

# Business Model

Ferrexpo's purpose is to produce and market premium quality iron ore pellets and concentrate, in a socially responsible and sustainable manner. Ferrexpo has achieved this for a number of years through building constructive relationships with stakeholders and driving consistent and sustainable returns from its asset base in mining, processing and logistics.

## UNDERPINNED BY OUR VALUES

### Responsibility

Safety first, environmental responsibility, accountable to communities.

### Make it happen

Focused efforts to deliver superior business results, achieved through an engaged workforce.

### Integrity

Delivering high ethical standards and delivering on commitments. Accountability.

### Diversity within one team

Valuing difference in opinions and backgrounds. Building collective strength.

### Continuous innovation

Embracing change. Courage to improve and accepting new thinking.

## CORE COMPETENCIES

### 1. Long life asset base

Tier one mining assets with over 40 years of production track record and Ore Reserves for a further +50 years of production.

### 2. Established mining, processing and logistics infrastructure

Reinvestment of profits over successive years has developed Ferrexpo into the third largest exporter of iron ore pellets globally.

### 3. Skilled workforce

Working safely, adapting to implement new technology, to increase production in a safe and sustainable manner.

### 4. Premium products

Consistent investment in assets providing near-term growth in production volumes, product quality and new product types.

### 5. Premium customers

Ferrexpo's marketing team has developed a network of established steel producers, building resilient business relationships.

### 6. Prudent financial management

Resilience, consistent profitability, disciplined capital allocation, balance sheet strength.

## OUR COMMERCIAL AND OPERATING MODEL

### LONG LIFE ASSET BASE

The Group has a mine life of over 50 years at its two main mines, with an additional mine (FBM) in development.

### OPERATIONS & WORKFORCE

Experienced management team and well invested business, transforming raw ore into high grade pellets.

### PREMIUM PRODUCTS

Pellets are the highest quality form of iron ore that can be used in the steelmaking process.

### PREMIUM CUSTOMERS

Ferrexpo supplies its iron ore products to the world's best steelmakers to produce high quality steel types.

### PRUDENT FINANCIAL MANAGEMENT

Delivering strong profitability to ensure a balance of investment for future growth and shareholder returns.

### REINVESTMENT

Reinvestment of over US\$2.75 billion since IPO to deliver further volume and quality improvements for stakeholders.

## STAKEHOLDER BENEFITS

### Employees

Wages and salaries paid (2019: US\$109M)

US\$114M

### Customers

Revenue generated (2019: US\$1.5BN)

US\$1.7BN

### Suppliers

Suppliers of goods and services (2019: US\$944M)

US\$876M

### Communities

Donations through Ferrexpo Charity Fund (2019: US\$6M)

US\$6M

### Environment

Money spent to safeguard the environment (2019: US\$16M)

US\$17M

### Government

Taxes and royalties paid (2019: US\$114M)

US\$100M

### Investors

Shareholder returns (2019: US\$155M)

US\$195M

### Capital providers

Debt repayments and interest (2019: US\$263M)

US\$170M