



OPPORTUNITIES FOR REBUILDING IRON & STEEL INDUSTRY OF UKRAINE

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IRON & STEEL INDUSTRY IS FUNDAMENTAL FOR THE ECONOMY OF UKRAINE

GDP

10.3%*



contributed by the iron & steel sector to GDP of Ukraine pre-war, incl. supply chain

EXPORT

14.6%



contributed by the iron & steel sector to export of goods in 2023, **32,6%** pre-war



EMPLOYMENT

566 thousand people

employed in the iron & steel sector and supply chain pre-war, **1** ensured **4.5** jobs in other sectors of economy



CAPEX

29.4%

the share of iron & steel sector in total CAPEX of industrial sectors pre-war

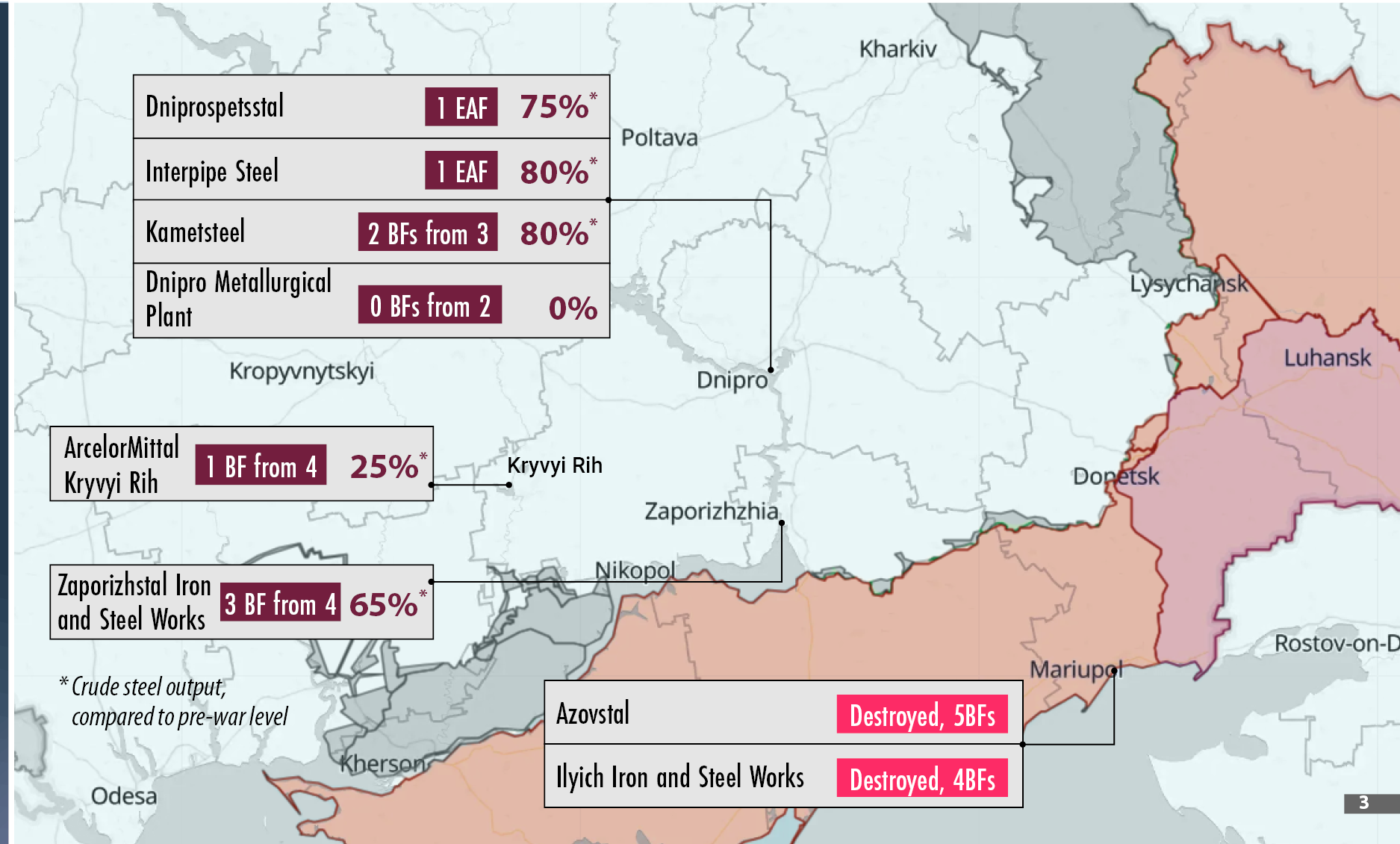
THERE ARE 5 OF 13 BFs IN OPERATION IN UKRAINE AND 2 EAFs WITH QUITE HIGH UTILIZATION

Nominal crude steelmaking capacities in Ukraine as of March 2024, mln tons:

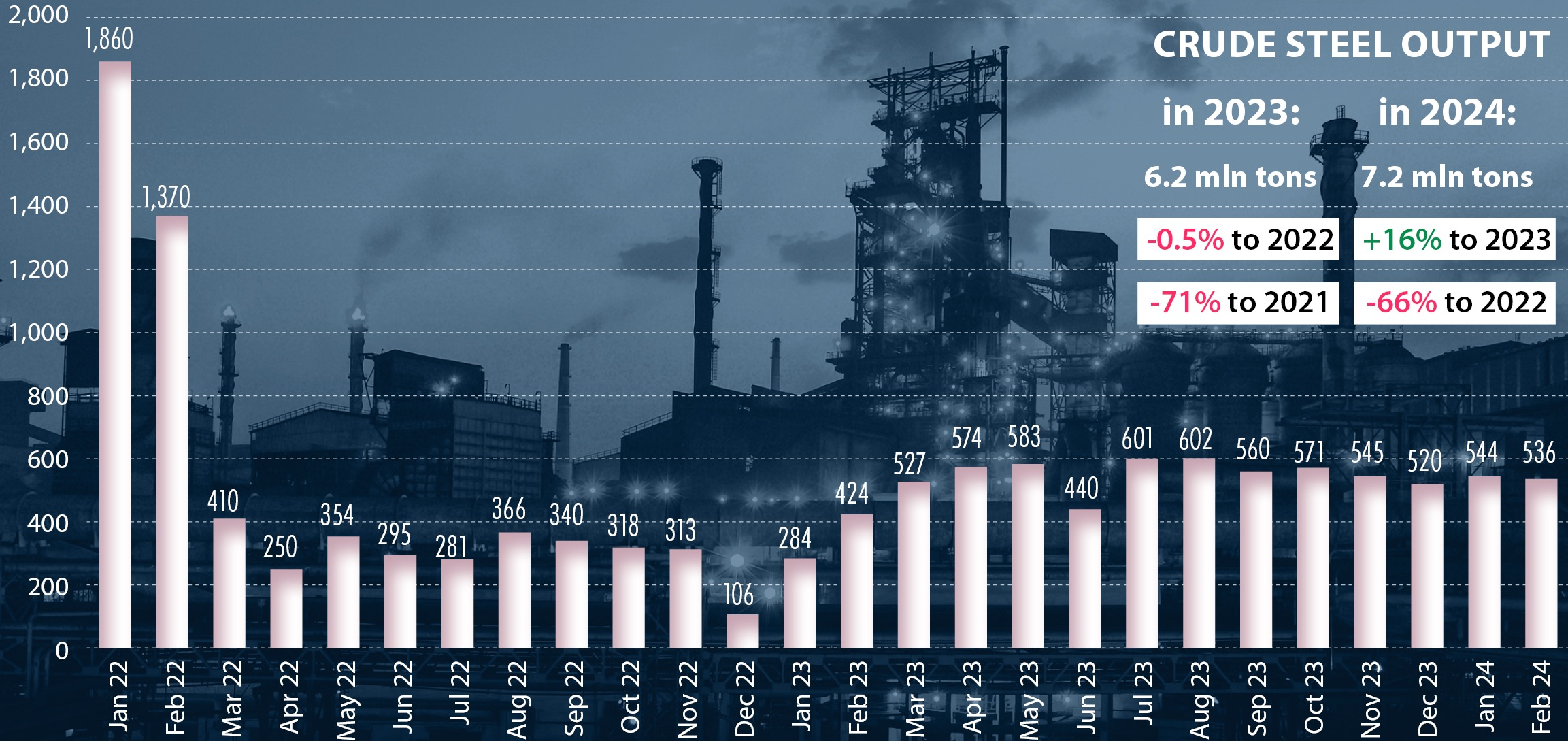
ArcelorMittal Kryvyi Rih	6.5
Zaporizhstal	4.0
Kametsteel	3.8
Interpipe Steel	1.3
Dnipro metallurgical plant	1.2
Dniprospetsstal	1.0

Total – 17.8 mln tons:

BF-BOF	11.5
OHF	4.0
EAF	2.3



IRON & STEEL OUTPUT IN UKRAINE RECOVERED IN 2023, BUT STILL 71% LOWER THAN PRE-WAR



Data source: Ukrmetallurgprom

MAIN BOTTLENECKS FOR IRON & STEEL SECTOR OF UKRAINE

**Lack of personnel
(mobilization, migration)**

Instability of the “sea corridor”

High logistic costs

Competition with Russian products

Coal shortage, needs for import

Trade restriction

Lagging in CAPEX

Insufficient domestic demand

15%

of steelmakers`
workforce were drafted
to the Ukrainian
defense forces

3,000

unfilled vacancies has
ArcelorMittal Kryvyi
Rih in 2024, according
to CEO Mauro
Longobardo



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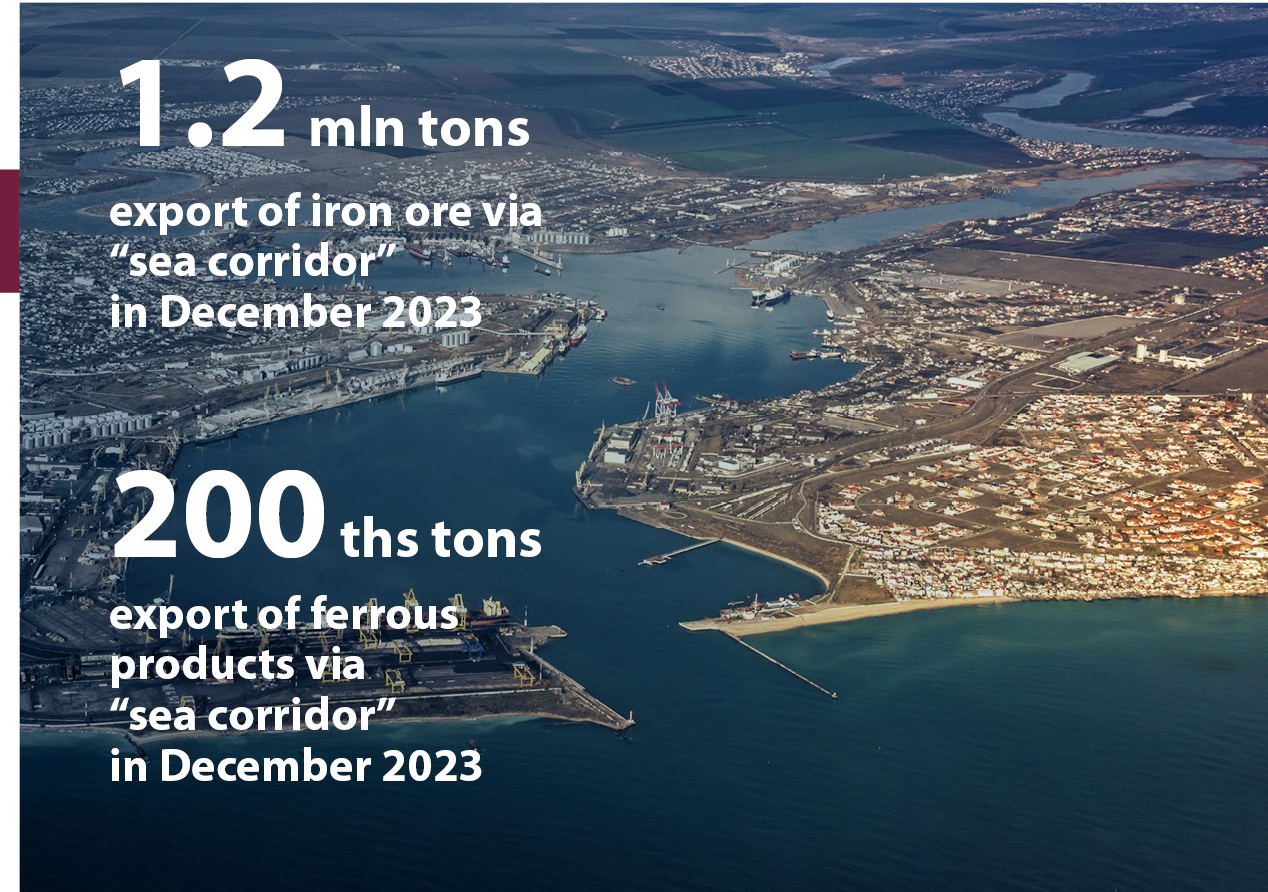
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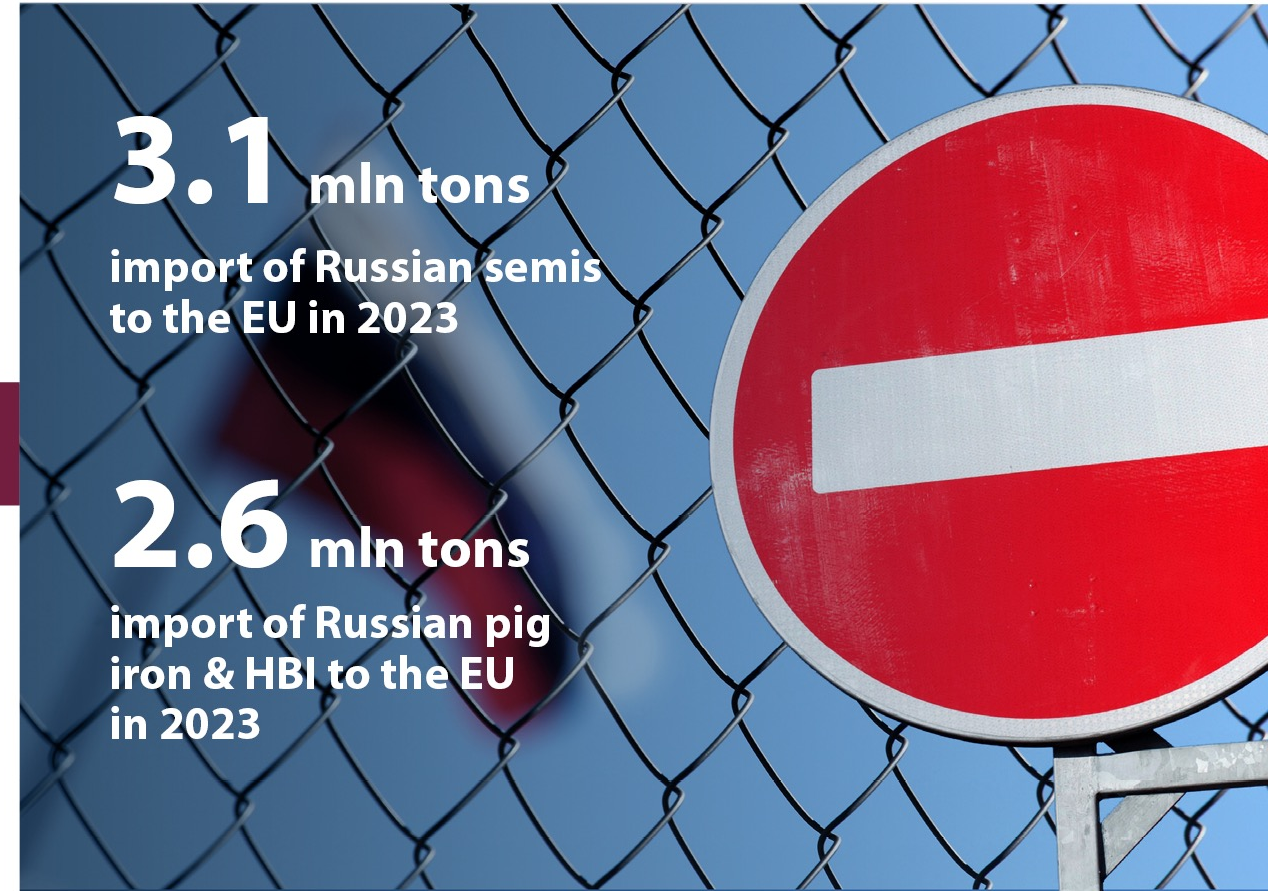
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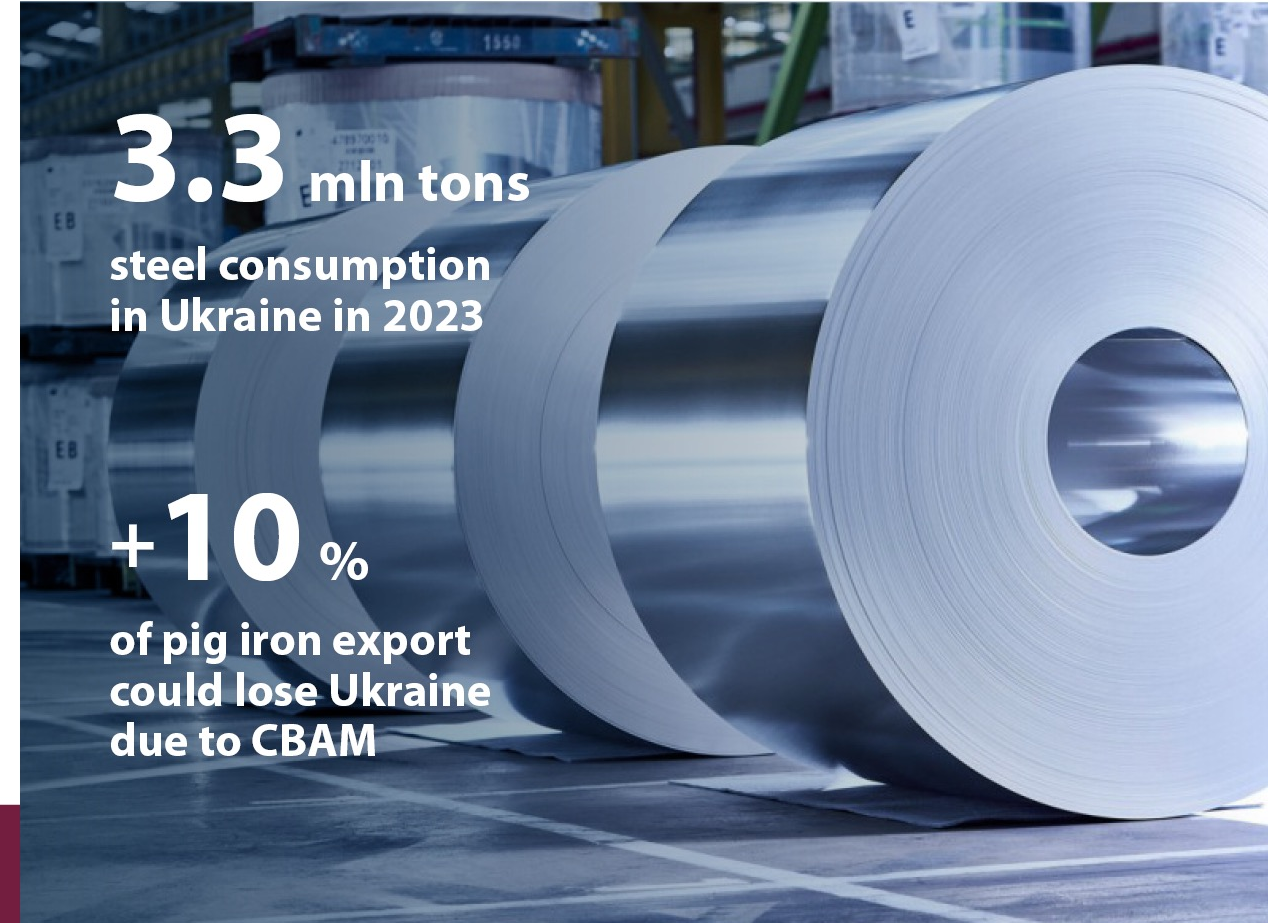
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UKRAINE IS THE ESSENTIAL PART OF EUROPEAN IRON & STEEL INDUSTRY IN THE FUTURE

Key supplier of DR-grade feed

Low carbon HBI supplier

Supplier of environmentally friendly steel products

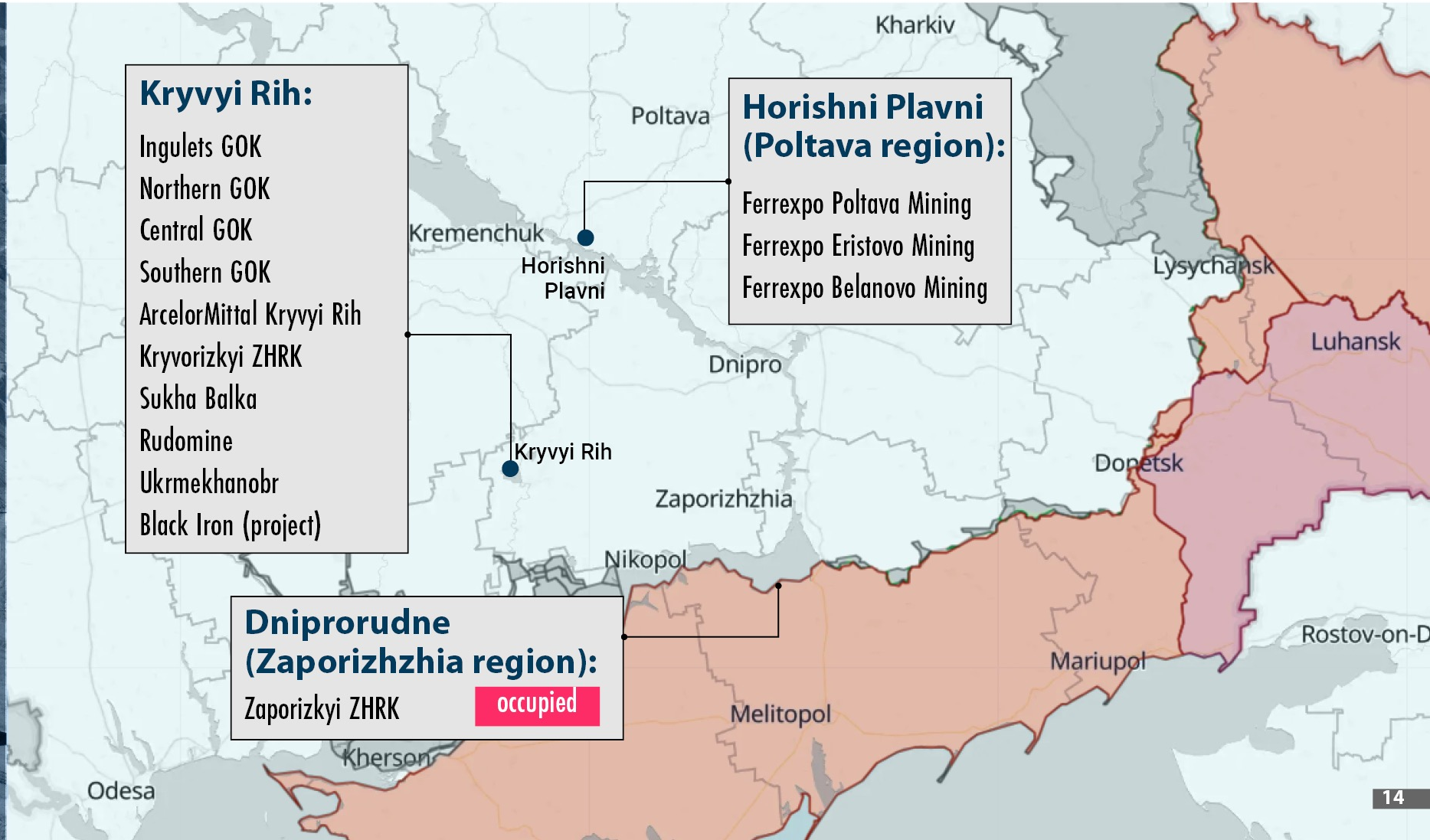
Importer of HVA steel products

Importer of technologies

UKRAINE IS THE BEST SUITABLE TO BECOME MAJOR SUPPLIER OF FEED FOR DRI PRODUCTION



5 bln tons
of global magnetite ores reserves located in Ukraine, that holds 5th place globally by magnetite ores

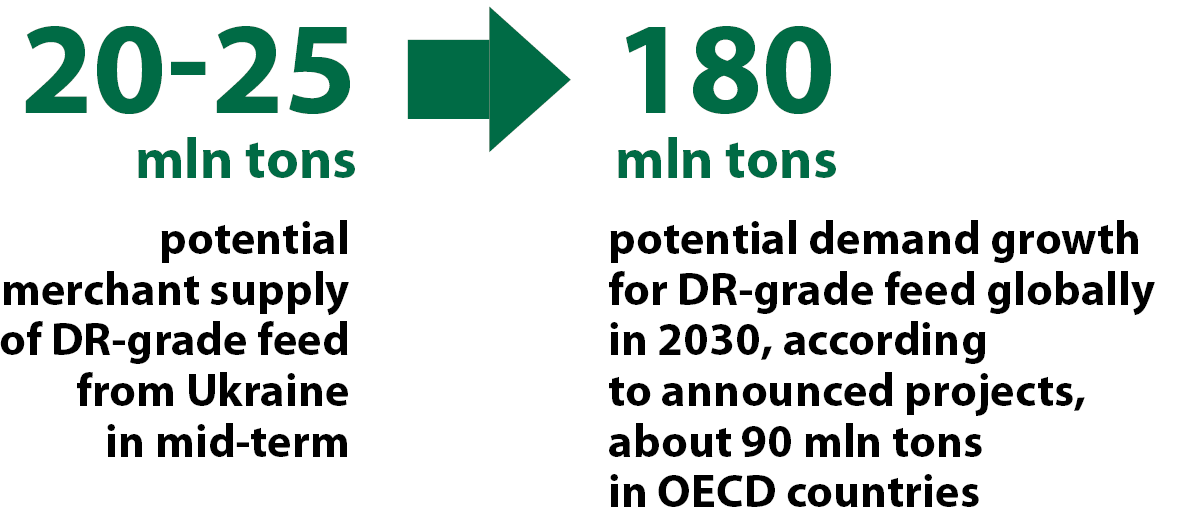


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UKRAINE SUPPORTS EUROPEAN GREEN TRANSITION WITH DR-GRADE FEED

Potential of DR-grade feed capacities in Ukraine, mln tons

Company	Product	Capacity
Metinvest	Pellets	7.5
Metinvest	Concentrate 68-70%	19.3
Ferrexpo	Pellets	3.0-5.0
ArcelorMittal Kryvyi Rih	Pellets	5.0
Black Iron	Concentrate 68%	4.0-8.0
Southern GOK	Concentrate 68%	3.0



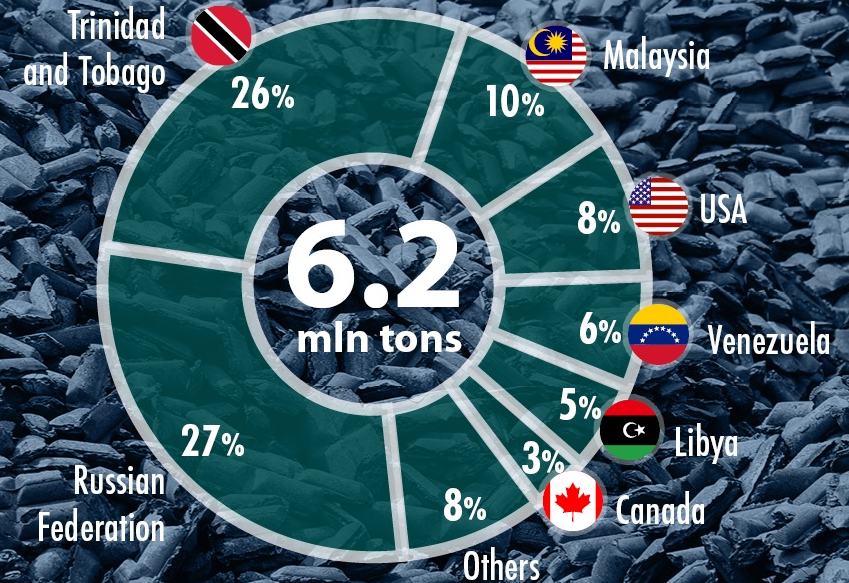
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THE FUTURE OF UKRAINIAN STEEL INDUSTRY IS IN LOW-CARBON PRODUCTION

Potential routes for decarbonization of iron & steel sector of Ukraine

Company	Product
Metinvest	2 DRI modules × 2.5 mln tons
Zaporizhstal	2 EAFs
Kametsteel	EAF + slab casting, + bloom casting
ArcelorMittal Kryvyi Rih	DRI-EAF facilities
Dnipro Metallurgical Plant	could be decommissioned

Import of HBI to OECD in 2022



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UKRAINIAN IRON & STEEL INDUSTRY IN 2035

	2021	2023	2035
Nominal steelmaking capacities, mln tons	27.0	17.8	15.0
Steel output, mln tons	21.4	6.2	12.0
Capacities utilization, mln tons	79%	35%	80%
Low carbon steel output, mln tons	1.0	0.8	6.0
Domestic market (finished), mln tons	4.6	3.5	5.0
Steel export (finished), mln tons	15.1	3.3	7.1
Pig iron export, mln tons	3.2	1.2	-
HBI export, mln tons	-	-	2.0

* Assuming the actual front-line





Our expertise:

- Market studies and global trends
- Impact analysis, analysis of regulatory documents
- Modelling and business valuation
- Global trade issues
- Concept of reforms and policy papers
- Decarbonization and green energy transition issues
- Sustainability, ESG activities and reporting

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