

# Jervois

Q2 2024 Presentation

Wednesday, 31 July 2024 (Australia)



*Building a leading independent cobalt and nickel company*

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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 June 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.

## Q2 2024 highlights

**Q2 2024 Jervois Finland revenue of ~US\$37M<sup>1</sup> and positive operating cash flow of US\$4.3M<sup>1</sup>**

**ICO drilling results show positive indication of resource growth potential**

**Quarter-end cash balance of US\$21.3M<sup>1</sup>**

**ICO Senior Secured Bonds waiver extended, including interest deferral, to 20 August 2024**

**U.S. cobalt refinery study continues to advance; MoU signed with GTP**

**Initiatives to strengthen balance sheet continuing**

# Balance sheet management

Focus on enhancing liquidity and establishing a durable capital structure to leverage operational improvements

## Operating cash flow

- Q2 2024 included positive working capital movements at Jervois Finland
- Business improvement programme, implemented in Q4 2023, continuing to deliver cost reductions

## Balance sheet initiatives

- Transfer of the Jervois Finland Working Capital Facility from Mercuria to the majority holder of the US\$100 million 12.5% ICO Senior Secured Bonds in July 2024
- Continued to work in conjunction with senior lenders and third parties on potential transactions to strengthen the balance sheet
- Engaging on a framework to ensure Jervois has adequate short-term liquidity until such time as a holistic solution is agreed and implemented

Balance sheet summary (unaudited) – US\$M <sup>1</sup>	30 Jun 2024	31 Mar 2024
Cash – unrestricted	21.3	26.6
Total inventories and receivables	61.6	69.3
Debt – Jervois Finland working capital facility (Dec 2024) <sup>2</sup>	44.1	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 Jun 2024	31 Mar 2024
Cobalt price at quarter-end (actual, US\$/lb) <sup>3</sup>	11.3	12.5
Cobalt inventory: total (mt)	1,158	1,281
Physical cobalt inventories (US\$M)	31.9	39.3
Inventory days <sup>4</sup>	69	77

# Guidance

2024 guidance revised lower under current market conditions

## 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
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## SMP

2024

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

## Jervois Finland

- Q2 2024 sales volume of 1,163mt
- Lower than average production volumes in Q2 2024 due to cobalt feed constraints resulting from port strikes in March / April 2024 and planned maintenance shutdown in May 2024
- Full year sales volume guidance range revised lower due to current market conditions

## ICO, SMP, and Corporate

- Holding cost run-rates for ICO and SMP consistent with expected monthly average costs for 2024
- Jervois continuing to engage U.S. Government agencies and other stakeholders on expansion of support for ICO
- ICO restart cost to be determined once market conditions improve and / or U.S. Government price support becomes legislated
- Continue to evaluate funding options for restart of SMP

A photograph of an industrial facility, likely a refinery or chemical plant, featuring large cylindrical tanks, complex piping, and yellow safety railings. The scene is brightly lit, showing various levels and structures.

# JERVOIS INVESTMENT HIGHLIGHTS

EV batteries require nickel and cobalt

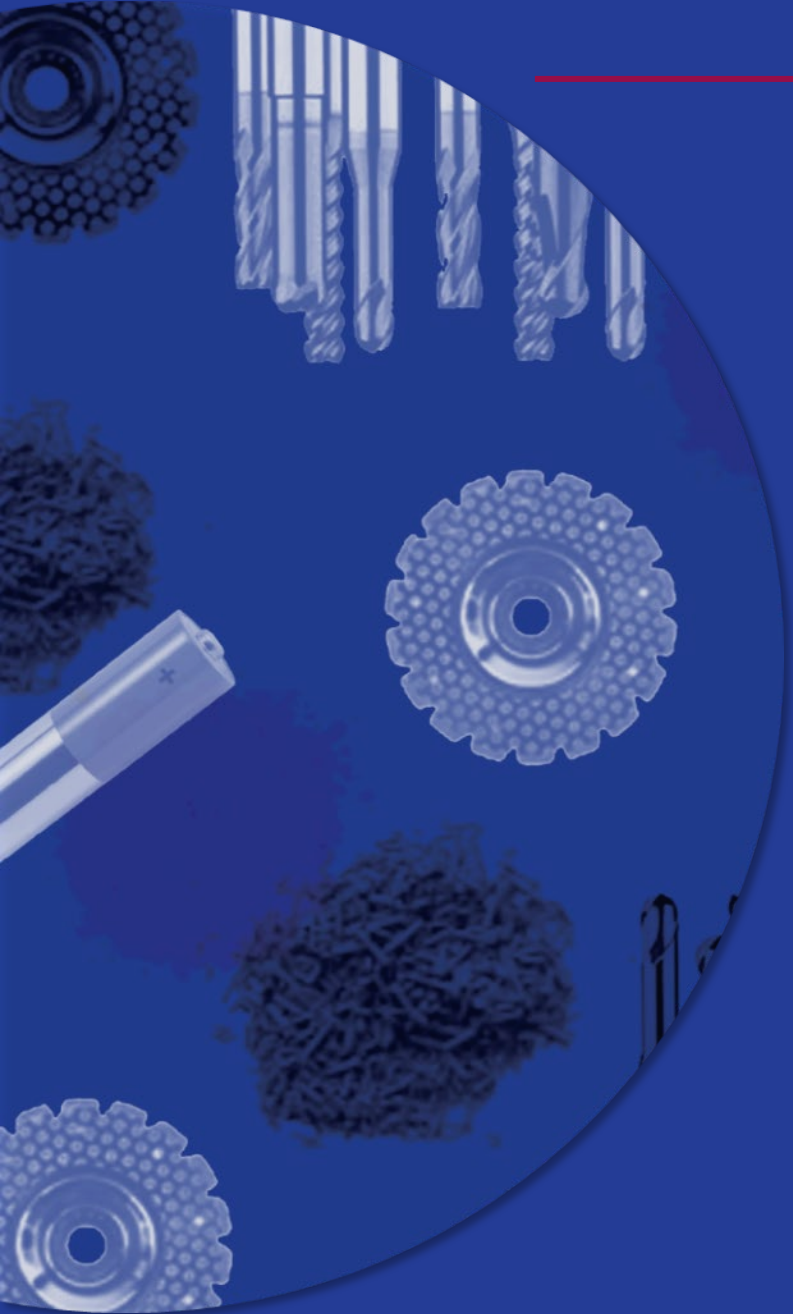
Nickel and cobalt are critical minerals

Jervois assets are strategically important

Jervois portfolio is diversified

Jervois management is highly experienced

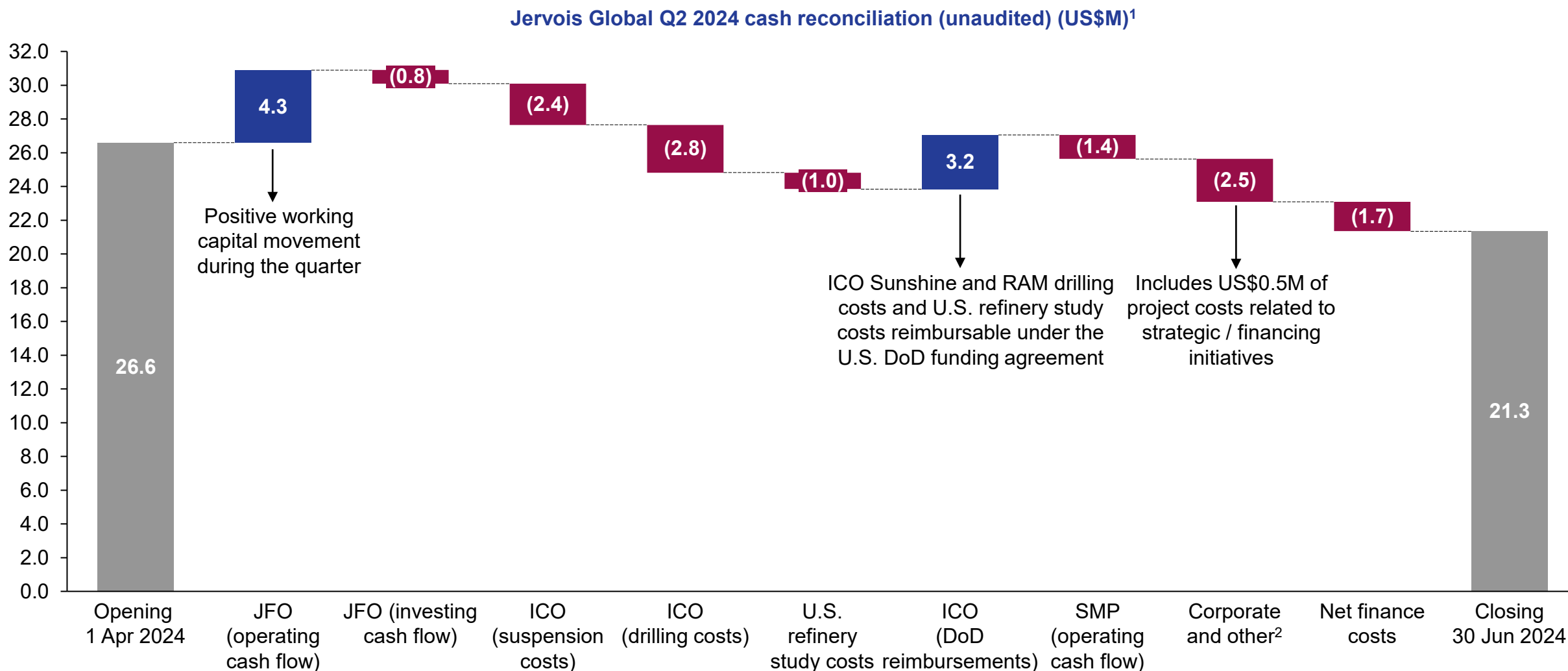
Cash generation and portfolio flexibility



## Appendix

# Q2 2024 cash flow

Positive working capital movements at Jervois Finland offset by site holding costs at ICO and SMP





# Jervois Finland: market segment outlook

Near-term outlook remained mixed for the current quarter, but improvements expected by end of 2024

## Chemicals, Catalysts, & Ceramics

- Chemicals: Demand continues to be steady in general across key chemical applications.
- Catalysts: Demand has stabilised 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.



Pigments



Catalysts

## Powder Metallurgy

- Outlook for the remainder of 2024 looks to be stable, but competition in downstream markets (especially from China) continues to weaken demand in all powder metallurgy applications.
- Automotive, oil and gas production (drilling), general engineering, and construction markets remain weak and are forecast to remain so through to the beginning of 2025.
- Aerospace is the only market that continues to be strong, and which has a continued positive outlook supported by expansion in both civilian and military sectors.



Hard metal tools



Diamond tools

## Batteries

- Momentum among battery segment customers for Jervois to source non-Foreign Entity of Concern (“FEOC”) cobalt sulphate is growing and has translated into further firm orders across the balance of 2024. This trend is expected to continue and accelerate into 2025.
- Interest continues from both European and U.S. based electric vehicle OEMs (automakers) for long-term cobalt supply, but timelines remain uncertain, with volumes starting later than previously expected.
- The U.S. Inflation Reduction Act continues to drive interest in 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.



Batteries