

PRIVATIZATION - 100% SALE OF UMCC AT THE AUCTION

#1 IN EUROPE AND TOP-10 GLOBAL MINERS OF TITANIUM AND ZIRCONIUM ORES

UNITED MINING AND CHEMICAL COMPANY



Adviser of SPFU on privatization and sale of UMCC

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The Advisor - BDO Corporate Finance (Ukraine) is appointed by the Cabinet of Ministers of Ukraine as the Advisor of the State Property Fund of Ukraine (SPFU) on preparation for privatization and sale of 100% share capital of the Company.

BDO Corporate Finance (Ukraine) team is ready to answer any questions and discuss the Project's details.

Sincerely,

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Preparation and Auction Indicative Timetable

#	Date	Preparation for the Auction and indicative key dates and deadlines
1	Currently	The preparation process for privatization is in progress - pre-final stage can be completed in March 2024.
2	March-April 2024	It is expected that the auction commission headed by the SPFU approves the terms of UMCC privatization and the sale of 100% of UMCC at the auction. The terms will include the starting price for the auction and the date of the auction, and finally to be approved by Cabinet of Ministers of Ukraine. It is expected that the action date to be approved as 60-90 days from the date of the announcement.
3	April 2024	After approvals of the terms the SPFU is obliged to publish the announcement of the auction date and terms. It is expected that the action date to be approved as 60 or 90 days from the date of the announcement.
4	July 2024	The auction can be conducted. It is expected that SPFU will arrange the auction of selling Demurinsky MPP on the same day with the sale of UMCC. Demurinsky MPP mines Vovchanske ilmenite-rutile-zircon deposit, that can assure UMCC with additional resources.

Global Advantages

Ukraine is the largest miner of ilmenite and the only miner of rutile and zircon in Europe. Ukraine has significant logistical advantages - delivery to European consumers up to 3 days, compared to up to 30 days from Asia, Australia, Africa or North America.

UMCC share of global market in 2020*:

Ilmenite - 2.3%
 Rutile - 6.2%
 Zircon - 1.4%

UMCC is #1 in Europe and TOP-10 global miners of titanium and zirconium ores

Main global consumers of titanium ores:

Europe

INEOS
 Venator
 Evonik Industries
 Precheza
 Grupa Azoty

North America

Chemours
 Kronos
 Tronox

Asia

Lomon Billions
 Tayca Corporation
 Toho Titanium
 Osaka Titanium
 Ishihara Sangyo Kaisha

UMCC export - 86% 2023

Recipient country:

USA - 25%
 Belgium - 25%
 Poland - 16%
 Czech - 12%
 Turkey - 5%
 Other - 4%

UMCC reserves as of January 1st, 2024:

Ilmenite - 3,857k t
 Rutile - 194k t
 Zircon - 96k t



● Main miners

Source: UMCC. *Estimation based on data from State Statistics Service of Ukraine, USGS

Key Figures

UMCC is the largest miner of ilmenite rutile and zircon in Europe. 2021: Net Revenue \$168m, EBITDA adj \$36m (21.4% margin) and Net Income adj \$21m (margin 12.5%). 2023: Net Revenue \$53.2m, EBITDA -\$2.5m (-5%).

The Company:

United Mining and Chemical Company (UMCC) is the largest miner of titanium and zirconium ores in Europe.

The operations are divided between two subsidiaries: Vilnohirs Mining and Metallurgical Plant (VMMP) and Irshansk Mining and Processing Plant (IMPP).

Main products. Concentrates:

- Ilmenite. TiO₂ content: sulfate: 54-58%, chloride: 63%
- Rutile. TiO₂ content: 94-96%
- Zircon. ZrO₂ content: 65-66%

Special mining permits:

- IMPP: expires on 11.02.2035
- VMMP: expires on 20.02.2043

Reserves as of 01.01.2024:

- Ilmenite 3,857k t
- Rutile 194k t
- Zircon 96k t

Annual sales of concentrates in pre-war periods:

- Ilmenite 300+k t
- Rutile ~40k t
- Zircon ~20k t
- Export is about 90% of Net Revenue

Personnel as of 01.01.2024:

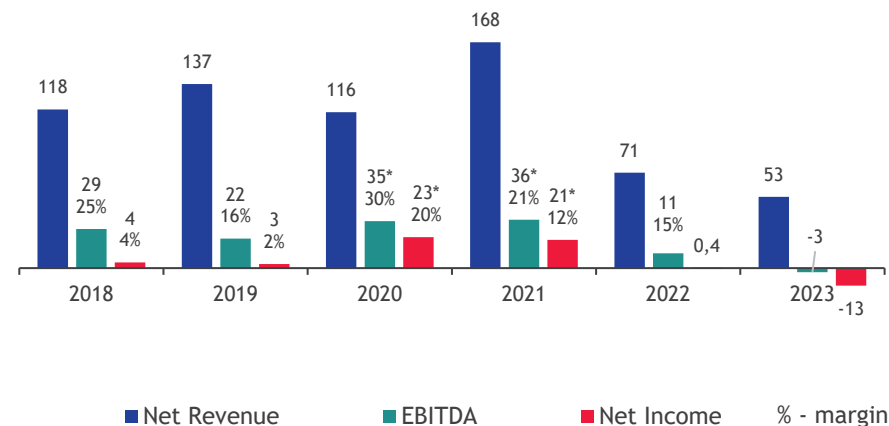
- 5.7k staff employees
- 4.3k actual employees

Financials	2021	2022	2023
Net Revenue	\$168 m	\$71 m	\$53 m
EBITDA	\$36 m*	\$11 m	-\$3 m
EBITDA margin	21%	15%	-5%

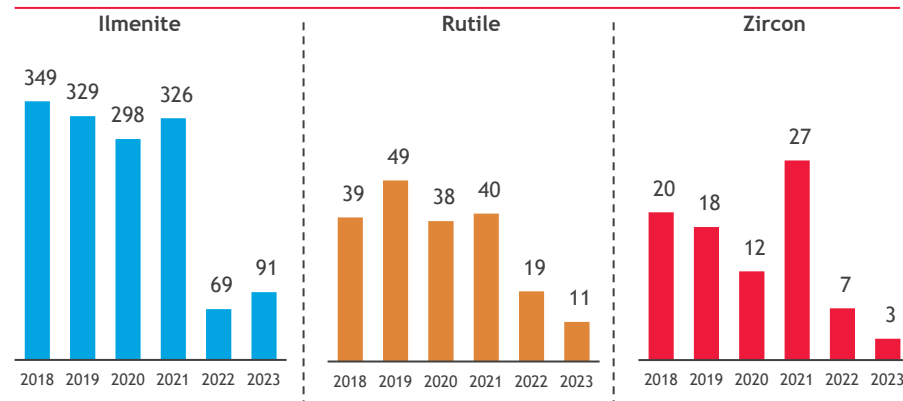
Source: UMCC

Note: *Adjusted EBITDA, adjusted Net Income

Key financials, \$ m



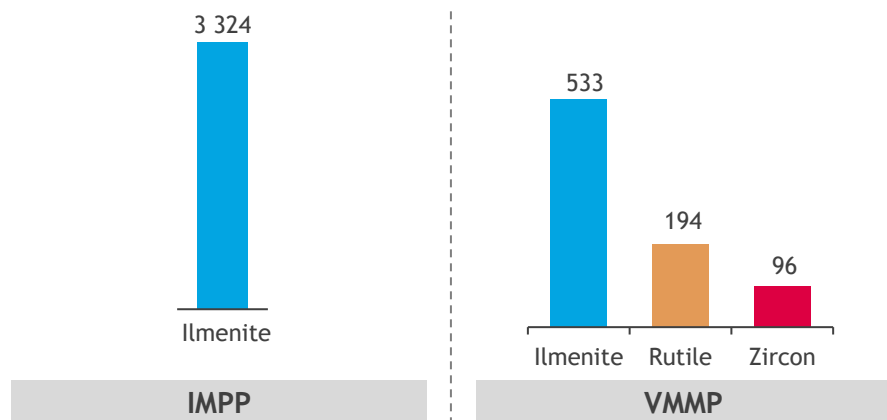
Sales of concentrates, k t



Reserves and key operational indicators

Reserves: ilmenite 3,857k t, rutile 194k t, zircon 96k t

Reserves, 01.01.2024, k t

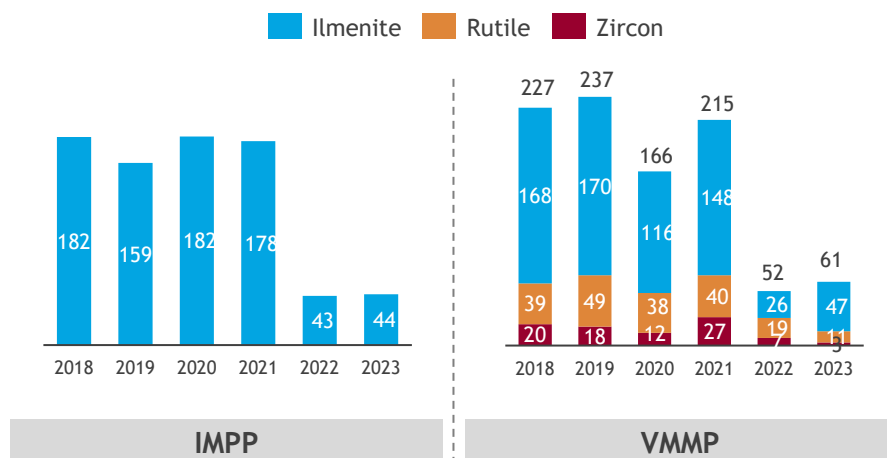


Reserves, k t

Resources, k t

Product	IMPP	VMPP	Total	Product	IMPP	VMPP	Total
Ilmenite	3,324	533	3,857	Ilmenite	5,841	4,008	9,849
Rutile	-	194	194	Rutile	-	1,326	1,326
Zircon	-	96	96	Zircon	-	540	540

Sales of concentrates, k t



Increase of resources

- In August 2021 UMCC obtained a special permit for the geological exploration of Selishchansky site with estimated reserves of 2.3m t of ilmenite. The reserves are expected to additionally ensure the operation of IMPP for 15 years.
- Possible increase of resources at VMMP subsidiary at the expense of obtaining new special mining permits - [link](#)
- To increase resources of UMCC, the SPFU plans to sell at the auction Demurinsky Mining and Processing Plant, which extracts ore from the Vovchanske deposit.
- The resources of Demurinsky Mining and Processing Plant are estimated at 1,885kt of ilmenite, 628kt of rutile, 126kt of zircon.

Investment Highlights

UMCC produces over 350k t of the highest quality titanium ore concentrates and exports its products to 35 countries

HIGH QUALITY AND SIGNIFICANT ORE RESERVES

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- Ilmenite concentrate:
 - Ilmenite content 95%
 - TiO₂ content:
 - sulfate: 54-58%
 - chloride: 63-66%
- Rutile concentrate:
 - Rutile content 92-97%
 - TiO₂ content: 94-96%
- Zirconium concentrate:
 - Zircon content 98-99%
 - ZrO₂ content: 65-66%
- Reserves amounts to:
 - Ilmenite: 3,857k t
 - Rutile: 194k t
 - Zircon: 96k t
- Resources amounts to:
 - Ilmenite: 9,849k t
 - Rutile: 1,326k t
 - Zircon: 540k t
- For detailed information on mineral reserves, please write to privatization@spfu.gov.ua. The link to enter the virtual data room with the document repository will be sent to your email

EXPORT-ORIENTED COMPANY

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- The company exports 88% of its products to 35 countries
- Consumers include:
 - Chemours International
 - Venator Materials
 - ESAB
 - Zaporozhye Titanium & Magnesium Combine
 - Lincoln Electric

 PRECHEZA



Chemours

 LINCOLN ELECTRIC

 ZTMC

MODERN AND TRANSPARENT COMPANY

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- Each year, the Company is audited in accordance with IFRS standards: KPMG (2016), Kreston (2020), Baker Tilly (2017-2019, 2021-2022)
- Sales amount to over 350k tones of industrial mineral concentrates per year
- The equipment of the TOP world companies is used in production:
 -  WARMAN
 -  CAT
 -  HITACHI
 -  BELL TRUCKS AMERICA, INC.
 -  KOMATSU
 -  JCB
 -  SHANTUI
 -  WEHR
- The Company's production facilities operate 24 hours a day
- The Company has 4.3k employees

EUROPEAN MARKET LEADER

4

- Absolute leader on Ukrainian market
- Largest miner of titanium and zirconium ores in Europe
- Market Share (2020):
 - Ilmenite: 38% (Ukraine) 2.3% (World)
 - Rutile: 90% (Ukraine) 6.2% (World)
 - Zircon: 95% (Ukraine) 1.4% (World)

ADVANTAGEOUS GEOGRAPHICAL LOCATION

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- The geographical location makes it possible to deliver products to European consumers faster than competitors:
 - Delivery by trucks to European countries takes ~3 days
 - For example delivery by competitors from Australia to Europe takes approximately 30 days
- All European electrode manufacturing plants use UMCC products due to the ability to deliver products in small shipments

Production facilities

Production facilities include leading combines for the production and processing of titanium ores. The location allows fast delivery of products to the EU and CIS countries.

The Company

UMCC is a leading company in the production of ilmenite, rutile and zirconium concentrates in Ukraine and Europe

Production facilities:

1. VMMP:

- Specializes in the mining and processing of titanium ores. Main products: ilmenite (chloride), rutile and zirconium concentrates
- Special mining permit expires on 20.02.2043
- Production facilities: one ore-processing plant
Capacity: 5.5m³ per annum
- Personnel: 3.9k staff employees; 2.9k actual employees
- Machinery (units):
 - Mining: 50+
 - Cargo-carrying: 150+
 - Railway: 6 locomotives



2. IMPP:

- Specializes in the mining, and processing of ilmenite ores. Main products: ilmenite concentrate (sulphate)
- Special mining permit expires on 11.02.2035
- Production facilities: three ore-processing plants
Total capacity: 2.3m³ per annum
- Personnel: 1.7k staff employees; 1.3k actual employees
- Machinery (units):
 - Mining : 50+
 - Cargo-carrying : 70+
 - Railway: 3 locomotives



Location of production facilities



Production facilities



Key financial indicators

2021: Net Revenue \$168m, EBITDA adj \$36m (21.4% margin) and Net Income adj \$21m (margin 12.5%)
 2023: Net Revenue \$53.2m, EBITDA -\$2.5m (-5%). Export - 86% of Net Revenue.

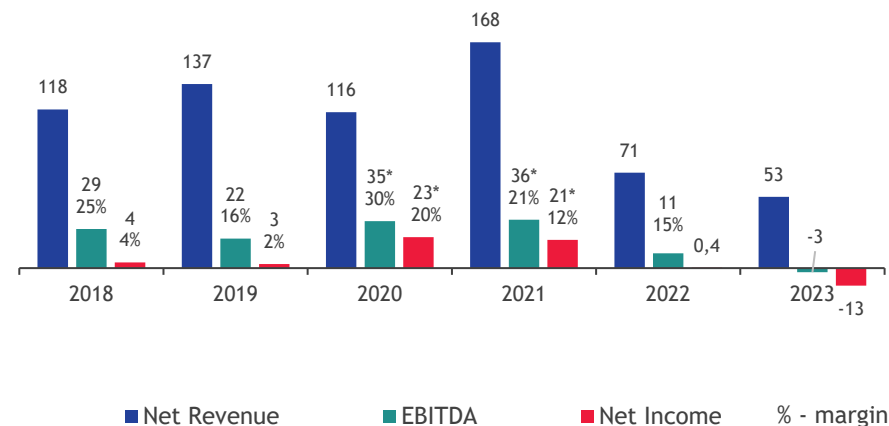
Assets, 31.12.2023, \$ m

Non-current Assets	\$32
Inventories	\$29
Accounts receivables	\$6
Cash	\$0
Other current assets	\$35
Current Assets	\$70
Total	\$103

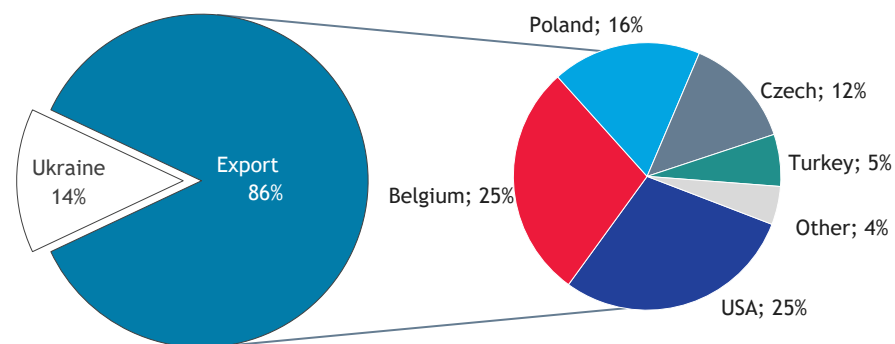
Equity & Liabilities, 31.12.2023, \$ m

Equity	\$59
Deferred LT liabilities (recultivation)	\$18
Other non-current liabilities	\$0
Non-current liabilities	\$18
ST bank loans	\$8
Other current liabilities	\$18
Current Liabilities	\$26
Total	\$103

Key financial indicators, \$ m



Net Revenue structure by geography, 2023



Source: UMCC

Note: *Adjusted EBITDA, adjusted Net Income