

## Metinvest to Invest UAH1.4 Billion in Gas and Solar Power Plants for Its Kryvyi Rih Assets

This year, Metinvest Group plans to invest UAH1.4 billion in the construction of gas-fired power plants at Central Iron Ore and Northern Iron Ore, as well as a solar power plant at Central Iron Ore. Igor Tonev, CEO of Metinvest's Integrated Iron Ore in Kryvyi Rih, announced this at Forbes Ukraine's Exporters Summit 2025, held on 14 March in Kyiv.



Representatives from 39 leading exporters across various sectors of the economy shared strategies and instruments that enable them to maintain and expand export positions. They also discussed how companies' ambitions in the global market have evolved and what challenges to expect in 2025. At the summit, Metinvest Polytechnic university hosted an expo zone aimed at finding synergies with leading export-oriented businesses in Ukraine to develop specialised training programmes.

Igor Tonev took part in the "Investment Potential of Ukrainian Subsoil: An Outside View" panel. The discussion also featured Andriy Brodsky, CEO of Velta, and Volodymyr Boyko, founder of the Nadra.Info news agency.

The CEO of Metinvest's Integrated Iron Ore stated that in 2024, Kryvyi Rih plants operated at 50% of their pre-war capacity, producing 15 million tonnes of concentrate and 6 million tonnes of pellets. He believes that without an end to the war, neither 2025 nor any subsequent year will be easier given the restrictions and challenges posed by the hostilities. In addition, China, the key consumer of iron ore, is set to reduce steel production, which will affect prices for iron ore products.

Igor Tonev noted: "Speaking of government support, we would like to see more transparency and dialogue. We have experienced rising tariffs for electricity transmission and gas transportation. Now there are plans to increase railway transportation tariffs. Last summer, this led to the shutdown of Inhulets Iron Ore. When such large enterprises cease operations, everyone loses: not only the business and employees, but also the state."



The CEO of Metinvest's Integrated Iron Ore stated that the change in the management model in 2024, which merged Northern Iron Ore, Central Iron Ore and Inhulets Iron Ore into a single production chain, has significantly improved the plants' efficiency. He said: "This reform has been effective, above all, because we have been able to make decisions more quickly amid restrictions and replace some capacities with others. A practice that once seemed impossible – processing ore from the quarry of one mining and processing plant at another one – has now become the norm. We have accelerated the rotation of personnel and equipment and optimised our management structure. Even amid falling prices, we have managed to increase production and reduce costs. While we have not yet fully unlocked our synergy potential, we are moving in the right direction."

Igor Tonev explained that the majority of the UAH5.7 billion in investments planned for this year will be allocated to maintaining production and overhauls. Meanwhile, UAH1.4 billion is set to be invested in energy independence through the construction of gas-fired power plants at Central Iron Ore and Northern Iron Ore, as well as a solar power plant at Central Iron Ore. The project is in the final stages of financing negotiations with Ukrainian banks.

In addition, a large strategic project to thicken beneficiation waste at Northern Iron Ore will begin this year and is expected to be completed in 2026. It involves around UAH9 billion in investment, with UAH 1.5 billion to be spent in 2025. The project will be financed by European credit agencies. The CEO of Metinvest's Integrated Iron Ore added: "We have no alternative to this project, as it is a prerequisite for Northern Iron Ore's operation beyond 2027."

Igor Tonev believes that the 'green steel' plant the Group plans to build in Italy will become a major consumer of mining and processing plants' products in Europe. To supply the plant with raw materials, production must be modernised by constructing a flotation concentrate refining facility and upgrading the roasting machine. Investment in this modernisation is estimated at US\$600 million minimum.

The CEO of Metinvest's Integrated Iron Ore pointed out that Metinvest's strategy is focused on modernising its steel production, including by building a plant in Italy and upgrading its enterprises in Ukraine. He added: "The development of mining and processing plants should focus on making products that meet the needs of these plants, creating a green supply chain. New quarries and deposits are not part of our plans. Our strategy centres on modernising the production capacities of the mining and processing plants and improving product quality."