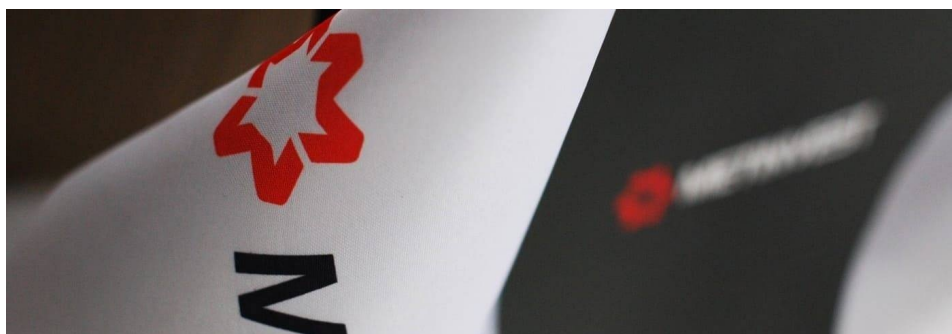


Metinvest executes its first procurement transaction through blockchain trade finance platform we.trade

Metinvest, the vertically integrated steel and mining group of companies, is pleased to announce that it has signed its first smart contract on we.trade, a trade finance blockchain platform supported by UniCredit.



The we.trade platform works in partnership with major European banks (Austria, Belgium, Denmark, Finland, France, Germany, Great Britain, Greece, Italy, Netherlands, Norway, Spain, Sweden and Switzerland) and is based on distributed ledger technology, the major underlying elements of which include blockchain and smart contracts. When a smart contract is created on the we.trade platform, the payment will be automatically triggered according to the terms agreed by the counterparties once the buyer has confirmed the delivery of the goods, making the transaction considerably faster and more transparent.

This blockchain transaction demonstrates the importance of digitalization in the steel industry. We.trade is a truly successful inter-bank collaboration that can help to redefine business relationships among companies, removing obstacles that typically make international transactions costly and complex while delivering benefits for corporates.

Commenting on the deal, Jamilya Baimukhambetova, Head of Corporate Finance at the European Re-rolling Business Unit of Metinvest Group, said: “We are pleased to continue our cooperation with UniCredit. Importantly, this is the first blockchain transaction provided by UniCredit to Metinvest Group and is a new digital instrument for us. Blockchain technology allows for the creation and management of a large distributed transaction management database that can be shared across multiple nodes of a network. Such transactions demonstrate the Group’s willingness to work in a trusted environment with secure technology, improved risk mitigation and enhanced visibility.”

Transaction details

The underlying transaction is the purchase of equipment for one of Metinvest’s production re-rollers from a European supplier. One of the pilot project’s objectives is to try the new platform from the client side, so that the Group can evaluate its potential as a new type of payment terms that it can offer to some of its major customers.

Exploring the potential of blockchain trade finance is one way that Metinvest Group is implementing its digital innovation strategy.

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the value chain, from mining and processing iron ore and coal to making and selling semi-finished and finished steel products. It comprises steel and mining production facilities located in Ukraine, Europe and the US, as well as a sales network covering all key global markets. Metinvest's business is divided for financial reporting purposes into two segments: Metallurgical and Mining. Its strategic vision is to become a leading vertically integrated steel producer in Europe, delivering sustainable growth and profitability resilient to business cycles and providing investors with returns above the industry benchmarks. For the first quarter ended 31 March 2019, the Group reported revenues of US\$2.9 bn and an EBITDA margin of 15%..

METINVEST HOLDING LLC is the management company of Metinvest Group.

<https://metinvestholding.com/ro/media/news/207354>