructuring and other social risks, less long-term investments, excluding Weda Bay Nickel capital employed.

[6] In accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the consolidated financial statements were restated on 1 January 2020 for the impact of financial fraud at the Group's head office. The impacts, notably on net debt and shareholders' equity, are presented in the table in Appendix 7.

N.B. 1: all the commented figures for FY 2021 and FY 2020 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 2021 are with respect to FY 2020, unless otherwise specified. "H1" corresponds to the first half of the year, "H2" to the second half.

The **Group's turnover** amounted to **€3,668m** in 2021, up significantly by 31% (+35% at constant scope and exchange rates[9]). This growth was mainly driven by Manganese alloys activity (very favourable price environment combined with an improved product mix), as well as excellent operational performances in the manganese ore business (+21% in volumes produced, +9% in volumes sold) and trading activity for nickel ferroalloys produced in Weda Bay.

[9] See Financial glossary in Appendix 8

Group **EBITDA** totalled **€1,051m**, up very significantly (x2) versus 2020, notably reflecting:

- An impact of external factors of +€437m, including positive price effects of +€394m for manganese alloys and +€227m for nickel, partially offset by -€278m in cost increases, notably linked to freight,
- Intrinsic performance of +€164m for activities of the new scope, including +€111m linked to the growth in external manganese ore sales,
- A negative impact of –€66m linked to SLN, whose performance was impacted by exceptional external disruptions in New Caledonia.

Current operating income came to **€784m**, mainly after booking a depreciation expense on fixed assets of -€259m.

Net loss for discontinued operations amounted to **-€426m** and mainly reflects the negative impact of the announced divestment of Aubert & Duval (-€340m), with no impact on Group net debt at 31 December 2021.

As a result, **net income, Group share** for the year was **€298m**. It also includes the share of income in Weda Bay (+€121m) as well as the impairment reversal on the lithium project (+€117m).

Free Cash-Flow ("FCF") amounted to **€526m** in the new scope of the Group. Excluding holding costs, the Mining and Metals division generated **FCF of nearly €700m,** including a contribution from **Weda Bay** of up to **€146m,** reflecting the excellent operational performances of the activities.

Capex disbursements remained **stable at €312m.** They include growth capex totalling €151m in Gabon, including the plan to modernise the Transgabonese railway, in order to support organic development in manganese ore production, which is highly value-accretive with a quick payback. Current capex was kept under control, notably at SLN pending the release of authorisations on nickel ore exports, obtained in February 2022.

Net debt stood at **€936m** at 31 December 2021, **a reduction of more than €440m**[10] due to the Group's strong cash generation, despite **negative FCF of -€125m in discontinued operations**. The change in net debt also includes the contribution of Meridiam following its acquired equity interest in the capital of Setrag in November (+€31m).

Moreover, a proposal to pay out a **dividend** of **€2.5 per share** in respect of the 2021 financial year will be made at the Shareholders' General Meeting on 31 May 2022.

Financial fraud was identified at end-2021 within the Group's central treasury management, as announced in a press release issued on 21 December 2021. The findings of the immediate investigations established that the fraud had been initiated by an employee of the Group. The purpose of the fraud was to falsify the true characteristics of a realised investment, and then to conceal the financial loss suffered in 2019 from the decline in value of the investment in question. The employee was dismissed for gross misconduct with legal proceedings initiated.
It is confirmed that the financial impact was limited to €45m. It has been booked in the Group's shareholders' equity and cash in the opening balance sheet at 1 January 2020.

[10] Reduction in net debt of €388m, before application of the IFRS 5 standard

This impact does not include potential future insurance reimbursements, ongoing legal action, and potential recoveries.
An action plan has been defined in order to strengthen the internal controls and security measures within the Group Treasury department, in particular with an overhaul of its procedures.

As of 31 December 2021, Eramet's **liquidity** remained high at **€2bn**. In H2, Eramet redeemed early all the bonds issued by TiZir which were still outstanding as well as most part of the credit line drawn down in the RCF (€901m). The latter was redeemed in full in January 2022.

♦ Key figures by activity (in accordance with the IFRS 5 standard)

(Millions of euros)[1]		2021[3]	2020 Restated[3]	Change (€m)	Change[2] (%)
CONTINUING OPERATIONS					
Manganese BU	Turnover	2,267	1,699	568	+33%
	EBITDA	**910**	**442**	**468**	**+106%**
Nickel BU[4]	Turnover	1,046	802	244	+30%
	EBITDA	**113**	**52**	**61**	**+116%**
Mineral Sands BU	Turnover	349	276	73	+26%
	EBITDA	**137**	**91**	**46**	**+51%**
Lithium BU	Turnover	0	0	0	n.a.
	EBITDA	**(5)**	**(5)**	**0**	**n.a.**
Total Mining and Metals Division	*Turnover*	*3,662*	*2,777*	*885*	*+32%*
	EBITDA	***1,154***	***580***	***574***	***+99%***

DISCONTINUED OPERATIONS					
Aubert & Duval	Turnover	493	523	(30)	-6%
	EBITDA	**(44)**	**(90)**	**46**	n.a.
Erasteel	Turnover	**184**	**136**	**48**	**+35%**
	EBITDA	**13**	**(33)**	**46**	**n.a.**
Sandouville	Turnover	154	103	51	+50%
	EBITDA	**(27)**	**(31)**	**4**	**n.a.**

[1] Data rounded to the nearest million

[2] Data rounded to higher or lower %

[3] 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 2020 and 2021. See reconciliation tables in Appendix 1

[4] Nickel BU excluding Sandouville (discontinued operation)

- **Mining and Metals Division**

Manganese BU

In 2021, Moanda became the world's leading manganese mine with high-grade ore production of 7 Mt (+21%), a positioning in the first quartile of the cash cost curve, and an annual pace close to 8 Mt in H2 2021.

The Manganese BU posted turnover up to €2,267m and a very strong increase in EBITDA to €910m (+106%).

This increase notably reflects the strong increase in manganese alloys selling prices combined with a more favourable product mix. CIF prices for manganese ore also increased, but this positive impact was entirely absorbed by the very strong increase in the cost of freight.

Market trends & prices

Global production of carbon steel, the main end-product for manganese, was up +3.6%[11] in 2021 to 1,935 Mt[11]. Production in China, which accounts for more than 50%[11] of global production, was down -3.1%[11], with a decline of -16%[11] in the second half, mainly due to government restrictions on energy consumption. Conversely, steel production increased in the rest of the world (+12.5%[11]), notably in North America (+18.3%[11]), India (+17.6%[11]), and Europe (+13.5%[11]), thus exceeding pre-health crisis levels.

Manganese ore consumption came to 21.4 Mt[11] at end-2021, up 5.8%[11] while global ore production increased to a lesser extent (+1.3%[11]), to 20.6 Mt[11] at end-2021. This is mainly linked to the decline in production in Brazil (by almost 40%[11]) due to the closure of a major manganese mine in 2020.

In this context, the supply/demand balance remained in deficit on a full-year basis in 2021 with Chinese port ore inventories ending at 5.4 Mt[12], a decline versus end-2020, now representing 9 weeks' consumption (compared with 12 weeks at end-2020).

The average CIF China 44% manganese ore price stood at $5.3/dmtu[13] in 2021, up +15%[13] on 2020, reflecting the increase in the cost of freight on the Gabon-China route which nearly doubled over the period.

Driven by the strong demand in the steel market in Europe and the United States, manganese alloys prices reached an historic high in November with respect to the last ten years in Europe and the United States. The price index (CRU) for refined alloys in Europe (MC Ferromanganese) was up +79%[13] over the year, with a +54%[13] increase for standard alloys. Given the one quarter lag on average between changes in market prices and those in sales contracts, the increase in prices in Q4 will have a very favourable impact on manganese alloys activity turnover in Q1 2022.

Activities

In Gabon, the **manganese ore** production target was reached with **7 Mt produced** in 2021 (+21%), thanks to the mine expansion programme combined with continuous operational improvement.

The improvement in Setrag's logistical performance enabled the achievement of the target of more than 6.5 Mt in transported and shipped ore volumes (+9% vs. 2020), despite a difficult start to the

[11] Eramet estimates based on World Steel Association (WSA) production data

[12] Source: CNFEOL (China FerroAlloy Online)

[13] Average market prices, Eramet calculations and analysis; manganese ore: CRU CIF China 44% spot price; Manganese alloys: CRU Western Europe spot price

year. This reflects more favourable seasonality in H2 (+24% in transported and shipped volumes versus H1) as well as the progress made on the railway line. Factoring in the strong consumption of the Group's alloys plants during the year, external sale volumes stood at 5.8 Mt in 2021 (+9%).

The FOB cash cost[14] of manganese ore activity was $2.24/dmtu, stable versus 2020, factoring in an unfavourable currency effect.

In addition, the cost of freight increased very considerably over the year.

Manganese alloys production totalled 747 kt in 2021 (+7%). Sales remained stable at 716 kt, with a very favourable change in the mix to higher margin refined products.

The manganese alloys margin increased very significantly in 2021, driven by the strong increase in selling prices, which represented a positive impact of approximately €350m, net of input costs, and a favourable change in the mix. The cost of manganese ore consumed by the plants remained stable on average over the year, considering an average lag of 4 to 6 months between the entry of ore in inventories and the sale of alloys.

Outlook

Global carbon steel production is expected to grow moderately in 2022, affected by the capping of production imposed by the Chinese authorities on the one hand, and the shortage of semiconductors slowing demand in the automotive industry on the other. Prices should gradually decline, whilst remaining at high levels at the start of the year, factoring in multiple and persistent constraints weighing on the supply of raw materials (freight rates, energy prices, and health protocol). In particular, invoiced selling prices for manganese alloys should start to decline from Q2. On a full-year basis and on average, they are expected to remain above 2021.

Sea freight rates are expected to remain high, factoring in the robust growth in demand and vessel availability, which is limited by port congestion.

As part of the modular and optimised growth programme of the Moanda mine, the production target is set at 7.5 Mt for 2022, an increase of 7% from 2021.

Nickel BU

Nickel BU turnover increased to reach €1,046m in 2021, of which €817m for SLN[15] and €229m linked to the trading activity of nickel ferroalloys produced at Weda Bay (off-take contract). The BU's EBITDA more than doubled, totalling €113m.

The contribution of Weda Bay activity to Group FCF was very significant in 2021, at €146m.

The recovery in the stainless steel and batteries markets was reflected by a strong increase in prices over the year, offset in part by the increase in freight costs which notably weighed on ore exports in New Caledonia.

[14] See Financial glossary in Appendix 8. Cash cost calculated excluding sea transport and marketing costs (€280m in 2021 vs. €151m in 2020), mainly corresponding to the cost of sea transport)

[15] SLN, ENI and others

However, SLN only partially benefitted from it due to numerous disruptions that constrained ferronickel production and sales, which declined significantly over the period, while the increase in ore export volumes was limited to 3 Mwmt[16].

Market trends & prices

Global stainless steel production, which is the main end-market for nickel, was up considerably to 57.7 Mt[17] (+14.7%[17]) in 2021, despite a decline of -2.9%[17] in H2 2021 compared with the particularly high H1 2021. This slowdown is attributable to the decline in production in China over H2 2021 (-8.2%[17] vs. H1 2021), in line with the government measures on energy consumption. Nevertheless, 2021 production in China increased by 7.2%[17] on a full-year basis. The rest of global production also increased (+26.2%[17]), notably driven by Indonesia (+85.8%[17]).

Global demand for primary nickel was thus up by +17.4%[17] in 2021 to 2.8 Mt[17]. In 2021, growth was driven by demand for primary nickel in stainless steel (+16.0%[17]) and very strong growth in the batteries sector (+63.8%[17]).

In parallel, global primary nickel production grew by +9.6%[17] in 2021, reaching 2.7 Mt[17]. The slight decline in volumes from traditional producers (-0.9%[17]) and the fall in Chinese NPI[18] volumes (-14.8%) were more than offset by the strong growth in NPI supply in Indonesia (+55.1%[17]). It should be noted that for the first time, NPI accounted for nearly 50%[17] of global primary nickel production in 2021.

The nickel supply/demand balance for 2021 thus posted a deficit (estimated at more than 100 kt). Nickel inventories at the LME[19] and SHFE[19] very significantly decreased versus end-2020, totalling 106 kt at year-end, representing only approximately 4 weeks' consumption[20] (vs. 9 weeks at end-2020).

In 2021, the LME price average was $18,478/t, up significantly versus 2020 (+34%), confirming the very good momentum observed throughout the financial year. The LME price thus reached its highest level in the last seven years in November with a price of $21,135/t. To date, the LME price is more than $24,000/t. Ferronickel selling prices were also up very significantly over the period (+41%), with a lower discount versus the LME.

1.8% CIF China nickel ore prices continued to evolve at high levels, recording an average increase of +32% to $105/wmt[21] in 2021, albeit with a discount for lower grade ores. The nickel ore market remained tight during the period, due to sustained demand as well as reduced ore supply, notably from New Caledonia. The increase in prices has however been largely offset by higher freight costs.

In Indonesia, the official domestic price index for nickel ore ("HPM Nickel") averaged approximately $40/wmt in 2021, for nickel ore with 1.8% nickel content and 35% moisture content.

Activities

In Indonesia, the Weda Bay mine produced 14 Mwmt in 2021 (vs. 3.4 Mwmt in 2020), of which 10 Mwmt was either transferred to the joint venture plant or sold to the nickel ferroalloy production plants located in the industrial park near the mine, which is fast-developing. The remainder, which is

[16] Mwmt: Millions of wet metric tons ; kwmt: thousands of wet metric tonnes

[17] Eramet estimates

[18] Nickel Pig Iron ("NPI")

[19] LME: London Metal Exchange; SHFE: Shanghai Futures Exchange

[20] Including producers' inventories

[21] Source: CNFEOL (China FerroAlloy Online)

currently non-marketable and non-recoverable, the majority of which is limonite, can be used for future needs.

External ore sales, which amounted to more than 6 Mwmt (vs. 0.4 Mwmt in 2020), were constrained in Q4 2021, as they were conditional on obtaining administrative authorisations (relating to an increase in capacity), the examination of which, slowed down by constraints and closures linked to the Covid crisis, is still ongoing. These authorisations are expected to be completed in the weeks ahead.

The nickel ferroalloys plant, which is also supplied by the mine, continued to operate at maximum capacity, reaching 39 kt-Ni produced over the year. Trading activity (off-take contract) contributed €229m to Group turnover.

As a result, the excellent operational performance of Weda Bay was reflected in a substantial contribution to Group FCF over the period of €146m, of which €130m in dividends received.

Parallel to this, Eramet and BASF continued their feasibility studies for their shared project to develop a nickel and cobalt hydrometallurgical complex using ore extracted from Weda Bay mine. A decision regarding the continuation of the project will be made at the end of the initial study phase, scheduled for completion in 2022.

In New Caledonia, activities were disrupted all year round (blockades linked to Vale, bad weather, loss of an electric power plant unit and significant increase in Covid-19 cases on the territory from September). Despite these disruptions and due to the ramp-up in the mines, **SLN** mining production remained stable in 2021, reaching 5.4 Mwmt. Low-grade nickel ore exports increased +17% to 3 Mwmt, with an annual pace of approximately 4 Mwmt in Q4 2021. Conversely, ferronickel production strongly declined (-18% to 39 kt-Ni) due to poor supply of furnaces, as well as sold volumes (-22% to 39 kt-Ni).

Cash cost[22] amounted to $7/lb on average in 2021, mainly reflecting the contraction in ferronickel production volumes, but also the increase in energy and input costs, as well as an unfavourable currency impact.

SLN's free cash-flow at the local level will be at breakeven in 2021.

In February 2022, the government of New Caledonia and SLN committed to a new trajectory for the subsidiary. In this respect, a first milestone was achieved with the unanimous vote of the government to authorise the export of an additional 2 Mwmt, in order to reach 6 Mwmt of nickel ore exports per year. The ramp-up will take place until 2024.

This trajectory is also based on a significant reduction in the cost of energy at the Doniambo plant. Discussions on access to competitive electricity power as well as the electric power plant project to supply Doniambo are expected to be stepped up in 2022.

Outlook

In 2022, primary nickel consumption is expected to remain sustained with a dynamic battery sector accounting for half of the consumption growth. However, the first quarter is expected to slow down compared with fourth-quarter 2021 with a decline in stainless steel production due to the Chinese New Year and the Beijing 2022 Winter Olympics.

In addition, primary nickel production is expected to strongly develop this year with significant growth in Indonesian NPI to the detriment of Chinese NPI, and a recovery in traditional supply, which should return to pre-Covid levels.

[22] See Financial glossary in Appendix 8

In Weda Bay in Indonesia, the marketable mine production target is approximately 15 Mwmt in 2022, subject to obtaining the authorisations required to increase capacity which are in the process of being finalised. Nickel ferroalloys production should amount to nearly 40 kt-Ni.

In New Caledonia, assuming normal functioning of operations, SLN's nickel ore exports target is more than 4 Mwmt in 2022 and ferronickel production for the Doniambo plant is expected to be more than 45 kt-Ni.

Mineral Sands BU

The Mineral Sands BU reported turnover up to €349m. EBITDA increased by +51% to €137m, reflecting the very good operational performance as well as a favourable price environment, partially offset by the increase in the cost of energy, and an unfavourable currency effect.

Market trends & prices

Global demand for zircon rebounded by +18% in 2021, thanks to the recovery in the global economy. This increase mostly results from the ceramics sector (approximately 50% of the end-product) both in China and the rest of the world. Parallel to this, zircon production increased at a much slower pace (+12%), given the operating and logistics difficulties encountered by several producers, notably in South Africa. The supply/demand balance was thus in deficit in 2021.

Zircon market prices ended at $1,496/t FOB[23] in 2021, with an increase of +12%.

Global demand for titanium-based products[24] reached records in 2021, thanks to global economic growth and in particular the rebound in the pigments market[25]. Conversely, energy limitations in China impacted both pigment and titanium-based product producers in H2 2021. Furthermore, disruptions for many producers negatively impacted the supply of titanium-based products. A marked deficit in supply thus materialised in 2021 and the tension increased on the market, particularly in H2 and notably for CP titanium dioxide slag ("CP slag"), as produced by Eramet in Norway.

The average price of CP titanium dioxide slag, a high added value product, therefore increased sharply in H2 2021 (+8%), erasing the decline observed in H1 2021, and returning to 2020 levels on average for the year. The average price totalled $781/t in 2021. It continues to rise at the start of this year (currently at c.$900/t), reflecting the tension in the market.

Activities

In Senegal, mineral sands production continued to increase in 2021, reaching a record level of 804 kt (+6%), thanks to a good operational performance as well as more significant average content in the area mined over the year.

Zircon production was up +8% to 64 kt, and sales volumes grew by +2%, reaching 63 kt.

In Norway, titanium slag production stood at 209 kt in 2021, an increase of +5%, which reflects the best annual production performance for the plant since its start. Sales volumes grew by +13% to 220 kt, with very substantial shipping at the very end of the year.

Outlook

Demand for zircon is expected to remain sustained in 2022, nonetheless with some uncertainties (logistics, energy prices in Europe, construction market in China). However, the market is expected to remain in deficit, which should enable prices to hold up well in 2022.

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23 Source Zircon premium: Eramet analysis

24 Titanium dioxide slag, ilmenite, leucoxene and rutile

25 c.90% of titanium-based end-products

Demand for titanium-based products should continue to increase in 2022, particularly for high-grade products such as titanium dioxide slag and rutile. The market is also expected to remain in deficit in 2022, which should enable prices to be supported for the year.

In 2022, the annual production volume for mineral sands is expected to be in excess of 750 kt factoring in the expected decline in average content in the area mined of the deposit.

Lithium BU

In November 2021, Eramet engaged in the construction of its lithium plant in Argentina, in a context of very strong growth in demand for this critical metal for the energy transition. Lithium carbonate prices strongly increased in 2021 and now amount to more than $60,000/t[26]. This trend reflects the strong acceleration of the development of electric cars, where demand for lithium is not sufficiently met by existing production capacities.

Eramet controls the project, with a 50.1% interest, and will assume responsibility for operational management, within a partnership with the Tsingshan Group. Tsingshan will contribute up to $375m to the project through the financing of the plant's construction, which will have nominal production capacity of 24 kt LCE[27].

Production will be commercialised by each of the two shareholders, for their share of capital, based on an off-take contract (trading).

EBITDA estimated (at 100%), after ramp-up, is expected to total approximately $200m per year[28] based on the latest consensus for long-term prices[29].

The size of the deposit makes it possible to plan for further extensions via the construction of other similar plants by the two partners.

- ## 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 2020 and 2021 financial years:

- The sale of the Sandouville plant to Sibanye-Stillwater was closed on 4 February 2022, for a net sale price of approximately €85m.

- A non-binding Memorandum of Understanding (MoU) was signed on 22 February 2022 with a consortium composed of Airbus, Safran and Tikehau ACE Capital for the divestment of Aubert & Duval[30]. This transaction, which should be completed before year-end, would be based on an enterprise value of €95m and would be supported by a set of specific guarantees in addition to the usual guarantees. The accounting impact on the Group's net income is approximately -€340m in 2021. This impact remains subject to closing adjustments.

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[26] Source: Fastmarkets – Lithium Carbonate Battery Grade Prices CIF Asia

[27] LCE: Lithium Carbonate equivalent

[28] Includes royalties and logistics costs

[29] Consensus for long-term (LT) CIF price of $12,900/t LCE

[30] The transaction is subject to consultation with employee representative bodies and all necessary regulatory approvals

- The Group plans to continue the process for the sale project of Erasteel in 2022, following the strategic review conducted in 2021.

Aubert & Duval

The aerospace sector, which accounts for approximately 70% of A&D's turnover (pre-crisis level), continues to significantly lag behind, particularly for long-range aircraft. While air transport returned to growth in 2021, global traffic is still far from its pre-crisis level. National sovereign markets (defence and nuclear) as well as energy markets continued to enjoy the good trends seen at the start of the year. Indeed, they only slightly suffered the effects of the health crisis, notably thanks to large-scale public investment programmes that supported demand.

Against this background, A&D turnover[31] ended at €493m[32] in 2021, declining –6%, with a decline of –22% for the aerospace industry which posted €287m. In particular, the fire that destroyed the surface treatment workshop at the Pamiers plant in September significantly disrupted production, and sales (by -€35m). Subcontracting solutions are currently being implemented and will continue until a new workshop is rebuilt. Conversely, turnover in the Energy and Defence sectors strongly increased (+43%) to €146m in 2021, mainly reflecting the continued ramp-up in volumes of deliveries of parts for land-based turbines.

The Work Organisation Adjustment Plan[33] was completed at end-September for an overall estimated cost of €27m and departures will mainly be staggered in 2022. This plan resulted in a provision of €23m at end-December.

Negative EBITDA was halved to –€44m[32], reflecting cost reductions and productivity improvements.

The impact of the fire at the Pamiers plant on A&D's Free cash-flow was limited to €28m in 2021. In total, the subsidiary's cash consumption amounted to €124m[32] over the year.

Passenger traffic is not expected to return to 2019 levels until 2023, with domestic flights recovering faster than long-range flights. After a sharp slowdown during the health crisis, passenger traffic has demonstrated resilience and is expected to return to annual growth of nearly 4%. Long-range flights, which are closely linked to international traffic, are not expected to return to their pre-crisis level before 2027.

[31] Aubert & Duval and others, excluding EHA

[32] 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 2021 and 2020. See reconciliation tables in Appendix 1

[33] This plan also includes the extension of the Long-Term Part-Time Work scheme (Activité Partielle Longue Durée, "APLD") until end-2022

Erasteel

The automotive industry, which accounts for nearly half of Erasteel's sales, is continuing its recovery. However, sales did not reach the expected level in 2021, factoring in the worldwide shortage of semiconductors.

Erasteel's turnover increased +35 % versus 2020, totalling €184m[32] in 2021, notably with market share gains in Asia and the United States for products made from powder metallurgy. Growth in sold volumes was also supported by the positive effect of reinvoicing raw material price increases to customers. Recycling activity continued its ramp-up (+71% to €20m).

EBITDA came out at €13m[32], an increase of nearly €50m reflecting the very good momentum in sales as well as a productivity improvement.

In 2022, order intake should continue to benefit from robust demand in various industry segments, despite persistent difficulties in the automotive sector. The shortage in electronics components is likely to persist out to Q2 2022.

Sandouville

At the Sandouville plant, nickel salt and high-purity metal production reached 8.9 kt in 2021, an increase of +22% and sales volumes increased by +20% to 8.9 kt. Turnover thus stood at €154m[32] in 2021 (+50% versus 2020) and negative EBITDA was reduced to -€27m[32].

♦ Outlook

The markets of the Mining and Metals division remain well-oriented at the start of 2022 and should continue to grow over the year. In addition, prices are expected to remain at globally high levels.

High freight costs and logistics issues are set to persist in 2022. However, at the start of the year, the Group implemented in Gabon a solution for transporting manganese ore by larger vessels, which should reduce sea transport costs.

Developments in energy costs, in particular those of gas and electricity, remain uncertain for 2022. Continued price increases could have an impact on the Group's profits. In Norway, the Group's electricity intensive plants benefit from long-term supply contracts using hydro and wind power to cover a significant part of their needs. In parallel, the Group's plants could also be impacted by an increase in the price of metallurgical coke, given the tension in this market.

The Group's capital expenditure is expected to amount to approximately €550m in 2022, including the operations in the process of being sold, yet excluding the lithium project financed by Tsingshan. On the one hand, this capital expenditure includes approximately €300m in current capex and, on the other hand, organic growth capex, including approximately €200m intended to support and sustain growth in Gabon.

In 2022, as part of its new strategic roadmap, Eramet is expected to make further significant intrinsic progress, and is targeting further production records:

- **7.5 Mt** of manganese ore produced;
- **more than 4 Mwmt** of nickel ore exported;
- **approximately 15 Mwmt**[34] of nickel ore produced at Weda Bay.

Invoiced selling prices for manganese alloys should remain slightly above 2021 on average for the year, particularly in Europe, while the consensus for average manganese ore prices and LME nickel prices is $5.2/dmtu and $19,800/t respectively for 2022.

Based on the production targets and the consensus of the abovementioned price forecasts, Group EBITDA would be approximately €1.2bn in 2022.

Supported by its ongoing refocusing on its high cash-generating Mining and Metals business, Eramet is accelerating the implementation of its growth strategy. The Group has a highly competitive portfolio of assets, both in operation and under development, to support the sustainable growth of the economy and produce the metals required for the energy transition.

2021 annual results presentation (remote only)

A live Internet webcast of the 2021 annual results presentation will take place on Thursday 24 February 2022 at 10:30am (Paris time), on our website: www.eramet.com. Presentation material will be available at the time of the webcast.

To join the webcast, click on the link on the Group's website (www.eramet.com).

Calendar

28.04.2022: Publication of 2022 first-quarter turnover

31.05.2022: Shareholders' General Meeting

[34] Pending administrative approval

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

2021 reported reconciliation table before IFRS 5

(in millions of euros)	2021 Before IFRS 5	Aubert & Duval	Erasteel	Sandouville	Intra-group	Total IFRS 5	2021 Reported
Turnover	**4 499**	**493**	**184**	**154**		**831**	**3 668**
Other income	60	16	3	(0)		18	42
Raw materials and purchases consumed	(1 390)	(205)	(80)	(144)		(428)	(962)
External expenses	(1 305)	(104)	(36)	(16)		(156)	(1 149)
Personnel cost	(816)	(209)	(55)	(16)		(280)	(536)
Taxes	(15)	(3)	(0)	(0)		(4)	(11)
Operating amortisation expense	(273)	(11)	(1)	(1)		(13)	(259)
Net change in operating provisions and impairment allowances	(9)	0	(0)	0		0	(10)
Intra-group mining operations	(0)	(33)	(3)	(4)	40	-	(0)
Current operating income	**751**	**(57)**	**12**	**(27)**	**40**	**(32)**	**784**
Other operating income and expenses	(206)	(351)	5	46		(300)	95
Other intra-group income and expenses	0	14	(0)	-	(14)	-	0
Operating income	**545**	**(394)**	**17**	**19**	**26**	**(332)**	**879**
Net debt cost	(119)	(1)	(1)	(0)		(3)	(116)
Other financial income and expenses	(43)	(47)	(1)	(0)		(48)	5
Intra-group financial operations		(2)	(1)	(10)	13	-	-
Financial income	**(162)**	**(50)**	**(4)**	**(10)**	**13**	**(50)**	**(111)**
Share of income from joint ventures and associates	121	(0)	-	-		(0)	121
Income taxes	(141)	(45)	2	0		(43)	(98)
Net income from continuing operations	**365**	**(488)**	**15**	**9**	**39**	**(426)**	**791**
Net income from discontinued operations						426	(426)
Net income for the period	**365**	**(488)**	**15**	**9**	**39**	-	**365**

2020 reported restated reconciliation table

(in millions of euros)	2020 Reported	Aubert & Duval	Erasteel	Sandouville	Intra-group	Total IFRS 5	2020 Restated
Turnover	**3 553**	**523**	**136**	**103**		**761**	**2 792**
Other income	37	15	1	1		16	22
Raw materials and purchases consumed	(1 306)	(258)	(81)	(100)		(439)	(867)
External expenses	(1 110)	(119)	(30)	(16)		(165)	(945)
Personnel cost	(757)	(217)	(52)	(14)		(283)	(475)
Taxes	(19)	(6)	(0)	(1)		(8)	(12)
Operating amortisation expense	(281)	(25)	(4)	(2)		(31)	(250)
Net change in operating provisions and impairment allowances	(11)	(4)	(0)	(0)		(4)	(8)
Intra-group mining operations		(27)	(6)	(4)	37	-	-
Current operating income	**106**	**(119)**	**(36)**	**(33)**	**37**	**(152)**	**257**
Other operating income and expenses	(561)	(225)	(49)	(55)		(328)	(233)
Operating income	**(455)**	**(344)**	**(85)**	**(88)**	**37**	**(480)**	**24**
Net debt cost	(120)	0	(0)	(0)		(0)	(119)
Other financial income and expenses	(66)	(32)	(1)	(0)		(33)	(33)
Intra-group financial operations		(11)	(7)	(8)	26	-	-
Financial income	**(186)**	**(43)**	**(8)**	**(9)**	**26**	**(33)**	**(152)**
Share of income from joint ventures and associates	86	7	-	-		7	79
Income taxes	(121)	(9)	(1)	(0)		(10)	(111)
Net income from continuing operations	**(676)**	**(389)**	**(93)**	**(97)**	**63**	**(516)**	**(160)**
Net income from discontinued operations						516	(516)
Net income for the period	**(676)**	**(389)**	**(93)**	**(97)**	**63**	-	**(676)**

Appendix 2: Turnover (IFRS 5)

€ million[1]	Q4 2021	Q3 2021	Q2 2021	Q1 2021	FY 2021[2]	FY 2020 Restated[2]
Manganese BU	782	598	498	389	2,267	1,699
Nickel BU[3]	348	260	237	201	1,046	802
Mineral Sands BU	118	93	82	56	349	276
Lithium BU	0	0	0	0	0	0
Holding company, eliminations & other	-2	1	4	3	6	15
Eramet group published IFRS 5 financial statements[2]	**1,246**	**951**	**821**	**650**	**3,668**	**2,792**

[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 2021 and 2020. See reconciliation tables in Appendix 1

[3] Nickel BU excluding Sandouville (discontinued operation)

Appendix 3: Productions and shipments

In thousands of tonnes	H2 2021	Q4 2021	Q3 2021	H1 2021	Q2 2021	Q1 2021	FY 2021	FY 2020
MANGANESE BU								
Manganese ore and sinter production	3,915	1,964	1,951	3,109	1,597	1,512	7,024	5,803
Manganese ore and sinter transportation[1]	3,625	1,793	1,832	2,919	1,542	1,377	6,544	6,013
External manganese ore sales	3,239	1,637	1,602	2,526	1,314	1,212	5,765	5,303
Manganese alloys production	380	191	189	367	173	194	747	698
Manganese alloys sales	359	201	158	357	183	174	716	716
NICKEL BU								
Nickel ore production *(in thousands of wet tonnes)*								
SLN	3,074	1,392	1,682	2,304	1,254	1,050	5,378	5,405
Weda Bay Nickel (100%) – marketable production[2]	3,798	605	3,193	6,101	3,486	2,615	9,899	3,409
Ferronickel production – SLN	20.5	10.1	10.4	18.5	8.5	10.0	39.0	47.8
Low grade nickel ferroalloys production - Weda Bay Nickel (kt of Ni content – 100%)	18.9	9.5	9.4	20.1	10.0	10.1	39.0	23.5
Nickel ore sales ***(in thousands of wet tonnes)***								
SLN	1,832	957	875	1,117	684	433	2,949	2,512
Weda Bay Nickel (100%)	2,386	0	2,386	4,172	2,967	1,205	6,559	418
Ferronickel sales – SLN	20.4	10.6	9.8	18.8	10.0	8.8	39.2	50.2
Low grade nickel ferroalloys sales - Weda Bay Nickel/Off-take Eramet (kt of Ni content)	7.3	4.3	3.0	8.4	4.1	4.3	15.7	6.2
Nickel salt and high purity nickel production	4.0	1.6	2.4	4.9	2.6	2.3	8.9	7.3
Nickel salt and high purity nickel sales	4.2	1.9	2.3	4.7	2.6	2.1	8.9	7.4
MINERAL SANDS BU								
Mineral Sands production	442	238	204	362	191	171	804	762
Zircon production	36	19	17	28	15	13	64	59
Titanium dioxide slag production	106	54	52	103	55	48	209	199
Zircon sales	33	16	17	30	16	14	63	62
Titanium dioxide slag sales	107	62	45	113	71	42	220	195

[1] Produced and transported

[2] The Q1 to Q3 2021 figures presented in the above table do not include 1,705 kwmt of limonites, which is non-recoverable under current conditions, and which had been reported in the Group's turnover press release at end-Q3 2021

Appendix 4: Price and index

	Q4 2021	H2 2021	H1 2021	FY 2021	Q4 2020	H2 2020	H1 2020	FY 2020	Chg. H2 2021 – H1 2021[6]	Chg. 2021 – 2020[6]
MANGANESE BU										
Mn CIF China 44% ($/dmtu)[1]	5.61	5.49	5.06	5.27	4.18	4.19	4.98	4.58	***+8%***	*+15%*
Ferromanganese MC – Europe (EUR/t)[1]	3,480	2,996	1,886	2,441	1,316	1,311	1,422	1,366	***+59%***	+79%
Silico-manganese - Europe (EUR/t)[1]	1,709	1,607	1,191	1,399	877	870	949	910	***+35%***	*+54%*
NICKEL BU										
Ni LME ($/lb)[2]	8.99	8.83	7.93	8.38	7.24	6.85	5.65	6.25	***+11%***	*+34%*
Ni LME ($/t)[2]	*19,818*	*19,472*	*17,485*	*18,478*	*15,961*	*15,092*	*12,455*	*13,783*	***+11%***	*+34%*
Ni ore CIF China 1.8% ($/wmt)[3]	121.1	115.4	95.4	105.4	100.9	91.0	68.5	79.9	***+21%***	*+32%*
MINERAL SANDS BU										
Zircon ($/t)[4]	1,780	1,655	1,338	1,496	1,300	1,310	1,355	1,333	***+24%***	*+12%*
CP grade titanium dioxide ($/t)[5]	820	810	753	781	780	775	798	786	***+8%***	*-1%*

[1] Quarterly average for market prices, Eramet calculations and analysis
[2] LME (London Metal Exchange) prices
[3] CNFEOL (China FerroAlloy Online), “Other mining countries” in H2 2020 and SMM (Shanghai Metals Market) “Philippines” in H1 2020
[4] TZMI, Eramet analysis (premium zircon)
[5] Market analysis, Eramet analysis
[6] Eramet calculation (based on CRU monthly price index for manganese ore and alloys only), rounded to the nearest decimal

Appendix 5: Performance indicators of continuing operations (IFRS 5)

€ million[1]		FY 2021[3]	FY 2020 Restated[3]	Change 2021/2020 (€m)	Change[2] (%)
Manganese BU	Turnover	2,267	1,699	568	+33%
	EBITDA	**910**	**442**	**468**	**+106%**
	COI[4]	769	339	430	+127%
	FCF	**490**	**285**	**205**	**+72%**
Nickel BU[5]	Turnover	1,046	802	244	+30%
	EBITDA	**113**	**52**	**61**	**+116%**
	COI	37	-46	83	n.a.
	FCF	**111**	**39**	**72**	**+185%**
Mineral Sands BU	Turnover	349	276	73	+26%
	EBITDA	**137**	**91**	**46**	**+51%**
	COI	94	44	50	+114%
	FCF	**108**	**43**	**65**	**+151%**
Lithium BU	Turnover	0	0	0	n.a.
	EBITDA	**-5**	**-5**	**0**	**n.a.**
	COI	-5	-5	0	n.a.
	FCF	**-24**	**-109**	**85**	**n.a.**
Holding, elim. and others	Turnover	6	15	-9	-60%
	EBITDA	**-103**	**-64**	**-39**	**n.a.**
	COI	-112	-75	-37	n.a.
	FCF	**-159**	**-143**	**-16**	**n.a.**
GROUP total (IFRS5)[3]	Turnover	3,668	2,792	876	+31%
	EBITDA	**1,051**	**516**	**535**	**+104%**
	COI	784	257	527	+205%
	FCF	**526**	**116**	**410**	**+353%**

[1] Data rounded up to nearest million

[2] Data rounded to higher or lower %

[3] 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 2021 and 2020.

[4] Current operating income (COI)

[5] Nickel BU excluding Sandouville (discontinued operation)

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

€ million[1]		**FY 2021**	**FY 2020 Restated**	**Change 2021/2020 (€m)**	**Change**[2] **(%)**
Aubert & Duval	Turnover	493	523	-30	-6%
	EBITDA	**-44**	**-90**	**46**	n.a.
	COI	-57	-119	62	n.a.
	FCF	-124	-158	34	n.a.
Erasteel	Turnover	184	136	48	+35%
	EBITDA	**13**	**-33**	**46**	n.a.
	COI	12	-36	48	n.a.
	FCF	-11	-21	10	n.a.
Sandouville	Turnover	154	103	51	+50%
	EBITDA	**-27**	**-31**	**4**	**n.a.**
	COI	-27	-33	6	n.a.
	FCF	**-48**	**-41**	**-7**	**n.a.**

[1] Data rounded up to nearest million
[2] Data rounded to higher or lower %

Appendix 6: Sensitivities of Group EBITDA

Sensitivities	Change	Impact on EBITDA
Manganese ore prices (CIF China 44%)	+$1/dmtu	c. €230m[1]
Manganese alloys prices	+$100/t	c. €65m[1]
Nickel prices (LME)	+$1/lb	c.€95m[1]
Nickel ore prices (CIF China 1.8%)	+$10/wmt	c. €35m[1]
Exchange rate	-$/€0.1	c. €195m
Oil price per barrel (Brent)	+$10/bbl	c. €(15)m[1]

[1] For an exchange rate of $/€1.18

Appendix 7: Performance indicators

Operational performance by division

(in millions of euros)	Mining and metals				Holding and eliminations and other	Total from continuing operations	Alloys High-performance	Sandouville	Eliminations	Total continuing and discontinued operations
	Manganese	Nickel	Mineral sands	Lithium						
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 p	244	35	21	5	7	**312**	46	6		**364**
Financial Year 2020 restated										
Turnover	1 699	802	276	-	15	**2 792**	658	103		**3 553**
EBITDA	442	52	91	(5)	(64)	**516**	(124)	(31)	37	**398**
Current operating income	339	(46)	44	(5)	(75)	**257**	(155)	(33)	37	**106**
Net cash flow generated by operating activities	472	53	60	(52)	(135)	**398**	(123)	(36)	70	**309**
Industrial investments (intangible assets and property p	195	39	16	34	15	**299**	38	5		**342**

Turnover and investments by region

(in millions of euros)	France	Europe	North America	China	Other Asia	Oceania	Africa	South America	Total
Sales (sales destination)									
FY 2021	253	966	657	604	985	57	115	31	**3 668**
FY 2020	26	560	562	834	654	24	102	30	**2 792**
Industrial investments (intangible assets and property plant & equipment)									
FY 2021	9	42	2	-	-	35	219	5	**312**
FY 2020	16	28	2	-	-	39	180	34	**299**

Consolidated performance indicators – Income statement

(in millions of euros)	**FY 2021**	**FY 2020**
Turnover	**3 668**	**2 792**
EBITDA	**1 051**	**516**
Amortisation and depreciation of non-current assets	(259)	(250)
Provisions for liabilities and charges	(8)	(8)
Current operating income	**784**	**257**
Impairment of assets	117	(209)
Other operating income and expenses	(22)	(24)
Operating income	**879**	**24**
Financial income	(111)	(152)
Share of income from associates	121	79
Income taxes	(98)	(111)
Net income from continuing operations	**791**	**(160)**
Net income from discontinued operations [(1)]	(426)	(516)
Net income for the period	**365**	**(676)**
– attributable to non-controlling interests	67	(1)
– attributable to the Group	**298**	**(675)**
Basic earnings per share (in euros)	10,42	(25,46)

(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)	**FY 2021**	**FY 2020**
Operating activities		
EBITDA	1 051	516
Cash impact of items in EBITDA	(258)	(322)
Cash flow from operations	**793**	**194**
Change in WCR	(80)	204
Net cash generated by operating activities (A)	**713**	**398**
Investing activities		
Industrial investments	(312)	(299)
Other investment flows	125	17
Net cash used in investing activities (B)	**(187)**	**(282)**
Net cash used in financing activities	**21**	**(15)**
Impact of fluctuations in exchange rates and other	(25)	29
Acquisition of IFRS 16 rights of use	(10)	(8)
Change in net financial debt of assets held for sale[1]	(125)	(151)
(Increase)/Decrease in net financial debt	**388**	**(29)**
Opening (net financial debt)	**(1 378)**	**(1 349)**
Closing (net financial debt) of continuing operations	**(936)**	**(1 378)**
(Net financial debt) of discontinued operations	**(54)**	
Free Cash Flow (A) + (B)	**526**	**116**

(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 – Balance sheet

(in millions of euros)	**31 December 2021**	**31 December 2020 restated**
Non-current assets	**3 083**	**3 003**
Inventories	577	906
Customers	375	348
Suppliers	(403)	(541)
Simplified WCR	**549**	**713**
Other items of WCR	(233)	(238)
Total WCR	**316**	**475**
Derivatives	**-**	**7**
Assets held for sale[(1)]	**651**	**-**
TOTAL ASSETS	**4 050**	**3 485**

(in millions of euros)	**31 December 2021**	**31 December 2020 restated**
Shareholders' equity – Group share	1 012	725
Non-controlling interests	323	233
Shareholders' equity	**1 335**	**958**
Cash and cash equivalents and other current financial assets	(1 176)	(1 811)
Borrowings	2 112	3 189
Net financial debt	**936**	**1 378**
Net financial debt/shareholders' equity (gearing)	*70%*	*144%*
Employee-related liabilities and provisions	**899**	**936**
Net deferred tax	**184**	**213**
Derivatives	**11**	**-**
Liabilities associated with assets held for sale[(1)]	**685**	**-**
TOTAL LIABILITIES	**4 050**	**3 485**

(1) Pursuant to IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the assets and liabilities of the Aubert & Duval, Erasteel and ERAMET Sandouville CGUs are shown in the consolidated balance sheet at 31 December 2021 as "assets held for sale".

Impacts of IAS 8 standard

(in millions of euros)	**31 December 2020 reported**	**31 December 2020 restated**	**Correction IAS8**
Deferred tax assets	2	8	6
Non-current assets	**3 006**	**3 012**	**6**
Current financial assets	395	350	(45)
Current assets	**3 476**	**3 431**	**(45)**
TOTAL ASSETS	**6 482**	**6 443**	**(39)**

(in millions of euros)	**31 December 2020 reported**	**31 December 2020 restated**	**Correction IAS8**
Other reserves	508	469	(39)
Shareholders' equity	**997**	**958**	**(39)**
TOTAL LIABILITIES	**6 482**	**6 443**	**(39)**

Appendix 8: 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.

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.

SLN break-even cost

The break-even cost of SLN is defined as SLN's cash cost as defined above, plus capex (projected capex for the current year versus the projected tonnage for the current year in the annual financial statements) non-recurring income and charges and financial expenses (recognised in SLN's corporate financial statements).