



## Ferroglobes Reports Results for First Quarter of 2018

May 21, 2018

- Sales of \$560.7 million, an increase of 19.8% from \$468.2 million in Q4 2017
- Net profit of \$35.6 million, or \$0.21 on a fully diluted per share basis, up from a net profit of \$6.3 million, or \$0.04 per share, in the prior quarter. Adjusted net profit of \$33.3 million, or \$0.19 on a fully diluted per share basis, compared to a net profit of \$8.1 million, or \$0.05 on a fully diluted per share basis, in the prior quarter
- Reported EBITDA of \$93.5 million, an increase of 321.2% compared to reported EBITDA of \$22.2 million in Q4 2017
- Adjusted EBITDA of \$89.6 million, an increase of 66.9% compared to \$53.7 million adjusted EBITDA in Q4 2017
- The Board decided to reinstate the dividend with an interim payment of \$0.06 per share with a record date of June 8, 2018 and a payment date of June 29, 2018

LONDON, May 21, 2018 (GLOBE NEWSWIRE) -- Ferroglobes PLC (NASDAQ:GSM), the world's leading producer of silicon metal, and a leading silicon- and manganese-based specialty alloys producer, today announced results for the first quarter of 2018.

In Q1 2018, Ferroglobes posted a net profit of \$35.6 million, or \$0.21 per share on a fully diluted basis. On an adjusted basis, Q1 2018 net profit was \$33.3 million, or \$0.19 per share on a fully diluted basis.

Q1 2018 reported EBITDA was \$93.5 million, up from \$22.2 million in the prior quarter. On an adjusted basis, Q1 2018 EBITDA was \$89.6 million, up 66.9% from Q4 2017 adjusted EBITDA of \$53.7 million. The Company reported adjusted EBITDA margins of 16.0% for Q1 2018, compared to adjusted EBITDA margins of 11.5% for Q4 2017.

Sales in Q1 2018 totaled \$560.7 million, up 19.8% from \$468.2 million in Q4 2017. Selling prices for Ferroglobes's key products continued to improve over the course of the quarter across both the U.S. and Europe:

- The average selling price for silicon metal increased by 13.2% to \$2,762/MT in Q1 2018, as compared to \$2,440/MT in Q4 2017;
- The average selling price for silicon-based alloys increased by 12.3% to \$1,956/MT in Q1 2018, as compared to \$1,741/MT in Q4 2017; and
- The average selling price for manganese-based alloys increased by 2.2% to \$1,375/MT in Q1 2018, as compared to \$1,346/MT in Q4 2017.

In addition to improved pricing, the Company saw solid demand across its key products. In terms of sales volumes, silicon metal experienced a 9.3% increase quarter-over-quarter, silicon-based alloys experienced a 8.4% increase quarter-over-quarter, while manganese-based alloys experienced a 1.7% decrease quarter-over-quarter. Note that the acquisition of the two manganese-based alloys production plants (at Dunkirk and Mo i Rana) was completed on February 1, 2018. All inventory of finished product at that date was retained by the party from whom the plants were acquired; sales and volumes of product produced after that date will be shown in the Company's results for the second quarter of 2018.

|                                | Quarter Ended<br>March 31, 2018 | Quarter Ended<br>December 31, 2017 | Quarter Ended<br>March 31, 2017 | Year Ended<br>December 31, 2017 |
|--------------------------------|---------------------------------|------------------------------------|---------------------------------|---------------------------------|
| Shipments in metric tons:      |                                 |                                    |                                 |                                 |
| Silicon Metal                  | 91,615                          | 83,785                             | 75,753                          | 325,884                         |
| Silicon-based Alloys           | 76,328                          | 70,399                             | 75,386                          | 283,021                         |
| Manganese-based Alloys         | 71,176                          | 72,374                             | 63,700                          | 274,119                         |
| Total shipments*               | 239,119                         | 226,558                            | 214,839                         | 883,024                         |
|                                | Quarter Ended<br>March 31, 2018 | Quarter Ended<br>December 31, 2017 | Quarter Ended<br>March 31, 2017 | Year Ended<br>December 31, 2017 |
| Average selling price (\$/MT): |                                 |                                    |                                 |                                 |
| Silicon Metal                  | \$ 2,762                        | \$ 2,440                           | \$ 2,080                        | \$ 2,270                        |
| Silicon-based Alloys           | \$ 1,956                        | \$ 1,741                           | \$ 1,473                        | \$ 1,608                        |
| Manganese-based Alloys         | \$ 1,375                        | \$ 1,346                           | \$ 1,298                        | \$ 1,327                        |
| Total*                         | \$ 2,092                        | \$ 1,873                           | \$ 1,635                        | \$ 1,765                        |
|                                | Quarter Ended                   | Quarter Ended                      | Quarter Ended                   | Year Ended                      |

|                                 | March 31, 2018 | December 31, 2017 | March 31, 2017 | December 31, 2017 |
|---------------------------------|----------------|-------------------|----------------|-------------------|
| Average selling price (\$/lb.): |                |                   |                |                   |
| Silicon Metal                   | \$ 1.25        | \$ 1.11           | \$ 0.94        | \$ 1.03           |
| Silicon-based Alloys            | \$ 0.89        | \$ 0.79           | \$ 0.67        | \$ 0.73           |
| Manganese-based Alloys          | \$ 0.62        | \$ 0.61           | \$ 0.59        | \$ 0.60           |
| Total*                          | \$ 0.95        | \$ 0.85           | \$ 0.74        | \$ 0.80           |

\* Excludes by-products and other

"First quarter results reflect the strong fundamentals of our Company and of the markets we are serving. We have significantly increased volumes in most of our products and the newly acquired assets will start to contribute to our shipment volumes and financials in Q2. All of our end markets are showing strong demand and high capacity utilizations," said Pedro Larrea, CEO of Ferroglobe. "Prices in all of our products have continued to increase, and supply/demand dynamics in our industry provide a good support for continued healthy pricing levels."

#### Cash flow generation affected by acquisition of new assets

Working capital increased by \$57.5 million during the period. The new assets acquired from Glencore AG on February 1, 2018 have contributed \$55.5 million to this working capital increase.

Ferroglobe continued to generate positive cash flows. During the first quarter, cash flows used for operations was \$20.4 million. Excluding the cash flows related to Glencore AG, the Company generated operating cash flows of \$35.5 million.

Ferroglobe's net debt was \$449.3 million as of March 31, 2018, up from \$386.9 million as of December 31, 2017. The increase in net debt is mainly due to the \$55.5 million working capital increase from the acquisition of the new assets from Glencore AG on February 1, 2018, including the build-up of inventories of raw materials (mostly manganese ore) and finished goods (ferromanganese and silicomanganese) of the new plants. Excluding the impact of the Glencore AG acquisition, net debt increased by \$6.6 million as compared to December 31, 2017. Net of one-off items, the Company generated over \$35 million of cash during Q1.

#### The Company has decided to reinstate a dividend payment

The Board of Ferroglobe has decided to declare an interim dividend of \$0.06 per share, reflecting the confidence in the underlying strength of the business and the Company's long-term outlook. The dividend will have a record date of June 8, 2018 and a payment date of June 29, 2018.

About the Board's decision, Javier López Madrid, Executive Chairman of Ferroglobe, said, "As we balance our capital allocation alternatives, we believe this level of dividend is an effective way of returning value to shareholders, while continuing to focus on strengthening our balance sheet."

Adjusted EBITDA:

|                                                                                                     | Quarter Ended<br>March 31, 2018 | Quarter Ended<br>December 31, 2017 | Quarter Ended<br>March 31, 2017 | Year Ended<br>December 31, 2017 |
|-----------------------------------------------------------------------------------------------------|---------------------------------|------------------------------------|---------------------------------|---------------------------------|
| <b>Profit (loss) attributable to the parent</b>                                                     | <b>\$ 36,680</b>                | <b>\$ 6,364</b>                    | <b>\$ (6,554)</b>               | <b>\$ (678)</b>                 |
| Loss attributable to non-controlling interest                                                       | (1,066)                         | (84)                               | (1,561)                         | (5,144)                         |
| Income tax (benefit) expense                                                                        | 15,668                          | (26,022)                           | (1,214)                         | (14,821)                        |
| Net finance expense                                                                                 | 13,156                          | 19,659                             | 12,970                          | 61,704                          |
| Financial derivatives loss                                                                          | 1,765                           | 956                                | —                               | 6,850                           |
| Exchange differences                                                                                | (729)                           | (2,500)                            | 20                              | (8,214)                         |
| Depreciation and amortization charges, operating allowances and write-downs                         | 28,016                          | 23,830                             | 27,222                          | 104,529                         |
| <b>EBITDA</b>                                                                                       | <b>93,490</b>                   | <b>22,203</b>                      | <b>30,883</b>                   | <b>144,226</b>                  |
| Non-controlling interest settlement                                                                 | —                               | —                                  | —                               | 1,751                           |
| Power credit                                                                                        | —                               | —                                  | —                               | (3,696)                         |
| Long lived asset charge due to reclassification of discontinued operations to continuing operations | —                               | —                                  | —                               | 2,608                           |
| Accrual of contingent liabilities                                                                   | —                               | 6,044                              | —                               | 12,444                          |
| Impairment loss                                                                                     | —                               | 30,618                             | —                               | 30,618                          |
| Business interruption                                                                               | —                               | —                                  | —                               | (1,980)                         |
| Revaluation of biological assets                                                                    | —                               | (5,195)                            | —                               | (5,195)                         |
| Step-up valuation adjustment                                                                        | —                               | —                                  | —                               | 3,757                           |
| Share-based compensation                                                                            | (3,886)                         | —                                  | —                               | —                               |

|                        |                  |                  |                  |                   |
|------------------------|------------------|------------------|------------------|-------------------|
| <b>Adjusted EBITDA</b> | <b>\$ 89,604</b> | <b>\$ 53,670</b> | <b>\$ 30,883</b> | <b>\$ 184,533</b> |
|------------------------|------------------|------------------|------------------|-------------------|

Adjusted profit (loss) attributable to Ferroglobe:

|                                                                                                     | <b>Quarter Ended<br/>March 31, 2018</b> | <b>Quarter Ended<br/>December 31, 2017</b> | <b>Quarter Ended<br/>March 31, 2017</b> | <b>Year Ended<br/>December 31, 2017</b> |
|-----------------------------------------------------------------------------------------------------|-----------------------------------------|--------------------------------------------|-----------------------------------------|-----------------------------------------|
| <b>Profit (loss) attributable to the parent</b>                                                     | <b>\$ 36,680</b>                        | <b>\$ 6,364</b>                            | <b>\$ (6,554)</b>                       | <b>\$ (678)</b>                         |
| Tax rate adjustment                                                                                 | (742)                                   | (19,705)                                   | 1,771                                   | (8,215)                                 |
| Non-controlling interest settlement                                                                 | —                                       | —                                          | —                                       | 1,191                                   |
| Power credit                                                                                        | —                                       | —                                          | —                                       | (2,513)                                 |
| Long lived asset charge due to reclassification of discontinued operations to continuing operations | —                                       | —                                          | —                                       | 1,773                                   |
| Accrual of contingent liabilities                                                                   | —                                       | 4,110                                      | —                                       | 8,462                                   |
| Impairment loss                                                                                     | —                                       | 20,820                                     | —                                       | 20,820                                  |
| Business interruption                                                                               | —                                       | —                                          | —                                       | (1,346)                                 |
| Revaluation of biological assets                                                                    | —                                       | (3,533)                                    | —                                       | (3,533)                                 |
| Step-up valuation adjustment                                                                        | —                                       | —                                          | —                                       | 2,555                                   |
| Share-based compensation                                                                            | (2,642)                                 | —                                          | —                                       | —                                       |
| <b>Adjusted profit (loss) attributable to the parent</b>                                            | <b>\$ 33,296</b>                        | <b>\$ 8,056</b>                            | <b>\$ (4,783)</b>                       | <b>\$ 18,516</b>                        |

Adjusted diluted profit (loss) per share:

|                                                                                                     | <b>Quarter Ended<br/>March 31, 2018</b> | <b>Quarter Ended<br/>December 31, 2017</b> | <b>Quarter Ended<br/>March 31, 2017</b> | <b>Year Ended<br/>December 31, 2017</b> |
|-----------------------------------------------------------------------------------------------------|-----------------------------------------|--------------------------------------------|-----------------------------------------|-----------------------------------------|
| <b>Diluted profit (loss) per ordinary share</b>                                                     | <b>\$ 0.21</b>                          | <b>\$ 0.04</b>                             | <b>\$ (0.04)</b>                        | <b>\$ —</b>                             |
| Tax rate adjustment                                                                                 | —                                       | (0.11)                                     | 0.01                                    | (0.05)                                  |
| Non-controlling interest settlement                                                                 | —                                       | —                                          | —                                       | 0.01                                    |
| Power credit                                                                                        | —                                       | —                                          | —                                       | (0.01)                                  |
| Long lived asset charge due to reclassification of discontinued operations to continuing operations | —                                       | —                                          | —                                       | 0.01                                    |
| Accrual of contingent liabilities                                                                   | —                                       | 0.02                                       | —                                       | 0.05                                    |
| Impairment loss                                                                                     | —                                       | 0.12                                       | —                                       | 0.12                                    |
| Business interruption                                                                               | —                                       | —                                          | —                                       | (0.01)                                  |
| Revaluation of biological assets                                                                    | —                                       | (0.02)                                     | —                                       | (0.02)                                  |
| Step-up valuation adjustment                                                                        | —                                       | —                                          | —                                       | 0.01                                    |
| Share-based compensation                                                                            | (0.02)                                  | —                                          | —                                       | —                                       |
| <b>Adjusted diluted profit (loss) per ordinary share</b>                                            | <b>\$ 0.19</b>                          | <b>\$ 0.05</b>                             | <b>\$ (0.03)</b>                        | <b>\$ 0.11</b>                          |

#### Conference Call

Ferroglobe will review the first quarter results of 2018 during a conference call at 9:00 a.m. Eastern Time on Tuesday, May 22, 2018.

The dial-in number for the call for participants in the United States is 877-293-5491 (conference ID 7495697). International callers should dial +1

914-495-8526 (conference ID 7495697). Please dial in at least five minutes prior to the call to register. The call may also be accessed via an audio webcast available at <https://edge.media-server.com/m6/p/8pjs2qum>

## About Ferroglobe

Ferroglobe PLC is one of the world's leading suppliers of silicon metal, silicon-based specialty alloys, and ferroalloys serving a customer base across the globe in dynamic and fast-growing end markets, such as solar, automotive, consumer products, construction and energy. The Company is based in London. For more information, visit <http://investor.ferroglobe.com>.

## Forward-Looking Statements

This release contains "forward-looking statements" within the meaning of U.S. securities laws. Forward-looking statements are not historical facts but are based on certain assumptions of management and describe the Company's future plans, strategies and expectations. Forward-looking statements often use forward-looking terminology, including words such as "anticipate", "believe", "could", "estimate", "expect", "forecast", "guidance", "intends", "likely", "may", "plan", "potential", "predicts", "seek", "will" and words of similar meaning or the negative thereof.

Forward-looking statements contained in this press release are based on information currently available to the Company and assumptions that management believe to be reasonable, but are inherently uncertain. As a result, Ferroglobe's actual results, performance or achievements may differ materially from those expressed or implied by these forward-looking statements, which are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that are, in some cases, beyond the Company's control.

Forward-looking financial information and other metrics presented herein represent the Company's goals and are not intended as guidance or projections for the periods presented herein or any future periods.

All information in this press release is as of the date of its release. Ferroglobe does not undertake any obligation to update publicly any of the forward-looking statements contained herein to reflect new information, events or circumstances arising after the date of this press release. You should not place undue reliance on any forward-looking statements, which are made only as of the date of this press release.

## Non-IFRS Measures

EBITDA, adjusted EBITDA, adjusted diluted profit (loss) per ordinary share and adjusted profit (loss) attributable to the parent are, we believe, pertinent non-IFRS financial metrics that Ferroglobe utilizes to measure its success.

Ferroglobe has included these financial metrics to provide supplemental measures of its performance. The Company believes these metrics are important because they eliminate items that have less bearing on the Company's current and future operating performance and highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS financial measures.

## INVESTOR CONTACT:

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## Ferroglobe PLC and Subsidiaries Unaudited Condensed Consolidated Income Statement (in thousands of U.S. dollars, except per share amounts)

|                                                                             | Quarter Ended<br>March 31, 2018 | Quarter Ended<br>December 31, 2017 | Quarter Ended<br>March 31, 2017 | Year Ended<br>December 31, 2017 |
|-----------------------------------------------------------------------------|---------------------------------|------------------------------------|---------------------------------|---------------------------------|
| Sales                                                                       | \$ 560,704                      | \$ 468,218                         | \$ 396,037                      | \$ 1,741,693                    |
| Cost of sales                                                               | (320,678)                       | (284,614)                          | (241,138)                       | (1,043,395)                     |
| Other operating income                                                      | 6,786                           | 5,158                              | 1,629                           | 18,199                          |
| Staff costs                                                                 | (82,423)                        | (87,127)                           | (66,485)                        | (301,963)                       |
| Other operating expense                                                     | (70,862)                        | (55,052)                           | (60,124)                        | (239,926)                       |
| Depreciation and amortization charges, operating allowances and write-downs | (28,016)                        | (23,830)                           | (27,222)                        | (104,529)                       |
| Impairment losses                                                           | —                               | (30,859)                           | —                               | (30,957)                        |
| Other (loss) gain                                                           | (37)                            | 6,479                              | 964                             | 575                             |
| <b>Operating profit (loss)</b>                                              | <b>65,474</b>                   | <b>(1,627)</b>                     | <b>3,661</b>                    | <b>39,697</b>                   |
| Finance income                                                              | 4,445                           | 2,493                              | 795                             | 3,708                           |
| Finance expense                                                             | (17,601)                        | (22,152)                           | (13,765)                        | (65,412)                        |
| Financial derivatives loss                                                  | (1,765)                         | (956)                              | —                               | (6,850)                         |
| Exchange differences                                                        | 729                             | 2,500                              | (20)                            | 8,214                           |

|                                                 |                  |                 |                   |                 |
|-------------------------------------------------|------------------|-----------------|-------------------|-----------------|
| <b>Profit (loss) before tax</b>                 | <b>51,282</b>    | <b>(19,742)</b> | <b>(9,329)</b>    | <b>(20,643)</b> |
| Income tax (expense) benefit                    | (15,668)         | 26,022          | 1,214             | 14,821          |
| <b>Profit (loss) for the period</b>             | <b>35,614</b>    | <b>6,280</b>    | <b>(8,115)</b>    | <b>(5,822)</b>  |
| Loss attributable to non-controlling interest   | 1,066            | 84              | 1,561             | 5,144           |
| <b>Profit (loss) attributable to the parent</b> | <b>\$ 36,680</b> | <b>\$ 6,364</b> | <b>\$ (6,554)</b> | <b>\$ (678)</b> |

|                 |           |           |           |            |
|-----------------|-----------|-----------|-----------|------------|
| EBITDA          | \$ 93,490 | \$ 22,203 | \$ 30,883 | \$ 144,226 |
| Adjusted EBITDA | \$ 89,604 | \$ 53,670 | \$ 30,883 | \$ 184,533 |

**Weighted average shares outstanding**

|         |         |         |         |         |
|---------|---------|---------|---------|---------|
| Basic   | 171,977 | 171,953 | 171,838 | 171,949 |
| Diluted | 172,215 | 172,128 | 171,838 | 171,949 |

**Profit (loss) per ordinary share**

|         |         |         |           |      |
|---------|---------|---------|-----------|------|
| Basic   | \$ 0.21 | \$ 0.04 | \$ (0.04) | \$ — |
| Diluted | \$ 0.21 | \$ 0.04 | \$ (0.04) | \$ — |

**Ferroglobe PLC and Subsidiaries**  
**Unaudited Condensed Consolidated Statement of Financial Position**  
(in thousands of U.S. dollars)

|                                                        | <b>March 31,<br/>2018</b> | <b>December 31,<br/>2017</b> | <b>March 31,<br/>2017</b> |
|--------------------------------------------------------|---------------------------|------------------------------|---------------------------|
| <b>ASSETS</b>                                          |                           |                              |                           |
| <b>Non-current assets</b>                              |                           |                              |                           |
| Goodwill                                               | \$ 204,537                | \$ 205,287                   | \$ 230,733                |
| Other intangible assets                                | 61,774                    | 58,658                       | 56,854                    |
| Property, plant and equipment                          | 980,101                   | 917,974                      | 790,501                   |
| Non-current financial assets                           | 147,744                   | 89,315                       | 5,967                     |
| Deferred tax assets                                    | 6,581                     | 5,273                        | 47,768                    |
| Non-current receivables from related parties           | 2,464                     | 2,400                        | 2,139                     |
| Other non-current assets                               | 32,125                    | 30,059                       | 20,892                    |
| <b>Total non-current assets</b>                        | <b>1,435,326</b>          | <b>1,308,966</b>             | <b>1,154,854</b>          |
| <b>Current assets</b>                                  |                           |                              |                           |
| Inventories                                            | 493,108                   | 361,231                      | 312,757                   |
| Trade and other receivables                            | 142,641                   | 111,463                      | 214,738                   |
| Current receivables from related parties               | 8,841                     | 4,572                        | 5,576                     |
| Current income tax assets                              | 6,524                     | 17,158                       | 16,614                    |
| Current financial assets                               | 897                       | 2,469                        | 3,640                     |
| Other current assets                                   | 16,095                    | 9,926                        | 10,703                    |
| Cash and cash equivalents                              | 197,669                   | 184,472                      | 172,647                   |
| Assets and disposal groups classified as held for sale | —                         | —                            | 120,094                   |
| <b>Total current assets</b>                            | <b>865,775</b>            | <b>691,291</b>               | <b>856,769</b>            |
| <b>Total assets</b>                                    | <b>\$ 2,301,101</b>       | <b>\$ 2,000,257</b>          | <b>\$ 2,011,623</b>       |

**EQUITY AND LIABILITIES**

|                                |                   |                   |                   |
|--------------------------------|-------------------|-------------------|-------------------|
| <b>Equity</b>                  | <b>\$ 979,504</b> | <b>\$ 937,758</b> | <b>\$ 902,872</b> |
| <b>Non-current liabilities</b> |                   |                   |                   |

|                                                                |                     |                     |                     |
|----------------------------------------------------------------|---------------------|---------------------|---------------------|
| Deferred income                                                | 7,321               | 3,172               | 3,656               |
| Provisions                                                     | 82,957              | 82,397              | 83,993              |
| Bank borrowings                                                | 71,242              | —                   | 78,123              |
| Obligations under finance leases                               | 68,101              | 69,713              | 1,906               |
| Debt instruments                                               | 341,036             | 339,332             | 339,693             |
| Other financial liabilities                                    | 58,288              | 49,011              | 86,962              |
| Other non-current liabilities                                  | 64,457              | 3,536               | 2,317               |
| Deferred tax liabilities                                       | 64,733              | 65,142              | 132,753             |
| <b>Total non-current liabilities</b>                           | <b>758,135</b>      | <b>612,303</b>      | <b>729,403</b>      |
| <b>Current liabilities</b>                                     |                     |                     |                     |
| Provisions                                                     | 30,162              | 33,095              | 11,915              |
| Bank borrowings                                                | 850                 | 1,003               | 1,545               |
| Obligations under finance leases                               | 13,478              | 12,920              | 586                 |
| Debt instruments                                               | 2,735               | 10,938              | 4,156               |
| Other financial liabilities                                    | 91,243              | 88,420              | 1,616               |
| Payables to related parties                                    | 10,671              | 12,973              | 10,283              |
| Trade and other payables                                       | 298,438             | 192,859             | 177,015             |
| Current income tax liabilities                                 | 5,889               | 7,419               | 3,616               |
| Other current liabilities                                      | 109,996             | 90,569              | 63,346              |
| Liabilities associated with assets classified as held for sale | —                   | —                   | 105,270             |
| <b>Total current liabilities</b>                               | <b>563,462</b>      | <b>450,196</b>      | <b>379,348</b>      |
| <b>Total equity and liabilities</b>                            | <b>\$ 2,301,101</b> | <b>\$ 2,000,257</b> | <b>\$ 2,011,623</b> |

**Ferroglobe PLC and Subsidiaries**  
**Unaudited Condensed Consolidated Statement of Cash Flows**  
(in thousands of U.S. dollars)

|                                                                                                        | Quarter<br>Ended<br>March 31,<br>2018 | Quarter<br>Ended<br>March 31,<br>2017 | Year Ended<br>December 31, 2017 |
|--------------------------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------|---------------------------------|
| <b>Cash flows from operating activities:</b>                                                           |                                       |                                       |                                 |
| <b>Profit (loss) for the period</b>                                                                    | <b>\$ 35,614</b>                      | <b>\$ (8,115)</b>                     | <b>\$ (5,822)</b>               |
| <b>Adjustments to reconcile net profit (loss) to net cash (used) provided by operating activities:</b> |                                       |                                       |                                 |
| Income tax expense (benefit)                                                                           | 15,668                                | (1,214)                               | (14,821)                        |
| Depreciation and amortization charges, operating allowances and write-downs                            | 28,016                                | 27,222                                | 104,529                         |
| Finance income                                                                                         | (4,445)                               | (795)                                 | (3,708)                         |
| Finance expense                                                                                        | 17,601                                | 13,765                                | 65,412                          |
| Financial derivatives loss                                                                             | 1,765                                 | —                                     | 6,850                           |
| Exchange differences                                                                                   | (729)                                 | 20                                    | (8,214)                         |
| Impairment losses                                                                                      | —                                     | —                                     | 30,957                          |
| (Gain) loss on disposals of non-current and financial assets                                           | —                                     | (558)                                 | 4,316                           |
| Share-based compensation                                                                               | 699                                   | —                                     | 2,405                           |
| Other adjustments                                                                                      | 37                                    | (406)                                 | (4,891)                         |
| <b>Changes in operating assets and liabilities</b>                                                     |                                       |                                       |                                 |
| (Increase) decrease in inventories                                                                     | (107,481)                             | 7,108                                 | (16,274)                        |
| (Increase) decrease in trade receivables                                                               | (513)                                 | 3,765                                 | 50,168                          |
| Increase in trade payables                                                                             | 70,375                                | 18,156                                | 17,613                          |

|                                                                         |                   |                   |                   |
|-------------------------------------------------------------------------|-------------------|-------------------|-------------------|
| Other                                                                   | (49,770)          | (34,545)          | (12,251)          |
| Income taxes paid                                                       | (9,982)           | (2,297)           | (26,764)          |
| Interest paid                                                           | (17,301)          | (9,729)           | (39,130)          |
| <b>Net cash (used) provided by operating activities</b>                 | <b>(20,446)</b>   | <b>12,377</b>     | <b>150,375</b>    |
| <b>Cash flows from investing activities:</b>                            |                   |                   |                   |
| <b>Payments due to investments:</b>                                     |                   |                   |                   |
| Other intangible assets                                                 | (703)             | (410)             | (811)             |
| Property, plant and equipment                                           | (22,531)          | (12,362)          | (74,616)          |
| Non-current financial assets                                            | —                 | (14)              | (343)             |
| <b>Disposals:</b>                                                       |                   |                   |                   |
| Non-current financial assets                                            | 942               | —                 | —                 |
| Acquisition of subsidiary                                               | (20,379)          | —                 | —                 |
| Interest and finance income received                                    | 3,147             | 353               | 952               |
| <b>Net cash used by investing activities</b>                            | <b>(39,524)</b>   | <b>(12,433)</b>   | <b>(74,818)</b>   |
| <b>Cash flows from financing activities:</b>                            |                   |                   |                   |
| Dividends paid                                                          | —                 | —                 | —                 |
| Payment for debt issuance costs                                         | (4,476)           | (10,477)          | (16,765)          |
| Proceeds from debt issuance                                             | —                 | 350,000           | 350,000           |
| <b>Increase/(decrease) in bank borrowings:</b>                          |                   |                   |                   |
| Borrowings                                                              | 182,364           | 31,425            | 31,455            |
| Payments                                                                | (106,514)         | (372,380)         | (453,948)         |
| Proceeds from stock option exercises                                    | —                 | —                 | 180               |
| Other amounts paid due to financing activities                          | (2,987)           | (7,211)           | (24,319)          |
| <b>Net cash provided (used) by financing activities</b>                 | <b>68,387</b>     | <b>(8,643)</b>    | <b>(113,397)</b>  |
| <b>Total net cash flows for the period</b>                              | <b>8,417</b>      | <b>(8,699)</b>    | <b>(37,840)</b>   |
| Beginning balance of cash and cash equivalents                          | 184,472           | 196,982           | 196,982           |
| Exchange differences on cash and cash equivalents in foreign currencies | 4,780             | 4,748             | 25,330            |
| <b>Ending balance of cash and cash equivalents</b>                      | <b>\$ 197,669</b> | <b>\$ 193,031</b> | <b>\$ 184,472</b> |



Source: Ferroglobe PLC