

Metinvest — update on operations 11.04.2022

Metinvest B.V., the parent company of a vertically integrated group of steel and mining companies (jointly referred to as “Metinvest” or “the Group”), releases an update on its operations.



On 24 February 2022, Russia launched a military invasion of Ukraine (such related past, ongoing and any consequential events being the “Ukrainian Events”). As at today’s date, active conflict is underway in and around several major Ukrainian cities, including, Kharkiv, Mariupol and other cities and towns, primarily in the south and east of the country. Recently, Kyiv and the northern regions of Ukraine were cleared of Russian troops. Still, casualty numbers, both civilian and military, are likely to continue to increase, and Ukraine is suffering extensive damage to its physical infrastructure.

Since the previous update on its operations, published on the Euronext Dublin website on 22 March 2022, the status of Metinvest’s production facilities located in such Ukrainian cities as Mariupol and Avdiivka has not materially changed – they have remained in hot conservation mode. Assets in Avdiivka and Mariupol have reportedly sustained further damage from hostilities in the cities where they are located. Until the active stage of the Russian military aggression is stopped and reliable communications channels with the plants are re-established, it is not possible to assess its impact on the Group’s plants.

At the same time, Metinvest’s management continues to undertake a number of actions to ensure the continuing operations of the Group’s other assets, to the extent that it is safe for its employees and subject to ongoing logistical constraints in Ukraine.

Zaporizhstal, an integrated steel steelmaker located in Zaporizhia (Ukraine), which is classified as a joint venture and not as a subsidiary of Metinvest

[1]

, is resuming operations that have been in hot conservation mode since 2 March 2022. In early April 2022, the plant started blowing two out of four its blast furnaces and partially restarted the sinter plant. To ensure the stability of the production process, the transport, energy, engineering and other auxiliary units of the plant are in operation. Gradually, with the production of hot metal by the blast furnaces, subsequent links in the production chain will be put into operation as well. This move at Zaporizhstal was preceded by the resumption of operations at Metinvest’s assets located in Zaporizhia, such as Zaporizhia Coke and Zaporizhia Refractories, which produce metallurgical coke and refractories, correspondingly.

In terms of the performance of Metinvest’s other assets:

- Kamet Steel, a steelmaker in Kamianske, continues to operate using all three blast furnaces
- there are no significant changes as compared to the information disclosed in the announcement dated 22 March 2022 in terms of Ukrainian iron ore and coking coal assets

- The Group's production facilities located in the EU, the UK and the US continue to gradually adjust their operations as standalone businesses (e.g., third-party slab supplies are being arranged for the Group's European flat producers).

With respect to the Group's cash position, Metinvest's unrestricted cash balance was US\$483 million as at 7 April 2022.

Metinvest B.V. may from time to time seek to retire or repurchase its outstanding debt through cash purchases, in open market purchases, privately negotiated transactions or otherwise. Such repurchases, if any, will depend on market conditions, its liquidity requirements, contractual restrictions and other factors, and the amounts involved may be material.

The full extent of the impact of the Ukrainian Events on the Group's business generally is not yet known and will be largely dependent on the duration and extent of the current conflict, as well as the impact of these events on the Group's key production assets.

The Group provides regular updates on ongoing developments with respect to its Ukrainian assets on its website at:

<https://metinvestholding.com/en/media/news>

and

<https://bit.ly/3Hfj71O>

. The Group will continue to review the impact of the continuing Ukrainian Events on its business and financial performance and will provide further information and updates when possible.

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Metinvest owns an indirect effective interest of 49.997% in the share capital of Zaporizhstal

<https://metinvestholding.com/en/media/news/metinvest-update-on-operations-11-04-2022>