

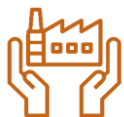


Uzmetkombinat JSC

September 2024

Uzmetkombinat is the largest steel producer in the Republic of Uzbekistan

Company overview



THE COMPANY founded on June 27, 1942 (a date of the beginning of a plant construction). Then in accordance with the decree of Cabinet of Ministers of the Republic of Uzbekistan № 159 dated from March 24, 1994 JSC Uzmetkombinat went through a merger with Uzbek Metallurgical Plant, Shirinsky machine factory and Vtorchermet. **The Government of the Republic of Uzbekistan exercises full control over the Company** (state and quasi-state share ~93%) and **supports its major investment projects.**



The Group is **the largest steel producer in the Republic of Uzbekistan**. Most of the national construction sector relies on the Group for ferrous metal. **The Group's domestic sales account for more than a third of ferrous metal consumption** in the Republic of Uzbekistan.



The Group's **total production capacity exceeded 1 mln ton of ferrous metal a year**, with the current corporate strategy aimed at **further expansion and product line diversification.**



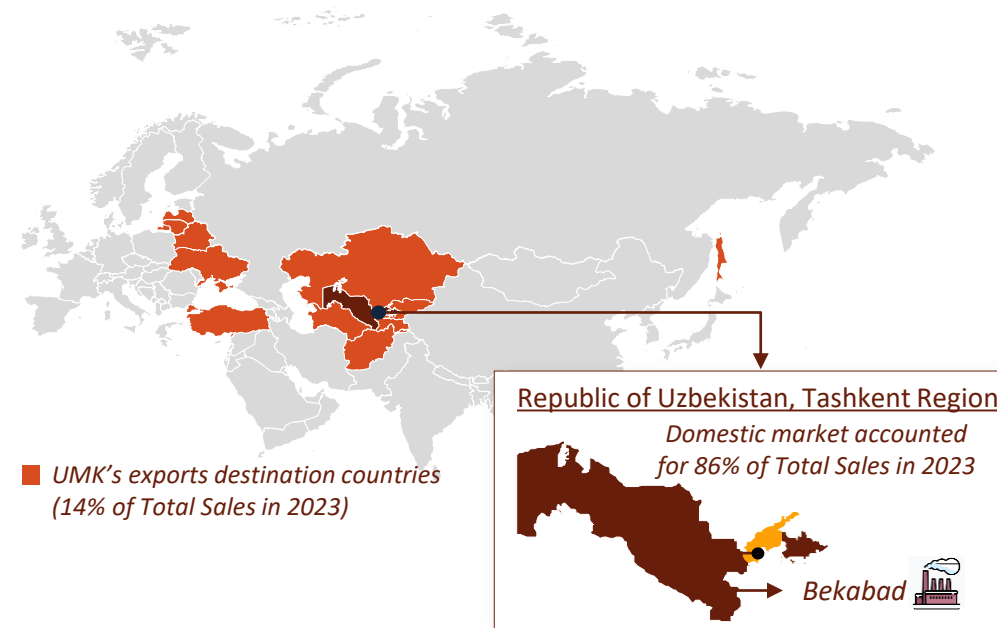
Further development and modernization of the steel industry is one of the **key national priorities** for the Government of the Republic of Uzbekistan and JSC Uzmetkombinat benefits from such a **favorable regulatory environment.**



For more information, please visit our website at:
<https://www.uzbeksteel.uz/>

Geographic presence

Robust growth of steel consumption within the Republic of Uzbekistan determines the Group's focus on the domestic market.



JSC Uzmetkombinat is a **town-forming enterprise**: the Group makes a significant contribution to the further development of **the town of Bekabad** (total population of 100,000 people), where the Group's assets are located. The Group **provides more than 10,000 workplaces.**

Uzmetkombinat: Strongly positioned today

Strongly Positioned Today



#1 STEEL PRODUCER IN UZBEKISTAN

Satisfying about a third of total local demand



LOW-COST MANUFACTURER WITH STRONG COST ADVANTAGES

\$536/t production cost with extensive collection, processing and delivery capabilities of scrap material



ATTRACTIVE REGULATORY BASE

Uzbek Government's strategic goal is to further develop local steel industry to ensure higher share of locally produced steel



ANNUAL PRODUCTION OF >1 mn tons

Electric arc furnaces and diverse network of local scrap purchases and sales of the final product



INVESTING TO DOUBLE CAPACITY (2021 - 2025)

Construction of a new cast and rolling complex to produce hot rolled steel (from 2025) and to diversify product mix



OPERATING AT FULL CAPACITY UTILIZATION

Optimizing costs through production modernization and product diversification

An Ambitious Strategy for Future of Capacity Expansion Through Sustainable Investment

DOUBLE PRODUCTION

01

Strengthen dominance in domestic steel products by more than doubling annual production capacity to >2.5mn tons in 2026+

DIVERSIFICATION

02

Introduce casting and rolling technology to manufacture flat steel products, diversifying current production away from long products

ROBUST MARGIN

03

Committed to remaining one of the lowest cost steel producers globally through a perpetual cost optimization program, helping to maintain robust margins through market cycles

ESG

04

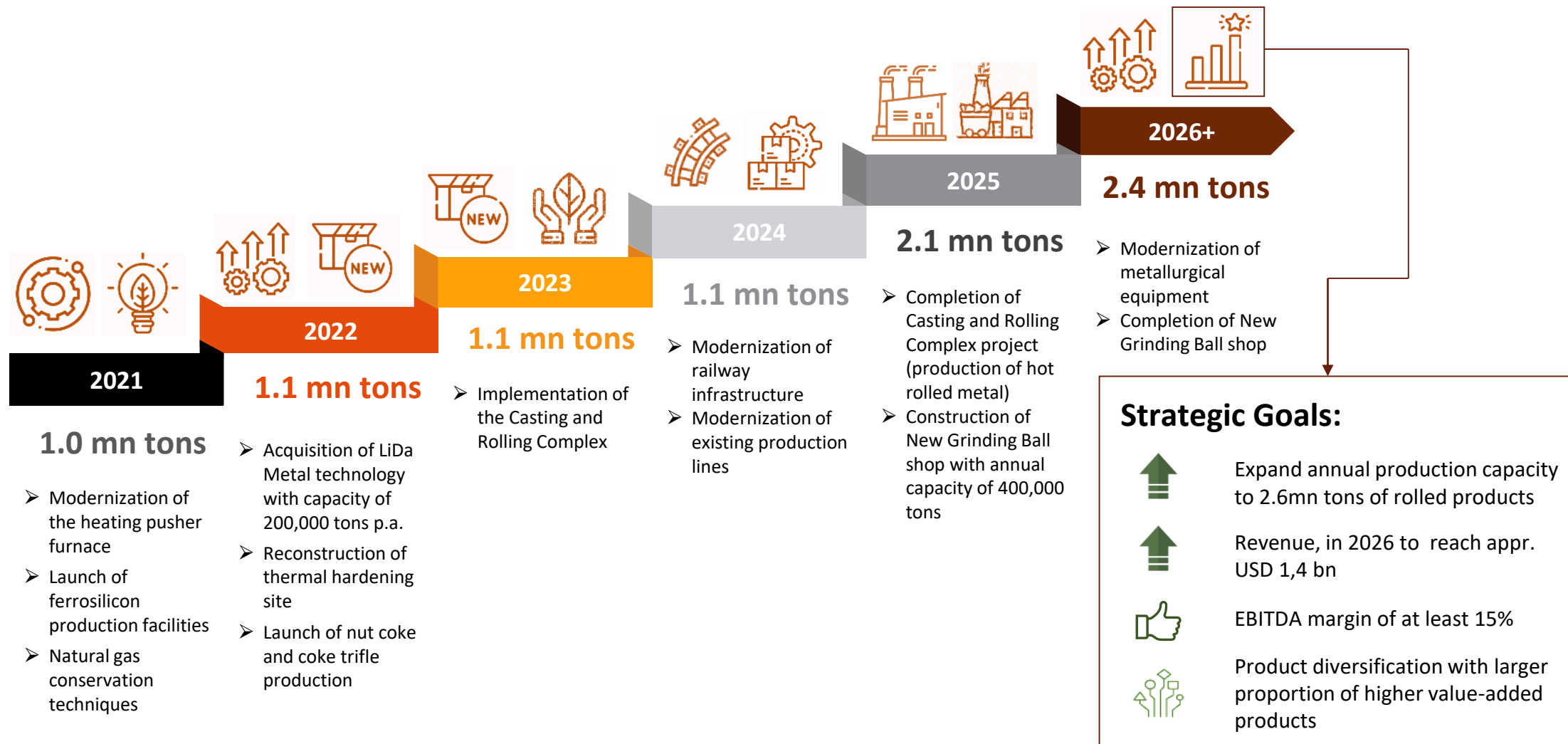
Dedicated to sustainable business principles and ESG initiatives, particularly in the realm of social investment

SHAREHOLDER RETURNS

05

Become Uzbekistan's leading publicly-listed company, with a clear focus on delivering solid total shareholder returns

Vision 2026+ for Growing Production Capacity



Project Overview

UzMK is implementing a major investment project "**Construction of Casting and Rolling complex**", which will allow the production of import-substituting **hot-rolled coils** in the Republic of Uzbekistan.



Project Capacity: 1,04 mn. tons



Project Cost: EUR 774 mn. including VAT



Commissioning: 2025



Employment: 1 253 people



TOTAL COMPLETED WORKS – 79%
including:



Construction works – 74%



Equipment supply – 91%.



Equipment installation – 81%

2022



2024



Key milestones: Transformation activities

Current Results

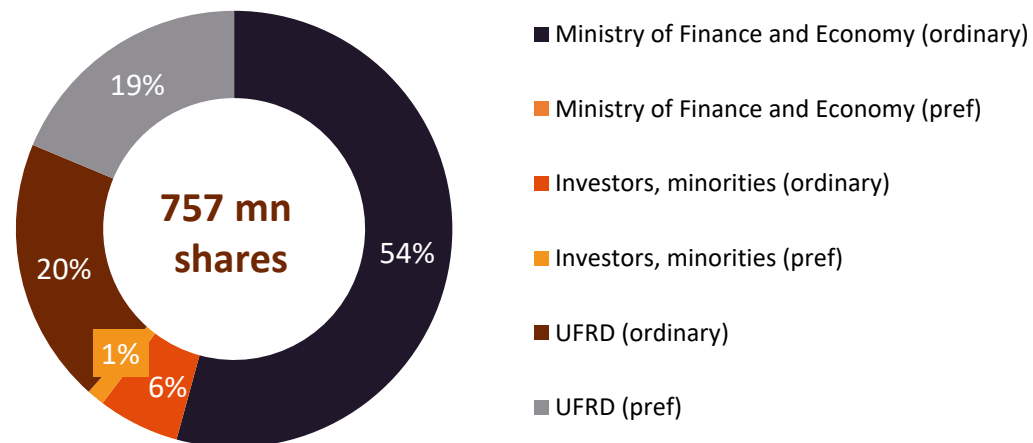
- The inaugural local bonds issue with oversubscription of 9.5x
- Majority of non-core assets has been transferred to respective government organizations.
- Credit rating from Fitch ("BB-")
- GHG emissions has been calculated for 2021-2022. 2023 results are on the way.
- ESG rating score of "C" by CDP (Feb 2024)
- Syndicated loan provided by Citibank has been successfully extended for an additional year with full consent of participating Lenders
- Increasing the corporate transparency with the introduction of regular financial disclosure and Investor Calls. The fifth year of IFRS results publication
- Building relationships with local and foreign investment communities. Focus on reducing cost of production and enhancing operational efficiency

Our Immediate Plans And Outlook For 2024-2025

- Expansion of UzMK's production capacity - the 2025 target is to launch "Construction of Casting and Rolling complex" project
- Corporate governance remains a strategic focus, including plans to appoint independent directors to the Supervisory Board
- Cost optimization by implementing energy-saving measures and renegotiating supplier contracts
- Audit of GHG emission calculations
- 2022-2023 Annual and Sustainable Reports publication
- USD-denominated local bonds placement
- Additional share issue on the local market (FPO) of around 5% of share capital
- The development of long-term ferrous metallurgy strategy of the Republic of Uzbekistan

Current Shareholder Structure and FPO/IPO Plans

Shareholder Structure*



Commentary

- UzMK has issued additional ordinary and preferred shares in exchange for EUR 140 mn UFRD's capital injection to provide financing for Casting and Rolling complex project
- The minority shareholders have received and exercised their preemptive rights.
- The company plans **an FPO (5% of shares) on the Uzbek Stock Exchange "Toshkent" in 4Q2024**. The deal size is expected to be around USD 20 mn.
- The Free-float will constitute less than 25% of shares (current at the level of 7,37% of shares), **the government of Republic of Uzbekistan will retain full control over the Company.**

Advancing Transparency Efforts to Date



Key Accomplishments in 2022-2023:

- Securing an First Time Rating from Fitch Ratings
- Introduction of regular financial disclosure and Investor Calls
- Signing of the memorandum of understanding with EBRD as a confirmation of future cooperation in advancing the Company's decarbonization strategy



Work to be carried out in 2024:

- Affirming BB- credit rating from Fitch Rating (*completed*)
- Obtaining first-time ESG rating (*Score of C from CDP*)
- Appointing independent directors to the Supervisory Board (*ongoing*)
- Compiling a Sustainability Report (*ongoing*)
- Development of a new corporate website according to international standards (*ongoing*)

* As of July 1, 2024, UFRD - Fund for Reconstruction and Development of Uzbekistan

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This presentation contains forward-looking statements which reflect the current views of the management of Uzmetkombinat with respect to future events. They generally are designated by the words “expect”, “assume”, “presume”, “intend”, “estimate”, “strive for”, “aim for”, “plan”, “will”, “endeavour”, “outlook” and comparable expressions and generally contain information that relates to expectations or goals for economic conditions, sales proceeds or other yardsticks for the success of the enterprise. Forward-looking statements are based on currently valid plans, estimates and expectations in line with the actual legal and regulatory environment and are therefore only valid on the day on the date of the presentation. Therefore should be considered with caution. Such statements are subject to numerous risks and factors of uncertainty (e. g. those described in publications) most of which are difficult to assess and which generally are outside of the control of Uzmetkombinat. The relevant factors include the effects of reasonable strategic and operational initiatives, including the acquisition or disposal of companies (shares in them) or other assets. If these or other risks and factors of uncertainty occur or if the assumptions on which the statements are based turn out to be incorrect, the actual results of Uzmetkombinat can deviate significantly from those that are expressed or implied in these statements. Uzmetkombinat cannot give any guarantee that the expectations or goals will be attained. Uzmetkombinat –notwithstanding existing legal obligations –rejects any responsibility for updating the forward-looking statements through taking into consideration new information or future events or other considerations, liabilities.

In addition to the key figures prepared in accordance with IFRS and Uzbekistan-GAAP respectively, Uzmetkombinat is presenting non-GAAP key figures such as EBITDA, EBIT, Net Debt and net financial liabilities that are not a component of the accounting regulations. These key figures are to be viewed as supplementary to, but not as a substitute for data prepared in accordance with IFRS. Non-GAAP key figures are not subject to IFRS or any other generally applicable accounting regulations. In assessing the net assets, financial position and results of operations of Uzmetkombinat, these supplementary figures should not be used in isolation or as an alternative to the key figures presented in the consolidated financial statements and calculated in accordance with the relevant accounting principles.

Rounding differences may occur with respect to percentages and figures.