

Metinvest Group Warns Against Illegal Use Of Its Property In Non-Controlled Territory

Metinvest Group warns individuals and legal entities that are both residents and non-residents of Ukraine against the illegal use of its property remaining at the enterprises in the non-controlled territory (NCT) that were taken over by representatives of so-called 'Donetsk People's Republic' and 'Luhansk People's Republic'. The warning applies both to the use of products of Metinvest's entities and supply of metallurgical raw materials to these enterprises.

Metinvest communicated the takeover of the enterprises to the appropriate government agencies and law enforcement authorities immediately after losing control over its entities in the NCT. The communications gave rise to the commencement of criminal proceedings and ongoing investigations.

The list of agencies, to which letters were circulated, includes regional agencies of the National Police of Ukraine, Prosecutor's Office, Security Service of Ukraine, Headquarters of the Anti-Terrorist Center of Ukraine's Security Service, State Labour Service, State Service of Geology and Mineral Resources of Ukraine, State Fiscal Service of Ukraine and many other ministries and agencies.

Sanctions in the form of the blocking the entities and a ban on conducting business (by putting on so-called 'blacklists') were imposed against so-called 'Donetsk People's Republic' and 'Luhansk People's Republic' and their activists by the USA, EU, Great Britain, Switzerland, Australia and other states. Cooperation with the unrecognized states and their related/controlled entities or enterprises constitutes a breach of international economic sanctions. Companies, which cooperate with the blacklisted entities, may become exposed to penalties and sanctions in the form of asset freeze and a ban on conducting business, and their officials may be subject to criminal liability.

Metinvest Group keeps a close watch on its property that was taken over in the NCT. Should it reveal any evidence of third parties' intent to take advantage of its property in Ukraine or any other country as well as facts evidencing the use of such property and products of the enterprises in the NCT for whatever purpose, Metinvest Group will enforce its response action plan involving legal actions and respective communications.

Yuriy Ryzhenkov, Metinvest's Chief Executive Officer, said:

"I would especially warn against attempts to use property in the NCT by entities of the Russian Federation. This refers both to products and to equipment being taken out from the plants, as well as deliveries of raw materials to them. Any of the aforementioned acts constitutes smuggling. Should such illegal acts be revealed, offenders (companies and their management) will be subject to the commencement of criminal proceedings pursuant to the legislation of Ukraine, the Russian Federation and international law, stock exchanges, on which their shares are listed will initiate sanctions, the international financial community will impose restrictions against them."