

# Jervois

Q3 2024 Presentation

Thursday, 31 October 2024 (Australia)



*Building a leading independent cobalt and nickel company*

# Disclaimer

This presentation has been prepared by Jervois Global Limited (“Jervois” or the “Company”). It should not be considered as an offer or invitation to subscribe for or purchase any securities in Jervois or as an inducement to make an offer or invitation with respect to those securities in any jurisdiction. You should not act in reliance on this presentation material. You should conduct your own investigation and perform your own analysis in order to satisfy yourself as to the accuracy and completeness of the information, statements and opinions contained in this presentation before making any investment decision.

## FORWARD-LOOKING STATEMENTS

This presentation contains certain statements that may be deemed “forward-looking statements”. All statements in this presentation, other than statements of historical fact, that address productions, sales and events or developments that the Company expects to occur, are forward-looking statements. These forward-looking statements or information may relate to future estimates regarding production, capital and operating costs have been developed by the Company’s personnel and independent consultants. The cobalt market outlook, operations at Jervois Finland, restart at ICO, government discussions on ICO funding, timing of restart of ICO, timing of restart of the SMP refinery, interim financing solutions, holistic solutions to strengthen the balance sheet, the reliability of third-party information, and certain other factors or information. Such forecasts, projections and information are not a guarantee of future performance and involve unknown risks and uncertainties, many of which are out of the Company’s control. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential”, “targets” and similar expressions, or that events or conditions “will”, “would”, “may”, “could”, or “should” occur. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, actual results may differ materially from those in the forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include, but are not limited to: general business, economic, competitive, political and social uncertainties; conclusions of economic evaluations; fluctuations in commodity prices; fluctuations in the value of the Australian dollar relative to the United States dollar, the Euro and the Brazilian Real; changes in operations parameters as plans continue to be refined; failure of equipment or process to operate as anticipated; changes in labour costs and other costs and availability of equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the refining industry, including but not limited to environmental hazards, other acts of God or unfavourable operating conditions and losses, detrimental events that interfere with transportation of concentrate or the smelters ability to accept concentrate, including declaration of Force Majeure events, insurrection or war; delays in obtaining governmental approvals or revocation of governmental approvals; title risks; delays or unavailability in financing; failure to comply with restrictions and covenants in loan agreements, actual results of current activities; volatility in Company’s publicly traded securities; and the factors discussed in the section entitled “Risk Factors” in the Company’s annual report and in the Company’s continuous disclosure filings available under its profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on the ASX.

Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company’s management on the date the statements are made. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.

## FINANCIAL DATA AND ROUNDING

Certain financial measures included in this presentation are “non-IFRS financial information” under ASIC Regulatory Guide 230: “Disclosing non-IFRS financial information” and “non-GAAP financial measures” within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934, as amended and are not recognised under Australian Accounting Standards (“AAS”) and International Financial Reporting Standards (“IFRS”). Non-IFRS financial information/non-GAAP financial measures do not have a standardised meaning prescribed by AAS or IFRS and may therefore not be comparable to similarly titled measures presented by other entities and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS.

Although Jervois believes these non-IFRS financial information/non-GAAP financial measures provide useful information to investors in measuring the financial performance and condition of Jervois Finland and the Jervois group, investors are cautioned not to place undue reliance on these non-IFRS financial information/non-GAAP financial measures. The financial information in this presentation is presented in an abbreviated form insofar as it does not include all the disclosures required by the AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

All dollar values are in United States dollars (US\$) and financial data is presented as at 30 September 2024, unless stated otherwise. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Further information regarding the basis of preparation of financial information in this presentation is included in slide 9.

## Q3 2024 highlights

**Q3 2024 Jervois Finland revenue of ~US\$38M<sup>1</sup> and positive Adjusted EBITDA of US\$2.9M<sup>1,2</sup>**

**Sixth consecutive quarter of positive Adjusted EBITDA<sup>2</sup> at Jervois Finland**

**Quarter-end cash balance of US\$15.4M<sup>1</sup>**

**Extensions to waivers under Jervois debt facilities to 14 December 2024**

**U.S. Foreign Entity of Concern regulations positively impacting Jervois Finland demand outlook**

**Jervois continues to pursue a balance sheet restructuring transaction**

# Balance sheet management

Advancement of balance sheet initiatives a key priority

## Operating cash flow

- Positive operating result in the quarter offset by working capital movements – inventory rebuild to target levels
- Jervois Finland operating costs continue to trend lower supported by the ongoing business improvement programme

## Balance sheet initiatives

- Transfer of the Jervois Finland Working Capital Facility from Mercuria to the majority holder of the ICO Senior Secured Bonds in July 2024
- Short-term liquidity enhanced via provision of a US\$7.5M term loan and extensions to waivers under Jervois debt facilities to 14 December 2024
- Continuing to advance work on potential transactions to strengthen the balance sheet

Balance sheet summary (unaudited) – US\$M <sup>1</sup>	30 Sep 2024	30 Jun 2024
Cash – unrestricted	15.4	21.3
Total inventories and receivables	59.9	61.6
Debt – Jervois Finland working capital facility (Dec 2024) <sup>2,3</sup>	47.9	44.1
Debt – ICO Senior Secured Bonds (Jul 2026) <sup>2</sup>	100.0	100.0
Debt – Unsecured Convertible Notes (Jul / Aug 2028) <sup>2</sup>	25.0	25.0

Jervois Finland inventory (unaudited) – US\$M	30 Sep 2024	30 Jun 2024
Cobalt price at quarter-end (actual, US\$/lb) <sup>4</sup>	10.1	11.3
Cobalt inventory: total (mt)	1,305	1,158
Physical cobalt inventories (US\$M)	33.0	31.9
Inventory days <sup>5</sup>	78	69

# Guidance

2024 guidance unchanged

## Jervois Finland 2024

Sales volumes (calendar year)	5,100 to 5,400mt
Cobalt hydroxide volume protection against index	50 to 60%
Inventory days (target)	90 days

## ICO 2024

Estimated monthly suspension cost	US\$1.0M
-----------------------------------	----------

## SMP 2024

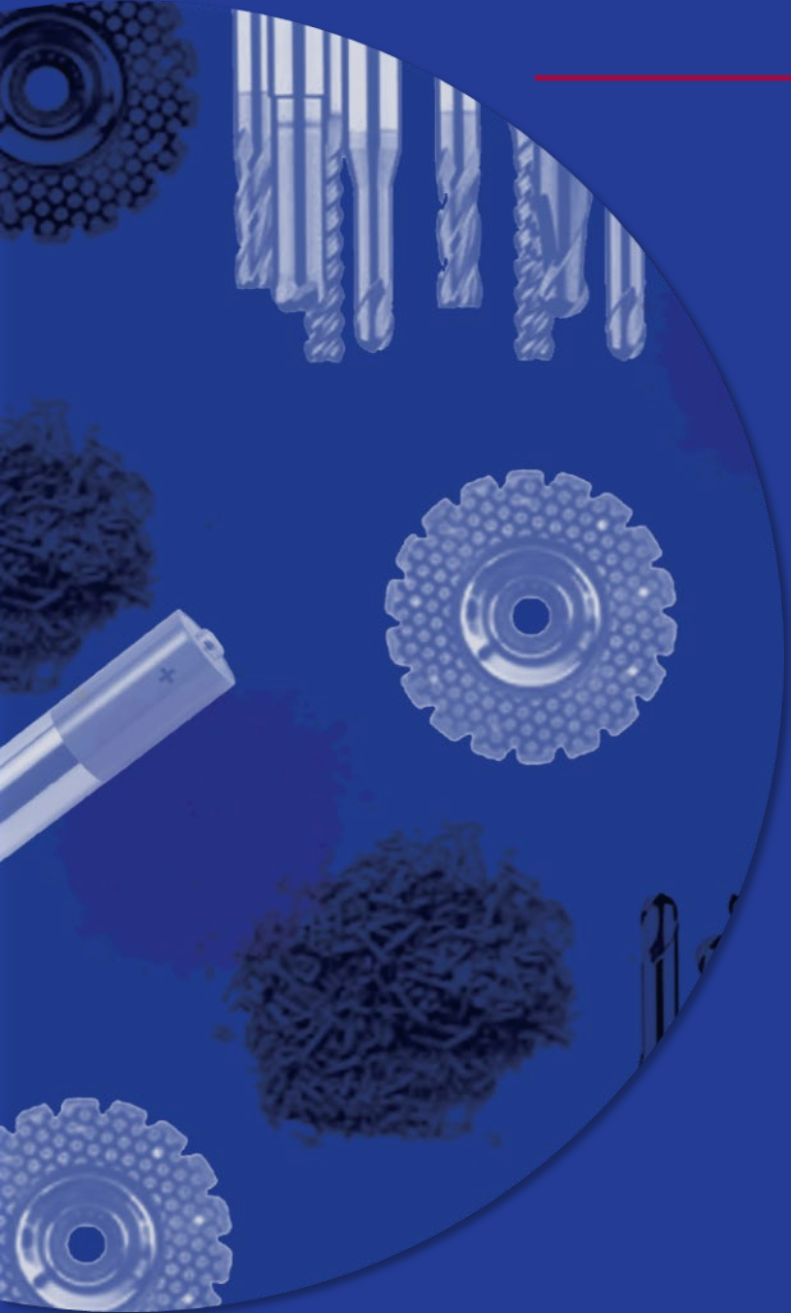
Estimated monthly owner's / site cost	US\$0.5M
Estimated first production	12 months from full mobilisation

## Jervois Finland

- Q3 2024 sales volume of 1,354mt, an increase of 16% from Q2 2024
- Full year sales volume guidance range remains unchanged from the prior quarter
- Expected to trend toward lower end of the guidance range

## ICO, SMP, and Corporate

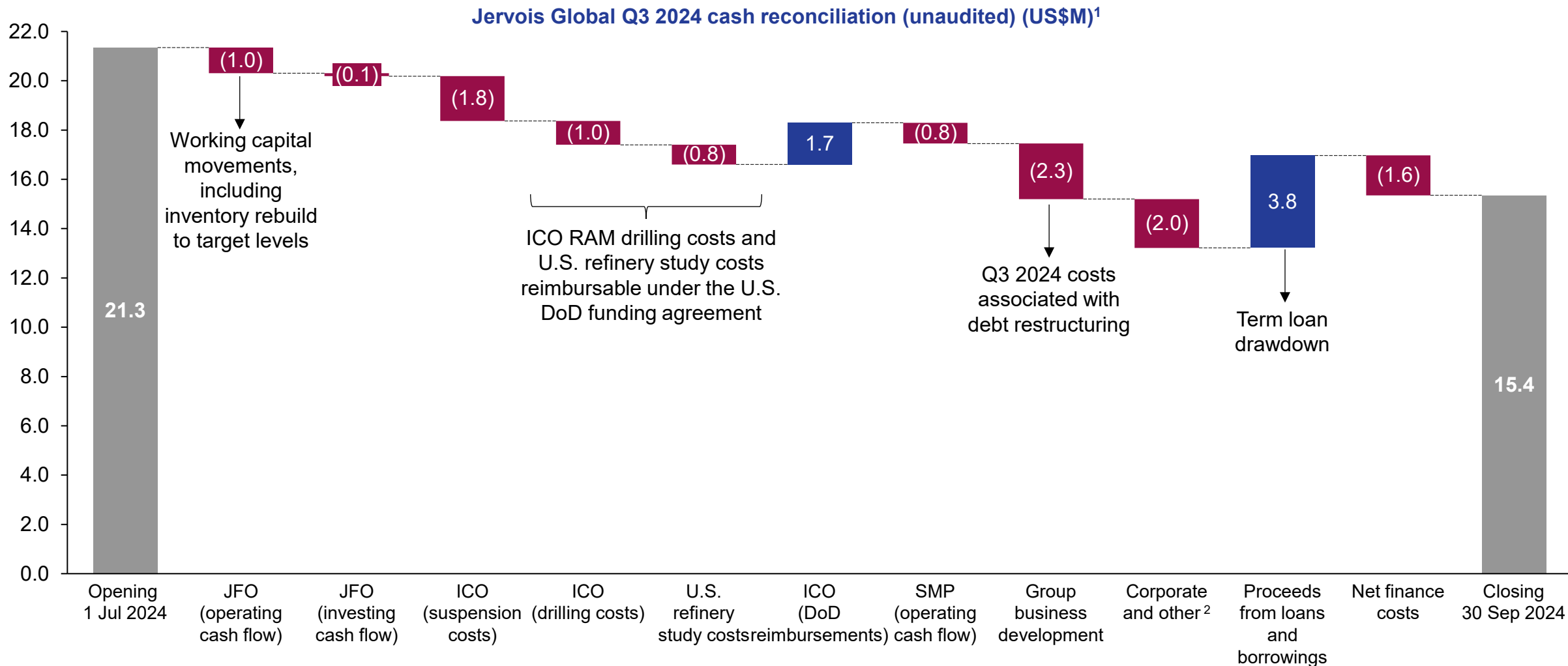
- Portion of site holding costs (approximately half) in Q4 2024 and Q1 2025 expected be reimbursed under the DoD Agreement Funding, utilising residual unallocated funds from the US\$15.0M DoD budget
- SMP run-rate trending below US\$0.5M guidance



## Appendix

# Q3 2024 cash flow

Jervois Finland working capital movements and ICO / SMP holding costs key drivers of Q3 cash flow



# Jervois Finland: market segment outlook

All markets remain challenging, with battery demand expected to improve in 2025

## Chemicals, Catalysts, & Ceramics

- Chemicals: Demand in general continues to show stability across key chemical applications, with coatings and rubber adhesion being particularly robust.
- Catalysts: Cobalt demand continues to track steadily in the refinery catalyst segment, albeit at somewhat lower levels against 2023.
- Ceramics: This segment continues to be impacted by reduced demand and increased competition. Cobalt producers in China are aggressively targeting export markets, resulting in continued low prices. These prices look to remain under pressure throughout the balance of the year as pigment producers are benefiting from increased competition by suppliers, together with less focus on supplier ESG characteristics than other customer segments.



Pigments



Catalysts

## Powder Metallurgy

- Competition in downstream markets (especially from China) continues to weaken demand for Jervois product across all powder metallurgy applications.
- There has been no improvement in automotive, oil and gas production (drilling), general engineering, and construction markets. These markets are forecast to remain weak through to the beginning of 2025.
- Continued positive outlook in aerospace, which remains supported by expansion in both civilian and military sectors.



Hard metal tools



Diamond tools

## Batteries

- Jervois is commencing negotiations for 2025 supply agreements and expects U.S. requirements to source non-FEOC cobalt sulphate to result in new customers in 2025.
- The U.S. Inflation Reduction Act, including FEOC sourcing restrictions, continues to drive interest in the U.S. and other Western supply of battery raw materials, providing a key advantage to Kokkola as the leading global cobalt refinery outside of China.
- European and U.S. based electric vehicle (“EV”) OEMs (automakers) continue to enquire about multi-year cobalt supply contracts. However, medium-term timelines remain uncertain and committed volume requests commence later than previously forecast due a moderation in current EV roll out rates.



Batteries



# Basis of preparation of financial information

## Reconciliation of net profit after tax (“NPAT”) to EBITDA and Adjusted EBITDA

EBITDA is a non-IFRS financial measure. EBITDA is presented as net income after adding back interest, tax, depreciation and amortisation, and extraordinary items. Adjusted EBITDA represents EBITDA adjusted to exclude items which do not reflect the underlying performance of the Company’s operations. Exclusions from Adjusted EBITDA are items that require exclusion in order to maximise insight and consistency on the financial performance of the Company’s operations.

Exclusions include gains/losses on disposals, impairment charges (or reversals), certain derivative items, NRV adjustments to inventories (or reversals), fair value adjustments on financial instruments, and one-off project-related costs.

Jervois Global Group US\$M	Q1 2024 (unaudited)	Q2 2024 (unaudited)	Q3 2024 (unaudited)	Jervois Finland US\$M	Q1 2024 (unaudited)	Q2 2024 (unaudited)	Q3 2024 (unaudited)
<b>NPAT</b>	<b>(18.1)</b>	<b>(4.3)</b>	<b>(16.1)</b>	<b>NPAT</b>	<b>(8.7)</b>	<b>(1.9)</b>	<b>(5.0)</b>
Interest (net)	5.9	6.2	6.8	Interest (net)	3.8	3.6	4.0
Tax	(0.1)	(0.2)	(0.5)	Tax	(0.1)	(0.2)	(0.5)
Depreciation and amortisation	3.8	3.8	3.9	Depreciation and amortisation	3.0	2.7	2.9
Net FX loss / (gain)	0.8	(0.9)	(1.5)	Net FX loss / (gain)	-	0.5	(0.9)
<b>EBITDA</b>	<b>(7.7)</b>	<b>4.6</b>	<b>(7.4)</b>	<b>EBITDA</b>	<b>(2.0)</b>	<b>4.7</b>	<b>0.5</b>
NRV adjustment to inventories	2.7	5.1	2.4	NRV adjustment to inventories	2.7	5.1	2.4
Fair value gain on financial instruments	-	(15.8)	-	Fair value gain on financial instruments	-	(9.8)	-
Project costs (one-off)	-	0.9	3.2	Project costs (one-off)	-	-	-
Other loss	-	0.2	-	Other loss	-	0.2	-
<b>Adjusted EBITDA</b>	<b>(5.0)</b>	<b>(5.0)</b>	<b>(1.8)</b>	<b>Adjusted EBITDA</b>	<b>0.7</b>	<b>0.2</b>	<b>2.9</b>