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**DUE TO THE DECISION OF THE TAX AUTHORITIES NOT TO REFUND VAT,
FERREXPO WARNS OF SERIOUS NEGATIVE CONSEQUENCES:
REDUCTION IN WORKFORCE, PROCUREMENT, TAXES, AND INVESTMENT**

Ferrexpo, an iron ore company headquartered in Switzerland and listed on the London Stock Exchange, warns about the negative socio-economic consequences of the decision of the Ukrainian tax authorities to suspend VAT refunds for January 2025 in the amount of UAH 512.9 million (approximately US\$12.5 million).

The suspension of VAT refunds puts additional financial pressure on Ferrexpo. This means that the company will be forced to reduce production and sales. These actions cause damage and further complicate already difficult operating conditions.

Without VAT refunds, Ferrexpo is forced to radically reduce the scale of its business to only 25% of its full production capacity. This has an immediate impact, since planned production will be cancelled, resulting in the following consequences:

1. Thousands of jobs will be at risk;
2. Tax revenues to the Poltava region and the state budget of Ukraine will immediately decrease by at least 50%;
3. Ferrexpo will be forced to stop any future investments in Ukraine;
4. Purchases of goods and services in Ukraine will be halved, which will put local and national companies that depend on Ferrexpo at risk. This also includes reducing the use of Ukrainian railways and ports;
5. The economic and social stability of local communities will be disrupted.

Commenting on the economic and social risks, Lucio Genovese, Executive Chairman, said: *"Ferrexpo is an important contributor to Ukraine's economy and society, especially in times of war. A monthly VAT refund is a significant cash flow contribution for any company, and if it is not received, will have a huge impact on the business and all its stakeholders. Ferrexpo calls on the Ministry of Finance and the State Tax Service of Ukraine to take urgent and effective measures to restore VAT refunds."*

Chief Operating Officer and Head of the Board of Ferrexpo Poltava Mining, Viktor Lotous, added: *"Horishni Plavni, the city that was built around our operations, is home to more than 50,000 people, including more than 8,000 internally displaced people. In one way or another, every household in Horishni Plavni and the surrounding area is dependent on the activities of Ferrexpo Poltava Mining. By extension we are also a critical contributor to the greater Poltava region and indeed to Ukraine. Our employees, unions, and community leaders, are nervous about the viability of our enterprise, their livelihoods, and the community."*

Information on the decisions of the Ukrainian tax authorities

In the notification, the tax authorities note that the suspension of VAT refunds is associated with the introduction of personal sanctions against Kostiantyn Zhevago. As previously announced, these sanctions are personal to Mr. Zhevago and have not been imposed directly on the company.

Ferrexpo believes that personal sanctions against Konstantin Zhevago should not be used to put financial pressure on the company, especially when the majority of Ferrexpo's voting shares are owned by international investors, including some of the largest global banks, investment, pension, and sovereign wealth funds.

Last week, Ferrexpo announced a write-down of the value of its operating assets in the amount of USD 72 million due to a decrease in projected cash flows. The company suffered a loss of US\$50 million in 2024 due to higher costs and lower prices for its products.

Ferrexpo is one of the largest industrial companies in Ukraine and an important foundation of the local, regional, and national economy. This contribution is more significant in wartime conditions. Since the beginning of Russia's full-scale invasion of Ukraine, Ferrexpo has made a significant contribution to Ukraine's economy worth more than US\$2 billion, including:

1. Continuing to work with a full workforce of over 8,000 people, paying more than US\$150 million in salaries.
2. As a major buyer of goods and services in Ukraine, paying suppliers more than US\$1.8 billion.
3. Supporting the Government of Ukraine, paying more than US\$300 million in taxes and royalties.
4. Investing more than US\$300 million in capital expenditures to support and modernise mining and processing operations.

Ferrexpo calls on the Ministry of Finance and the State Tax Service of Ukraine to take urgent and effective measures to restore VAT refunds and not jeopardize people's livelihoods, fiscal and social contributions during this critical period in the history of Ukraine. Instead of forcing Ferrexpo to reduce its business, the authorities should promote its growth so that the company can further support the Ukrainian economy.

For further information please contact:

Ferrexpo:

Nick Bias n.bias@ferrexpo.com +44 (0)7733 177 831

Tavistock:

Jos Simson ferrexpo@tavistock.co.uk +44 (0)20 7920 3150

Gareth Tredway +44 (0)7785 974 264

Ferrexpo is an iron ore company headquartered in Switzerland, assets in Ukraine and listed in the category of commercial company shares on the London Stock Exchange (FXPO) and included in the FTSE 250 and FTSE4Good indices. The Group produces high-quality iron ore pellets, a premium product for the global steel industry that helps reduce carbon emissions and increase steel production productivity compared to other common forms of iron ore. Ferrexpo has been supplying products to the global steel industry for more than 50 years. Before Russia's full-scale invasion of Ukraine in February 2022, the Group was the third largest exporter of pellets in the world. The company has a global customer base that includes leading steel mills around the world.

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