

Ukraine's Pillar: Metinvest Spends Over UAH3.1 Billion to Support the Country During Year of War

Amid the full-scale war in Ukraine, Metinvest has remained a reliable pillar for the military, civilians and its employees. Since 24 February 2022, the Group has spent over UAH3.1 billion to support the country, of which more than UAH1.6 billion was donated to the army as part of Rinat Akhmetov's Steel Front defence initiative.



"The year 2022 provided a serious set of challenges for Metinvest and Ukraine. For both the Group and the country, overcoming these challenges will require working together towards a single goal: victory. We have proven time and time again that steelmakers can be relied upon in difficult times and that Metinvest can be a pillar of support for Ukraine. We are continuing to work wherever possible, filling national and regional budgets, paying taxes, and providing people with jobs. We support the Ukrainian army as part of Rinat Akhmetov's Steel Front. During this year of war, we, as a private business, have supplied the army with an unprecedented number of drones and bulletproof vests. The Group has also launched the Saving Lives humanitarian project, which helped hundreds of thousands of Ukrainians receive essential items, medicines and food packages. We are equipping shelters and helping with prosthetics and psychological rehabilitation. We are prepared to continue providing strong support and to rebuild the country once the victory is achieved."



Yuriy Ryzhenkov
CEO of Metinvest



Metinvest's entities in Ukraine are operating under constant threat of enemy attack. Because of the hostilities, the Group's facilities in Mariupol and Avdiivka have been affected and Mariupol has been temporarily occupied. Also, Metinvest's operations were negatively impacted by logistical constraints, power outages, rising production costs and falling prices for certain types of products. However, the Group's other entities continue to operate at different utilisation levels depending on security, power supply, logistics and economic factors.

In early 2023, the Ukrainian government allowed electricity imports from the EU to be exempt from power rationing restrictions to ease local power shortages. Metinvest decided to use this opportunity to arrange imported electricity purchases for its own production needs, which enables power supply quotas to be increased (in the absence of emergency shutdowns).

This has positively impacted the Group's performance. Specifically, the Group's iron ore assets in Kryvyi Rih are

expected to gradually ramp up output to at least 30% of pre-war levels and keep the focus primarily on pellet production. This also has enabled more stable operations and flexibility in the product mix at Kamet Steel and the Zaporizhstal JV, which are operating two blast furnaces each. Overall, Metinvest (including its joint ventures) launched 24 new products in 2022.

At the same time, Pokrovske Coal is currently operating at about 80% of their pre-war capacity. Construction of the mine block No. 11 is underway. Coal is mined in four longwalls and four more longwalls are due to be commissioned in 2023.

AS BEFORE, THE GROUP'S PRIORITY IS TO TAKE CARE OF ITS EMPLOYEES WHO ARE KEEPING PRODUCTION GOING. BOMB SHELTERS EQUIPPED FOR LONG-TERM STAYS ARE AVAILABLE AT ALL ENTITIES WITH WATER, FOOD, AND MEDICINE

The most important task for a business in wartime is to work together with the entire country towards victory. This includes paying taxes, supporting the defence effort and the economy, as well as taking care of people. In 2022, the Ukrainian, associated and joint ventures of Rinat Akhmetov's SCM investment group paid UAH73.2 billion in taxes and fees. Of this amount, Metinvest paid UAH20.5 billion of taxes and fees into budgets of all levels in Ukraine in 2022 (including payments made by associated companies and joint ventures).

Metinvest continues to fight theft by Russia, which has stolen more than 234,000 tonnes of the Group's steel from Mariupol. In particular, 16 Metinvest companies have filed lawsuits with the European Court of Human Rights against Russia for damage caused to the Group's property and possessions in Mariupol and other Ukrainian territories since 24 February 2022.



Since the first day of the war, Metinvest has taken part in Rinat Akhmetov's Steel Front defence initiative, which has the aim of saving the lives of Ukraine's defenders.

As part of the initiative, the Heart of Azovstal project was launched in February 2023. It provides support for the defenders of Mariupol and family members of the killed, captured and missing defenders of the fortress plant. Rinat Akhmetov has allocated UAH1 billion for this purpose.

During this war year, Metinvest became one of the largest Ukrainian private-sector suppliers of equipment for the army. The country's defenders have received 25,000 helmets and more than 150,000 bulletproof vests from the Group. As a result, every tenth bulletproof vest used by the army was manufactured or purchased by Metinvest.

The Group manufactures products for the defence industry. These include special mobile dugouts to reinforce trenches, armoured shields for operators of large-calibre weapons, anti-tank obstacles, spiked chains, mini-bastions, remote-controlled mine-clearing vehicles, steel for armour plates and other items.

Metinvest has shipped more than 123 mobile dugouts to the front lines to date. Since the beginning of the war, Metinvest's steel has been used to make over 80,000 anti-tank obstacles.

Hot-rolled steel supplied by Metinvest-SMC has also been used to make components for the reinforced protection of vehicles such as off-roaders, medical vehicles, utility vehicles and other equipment operating in the areas under fire.



Metinvest produces field stoves inhouse and in cooperation with its partners. Around 5,000 of these products are used by servicemen and civilians to keep warm in frontline regions. The Group also provides them with solid fuel, winter uniforms, thermal underwear and footwear. In particular, the over 7,000 employees of the Group who serve in the Armed Forces of Ukraine have received sets of warm clothing. Almost UAH12 million has been spent for this purpose.

Some 273 generators and multi-charging stations from Metinvest help Ukrainian intelligence officers and border guards keep in touch and charge their radios and phones.

To strengthen the defence capability of the Ukrainian army, the Group has established a systematic supply of military equipment to the front lines. In particular, the defence forces have received 1,200 drones. No private business has ever supplied the army with such a quantity of drones.

METINVEST HAS DONATED OVER 1,700 THERMAL IMAGERS AND 321 VEHICLES AND AMBULANCES. MORE THAN 1.1 MILLION LITRES OF FUEL WERE PROVIDED TO KEEP THE VEHICLES RUNNING

The Group also sends medical supplies to the front lines. More than 31,000 tourniquets and first-aid kits, as well as other medical equipment and medicines, are helping to save the lives of wounded soldiers. In cooperation with the PULSE charitable foundation, the Group is promoting the development of tactical medicine in Ukraine. Metinvest has spent almost UAH6.2 million to arrange training for military personnel in the combat zone.



Metinvest, in coordination with the Rinat Akhmetov Foundation, launched the Saving Lives initiative to avert a humanitarian catastrophe in Ukraine. It has already helped almost 425,000 Ukrainians and covers around 70 communities. Food and hygiene kits for vulnerable categories of people are delivered from Poland to Ukraine.

The Saving Lives initiative is also developing other areas of work. Together with the Protez Hub project in Ukraine, it is helping military and civilians who have been injured during the war to return to a full life. Currently, 33 people who have had limb amputations are undergoing prosthetic and treatment procedures at various stages.

In addition, Saving Lives is engaged in the psychological rehabilitation of women and children who have suffered from the war. Thanks to the Unbreakable Mum project, a joint initiative with the Masha Foundation, 140 people have already received help.

The charitable initiative of Metinvest and the Rinat Akhmetov Foundation also supports medical institutions. Ukrainian hospitals have received medicines, equipment and consumables worth more than EUR240,000.



Medical shipments are also being delivered to hospitals in Zaporizhzhia, Kryvyi Rih, Kamianske, Pokrovsk and Avdiivka under a separate programme implemented by Metinvest and the Rinat Akhmetov Foundation. The total value of medical aid provided under the two projects exceeds UAH175 million. Since the beginning of 2022, the Group's steelmakers have supplied more than 1,600 tonnes of medical oxygen to hospitals.

NEARLY 200 DONOR COMPANIES FROM AROUND THE WORLD HAVE JOINED THE SAVING LIVES INITIATIVE, AND THE TOTAL AMOUNT OF ASSISTANCE FROM PARTNERS EXCEEDS EUR2.4 MILLION

Metinvest is helping Ukrainians to survive the winter. In particular, the Group is providing heating stoves, solid fuel and chainsaws to residents of Avdiivka. And employees of Pokrovske Coal have received coal free of charge. For the residents of the Pokrovsk community, the Group has also purchased five diesel generators to power boiler rooms during power outages. Overall, Metinvest has purchased 11 such generators for the cities where it operates. Metinvest is equipping invincibility centres, where electricity, heat and the Internet are always available. One of these centres is operating in Kamianske.

The Group is doing everything possible to retain its team. Over 6,000 temporary shelters have been arranged for employees who have been evacuated to Ukrainian controlled territory. The families of these employees are provided with food, hygiene products and other basic necessities.

In addition, amid the war, Metinvest is helping Ukrainians find jobs and undergo retraining for various professions. Since February 2022, the Group has employed more than 6,200 people, including 1,600 from Mariupol and Avdiivka. These employees receive financial support in the form of various types of compensation, social benefits, humanitarian aid and guaranteed income.

Currently, the opportunity to receive decent pay, bonuses and social benefits is available at the Pokrovske Coal, which has made 652 vacancies available. Employment is offered to residents from all Ukrainian regions, including 136 Kryvyi Rih residents who have already started working there.

At the same time, the Group continues to train a new generation of specialists in the metals and mining sector. In particular, in the autumn of 2022, more than 442 students began studying in specialised modern engineering and technical courses at Metinvest Polytechnic. The education is free of charge for Metinvest employees and their children.