



KOVALSKA

DEVELOPMENT AS A TRADITION

SINCE 1956

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- Strategy and sustainability
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Kovalska – the trustworthy partner in Ukraine

Kovalska is one of the largest vertically integrated construction material manufacturers and property developers in Ukraine. Our business encompasses the production of concrete and associated products, dry mortar mixes, gravel, sand, lime, and limestone, as well as the building of residential and non-residential properties.

The Company started its operations in 1956 and has grown exponentially since then. As a property developer, we completed 31 real estate projects. As a family business, we rely on our reputation and professionalism in the industry.

Our strategic goals are aimed at fulfilling customers' needs and increasing shareholder value through underlying continuous efficiency improvements in our business processes, IT infrastructure, and talents.



Our ambition is to remain a key Ukrainian player in the building materials market with an innovative culture. We develop a culture of responsible construction and building aesthetics. We are working hard to create a civilized construction industry in Ukraine and strive to make construction high-tech, innovative, understandable, and accessible.

Kovalska is committed to a responsible approach in everything it does for society and its employees.

A word from the CEO

Before the full-scale invasion of Russian forces, Ukrainian construction materials and building development markets grew by double digits and are expected to grow even faster after the war. Kovalska has always been a dependable business and consumer partner. We met our obligations during times of tremendous growth as well as harsh crises. For decades, we have made no compromises in terms of quality, service, or reputation.

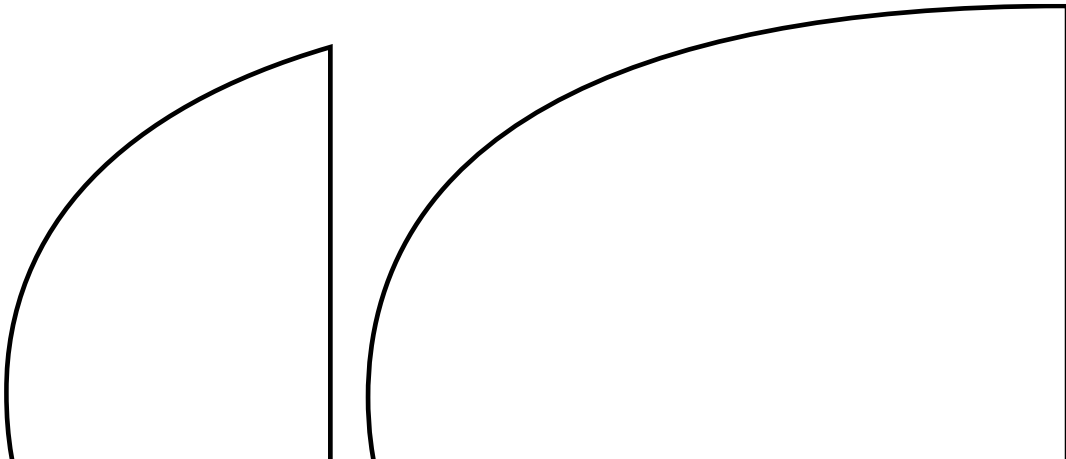
Behind our backs is a history of 68 years of successful development. A family of founders leads our team. We manage the business according to our values to benefit our country and our community.

We can assure you of our strong belief in the future post-war recovery of Ukraine from these industrial projects that are incremental to Ukraine's post-war recovery and the region's social welfare.

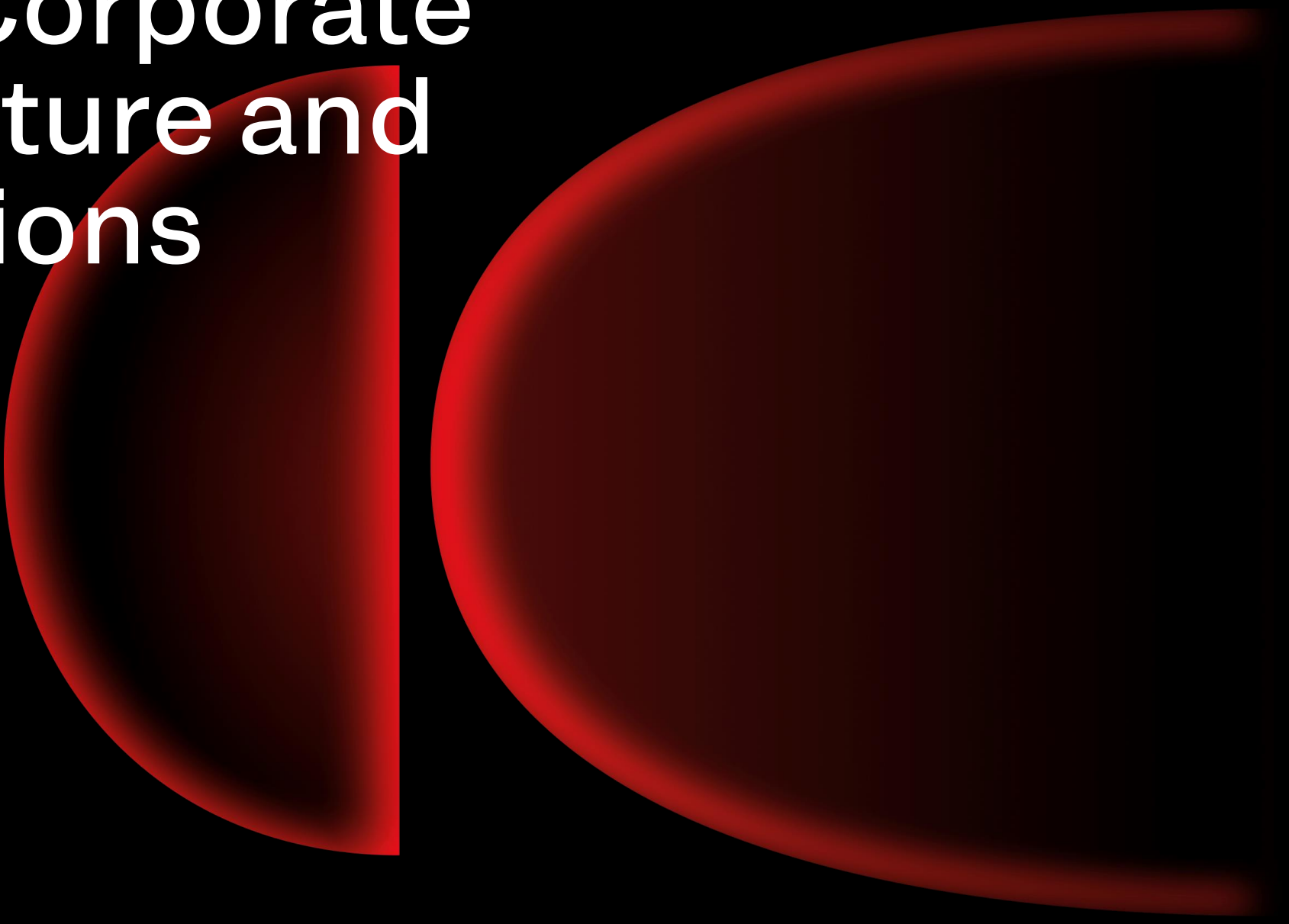


Kovalska advantages

- **History and Traditions** - Family business since 1956, owned and managed by the families of founders
- **Quality** - Kovalska is known for its uncompromised attitude to the quality of its products
- **Scale** - Nationwide player in the market for building materials
- **Brand image** - A wide portfolio of products for different areas of construction complements our market recognition
- **Innovations** - All areas of operations are constantly challenged for further improvement through digitalization and automation



Our Corporate structure and Divisions

An abstract graphic consisting of two overlapping red circles. The left circle is partially cut off by the left edge of the frame. The right circle is larger and overlaps the left one. The circles have a gradient, appearing darker red in the center and lighter red towards the edges. The background is solid black.

Kovalska divisions

Kovalska
Concrete

Kovalska
Product

Kovalska
Materials

Kovalska
Development



- Kovalska is a large vertically integrated Group with Mining, Concrete, Dry & ready-mixed mortar products, and Real Estate Divisions
- Our operations are primarily carried out in the north, center and west of Ukraine
- With the addition of the Kakhovka AAC plant, Kovalska has started its operations in the South of Ukraine since 2019

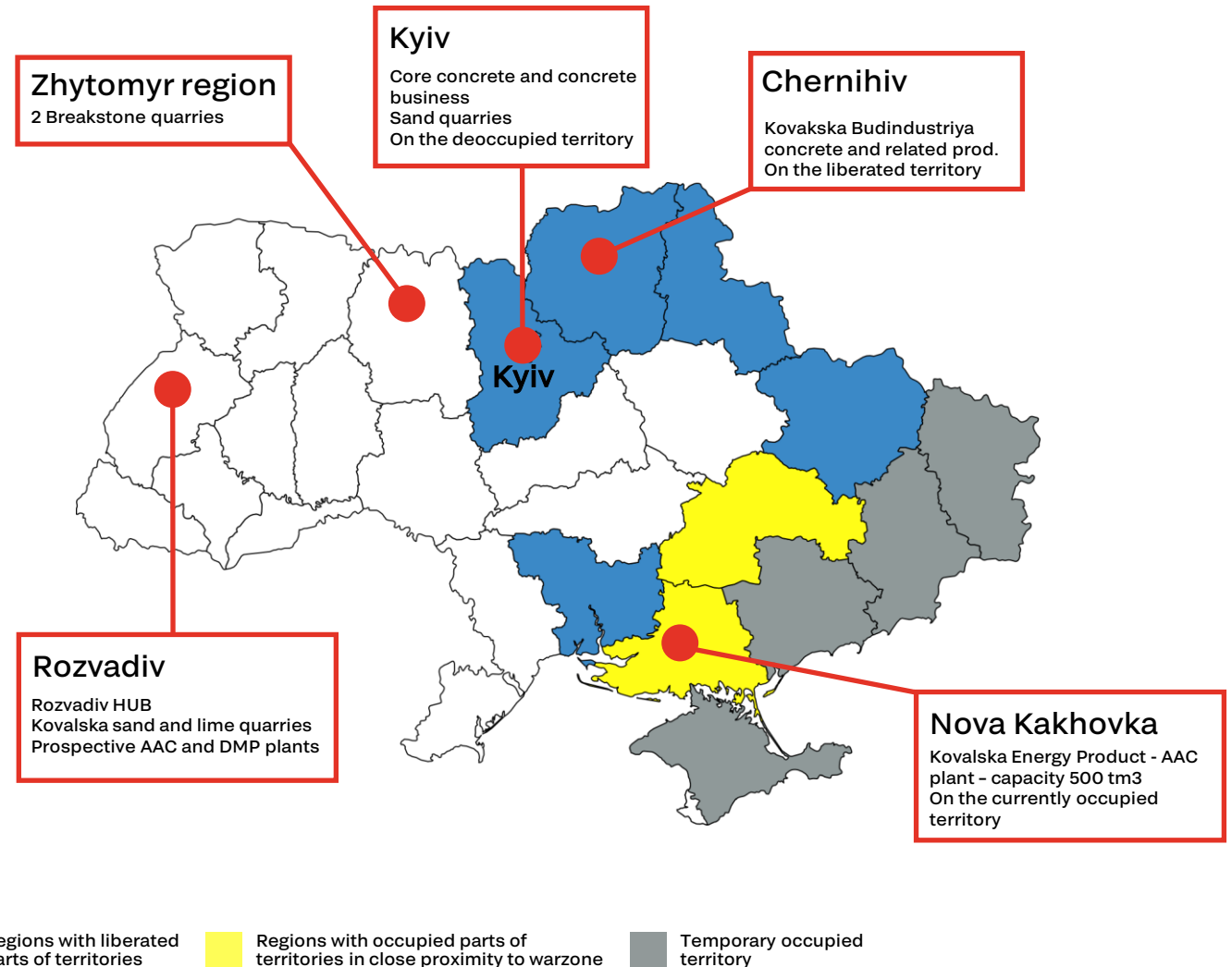
Nationwide scale of business operations

Kovalska Group production assets are located in the center, north, and west of Ukraine. Assets in the Kyiv and Chernihiv regions did not suffer substantial damage during the full-scale Russian invasion and as of 2024, they operate at their full production capacity.

An asset in the south of Ukraine (Nova Kakhovka), the autoclaved aerated concrete plant, halted its operations due to Russian occupation.

The western part of Ukraine is far from invasion attempts and is experiencing a rise in demand for supplies due to the internally relocated population from the eastern and southern parts of the country.

Here in Rozvadiv, Lviv region, Kovalska is developing the production of environmentally friendly aerated concrete blocks and panels. The Group is actively involved in projects relevant to the ongoing reconstruction efforts in Ukraine.



Kovalska Concrete

The Division unites eight powerful enterprises with a unique production process automation system, innovative equipment, and a strong raw material base. The division sites are certified according to the ISO 9001:2008 quality management system.

The division is represented on the market by two popular brands: “Concrete from Kovalska” concrete mixtures and prefabricates of different classes of strength. And “AVENUE” paving tiles and blocks. We use chemical and mineral admixtures from leading European companies, which allows us to produce premium-class products.

| | |
|-----------|---|
| 4 600 000 | m ³ of concrete mixtures per year |
| 2 900 000 | m ² of decorative pavement tiles per year |
| 185 000 | m ³ of reinforced concrete products per year |
| 24 000 | m ³ of structural reinforced concrete per year |
| 3 200+ | unique, patented mixture proportions |
| 460+ | SKUs, nationwide dealer network |
| 28 | concrete mixing facilities |



Products & services:

- Concretes and mixtures,
- Reinforced concrete
- Construction elements
- Pavement tiles
- Concrete blocks
- Logistics

Kovalska Product

The Division produces a wide range of dry and wet mortar mixtures under the brand **SILTEK**. It was the first producer of dry mixtures in Ukraine that employed silo delivery and created specialised mixtures for mechanical applications.

The production facility integrates a certified laboratory with technologically advanced machinery from the best manufacturers in the world, including those from Finland, Germany, Norway, Spain, and France.

It also integrates a certified laboratory with modern and advanced equipment. Regulatory testing allows for quality control at all stages of production, the development of new mix formulations, and the improvement of existing ones.

| | |
|--------------------|-----------------------------------|
| 120 000 TPA | of dry mortar mixtures |
| 10 000 TPA | of paints and decoration plasters |
| 100+ | types of products on market |
| 3 | production lines |



Products & services:

Paintworks supplies

Dry mortar (plasters, putty, floor coat, screed coat)

Foam , encapsulant, structural adhesive

Products in silage

Aerated concrete blocks

Kovalska Materials

Division Materials specialises in the production of granite products, including crushed stone, stone screening, and fine aggregates. The enterprises are equipped with the most modern equipment from such manufacturers as Metso Minerals, Caterpillar, Epiroc, Komatsu, and Hitachi and work in a sustainable and innovative way.

A mining facility in the Lviv region provides sand and limestone materials. It includes sand and limestone quarries, mine furnaces for burning limestone, and a factory that produces silicate bricks.

Raw materials are delivered to the Group's production facilities by its own rail and river fleet.

90 000 000 m³ of explored reserves in a dense body

10 000 000 m³ of sand reserves in a sand quarry

6 000 000 t of limestone reserves

2 800 000 TPA of granite products



Products & services:

Crushed granite
Quarry and river sand
Limestone
Logistics

Kovalska Development

The principles the company follows in its work at each project are quality, speed, reliability, and a complex approach for turnkey residential, commercial, office, and industrial construction projects.

In-house teams of architects, designers, and engineers employ the most recent technologies in their work, including BIM, a 3D modelling technology.

| | |
|----------------|--------------------------------------|
| 911,144 | m ² of built housing |
| 200,000 | m ² of under construction |
| 10,541 | apartments commissioned |
| 23 | years in industrial construction |
| 31 | successful housing projects |



Products & services:

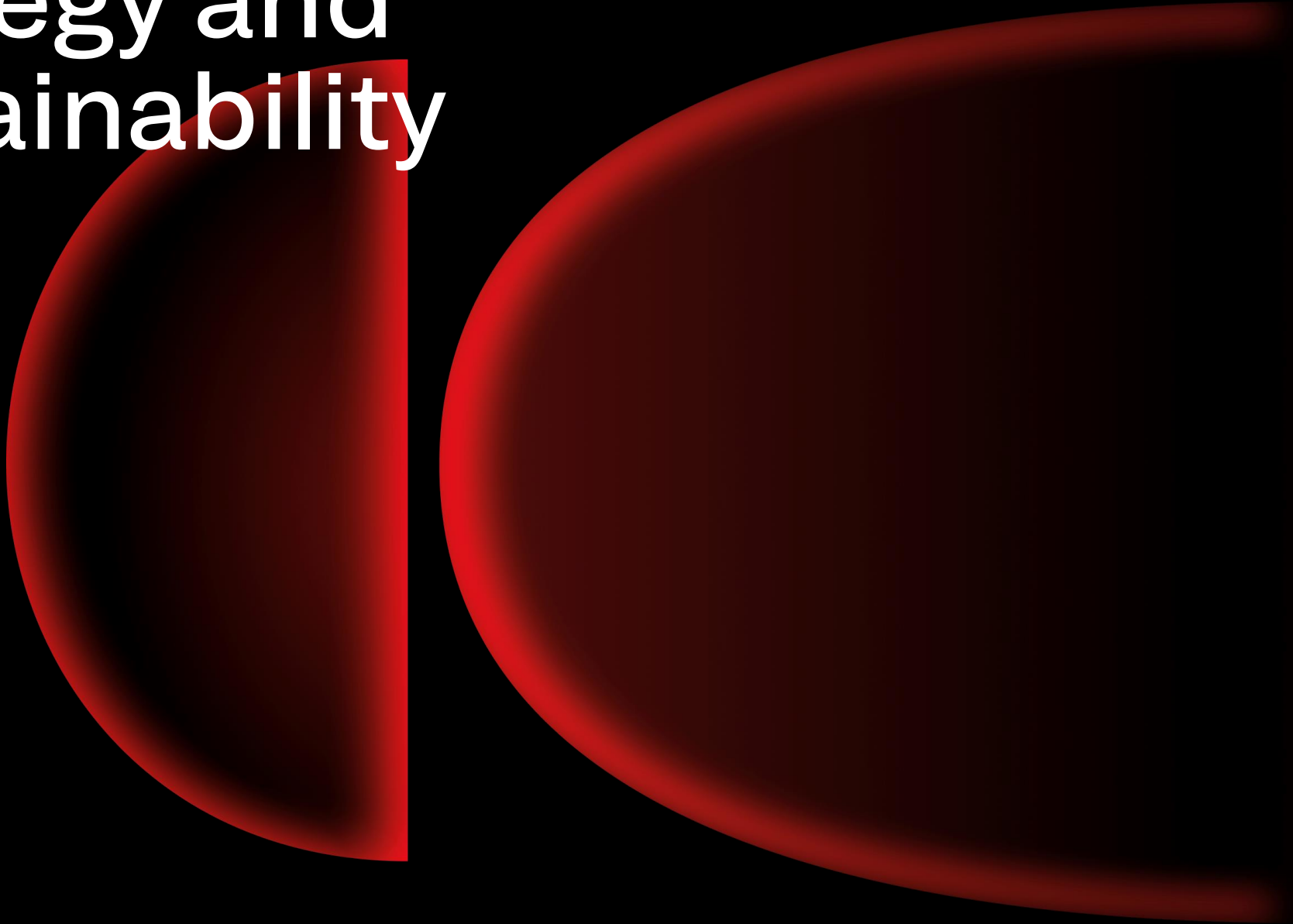
Construction of residential and commercial real estate

Construction of bridges and arrangement of highway crossings

Construction of objects of municipal and state importance

Development activity

Strategy and Sustainability



Strategic pillars

Quality in everything we sell

Delivering the highest quality, comprehensiveness and innovation of our products and services

Kovalska as a nationwide vertically integrated construction business

Offering our building materials, real estate and services within all regions of Ukraine

Effective staff means effective business

Increasing the degree of labor automation, implementation of digital technologies, and involvement of human personnel in more qualified and creative areas of the production process

Sustainability of operations and partnerships

Implementing sustainable business practices that meet best-in-class ESG standards

Leading industry business efficiency

Consistent top quartile performance in effectiveness and costs, productivity, and growth rates among peers and benchmarks



Strategy in action

Quality in everything we sell

Today, the key client values created by our company and proved by more than dozen TOP rankings in Ukraine include:

- The highest quality, comprehensiveness and innovation of our products and services
- A competitive market price for quality construction materials that will be delivered on time in the required volume to the construction site.



Kovalska as a nationwide vertically integrated construction business

The success of our vertically integrated business in Central Ukraine has already started to spread to other regions of Ukraine since 2019. We have invested in aerated concrete production in the South and sand and limestone quarries in the West of Ukraine. We are evaluating further initiatives that will truly make us a nationwide Group.

Effective staff means effective business

We strive to attract talents in all spheres of our business. Existing personnel have flexible online and offline training programs to support their needs for development and maximize current operating efficiency.

Sustainability of operations and partnerships

We are chosen for the fact that we produce products ecologically - we provide secondary processing of waste, adhere to the principles of lean production, consume minerals consciously, and restore exhausted deposits. In construction, we are chosen because, together with housing, we offer energy efficiency, transparency of resource accounting, developed infrastructure, an ecological landscape, and aesthetics.

Leading industry business efficiency

Our business gained double-digit growth rates over the last several years, dramatically increasing the number and significance of operations as well as the number of businesses we acquired and integrated. These created particular needs to redesign the approach to the Group's governance and set up a number of initiatives as part of the target operating model aimed at improving business processes.

Future focus

Quality in everything we sell

We want our clients to grow with us, become ambitious and demanding, receive a professional opinion, a selection of materials, design services, high-quality building materials, and prestigious and comfortable housing or offices.

Kovalska as a nationwide vertically integrated construction business

A number of investment opportunities are in the evaluation stage at the moment. We are building long-term plans, first covering industrially developed and rapidly growing areas such as: Dnipro, Zaporizhzhia, Lviv, Kharkiv, Odesa, and Mykolaiv.

Effective staff means effective business

Continue improving the qualifications of personnel (conducting trainings, seminars, and conferences in our own "Kovalska University"), considering the socio-cultural characteristics of regional market segments (religious characteristics of the region, traditional regional preferences in materials, architectural styles, etc.).

Sustainability of operations and partnerships

We are aiming at adopting an inter-agency policy and framework for ESG performance assessment, monitoring, and implementation of its elements and initiatives. We continue to engage stakeholders as it is the basis for building strong, constructive, and responsive relationships that are essential for the successful management of the Group's environmental and social impacts.

Leading industry business efficiency

Our target operating model includes mechanisms to implement a culture of efficiency within the functional areas and divisions of our business. Further production business process improvements, including automation and digitalization will allow us to reduce prices on goods and services.



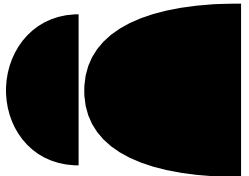
Sustainability

Since manufacturing building materials and real estate development require long-term investments and long-term planning of resources, "Kovalska" follows a **responsible approach** in everything we do for society and our employees.

Our priorities, according to the global principles of sustainable development, are defined as follows:

- Quality education of public
- Industry, innovation, and infrastructure
- Sustainable development of cities and communities
- Responsible consumption and production
- Mitigation of the consequences of climate change

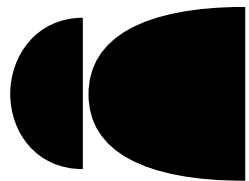
Within the framework of our priorities, several projects and programs have been launched and are working, and more are planned for implementation.



Sustainability

As part of the **development of industry and innovation**, "Kovalska" has been investing in its R&D center for ten years. It develops high-quality building materials, including recycled products. In some areas of the production cycle, zero-waste production is applied to reduce the number of outputs to almost zero.

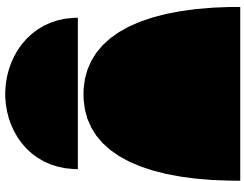
To implement the principle of **responsible consumption and production**, the "Kovalska" innovation and technology center is constantly researching ways to reuse materials to create new, more ecological recipes for building materials. Where it is economically feasible and meets the highest quality requirements, the company resorts to increasing the share of recycled materials in new products.



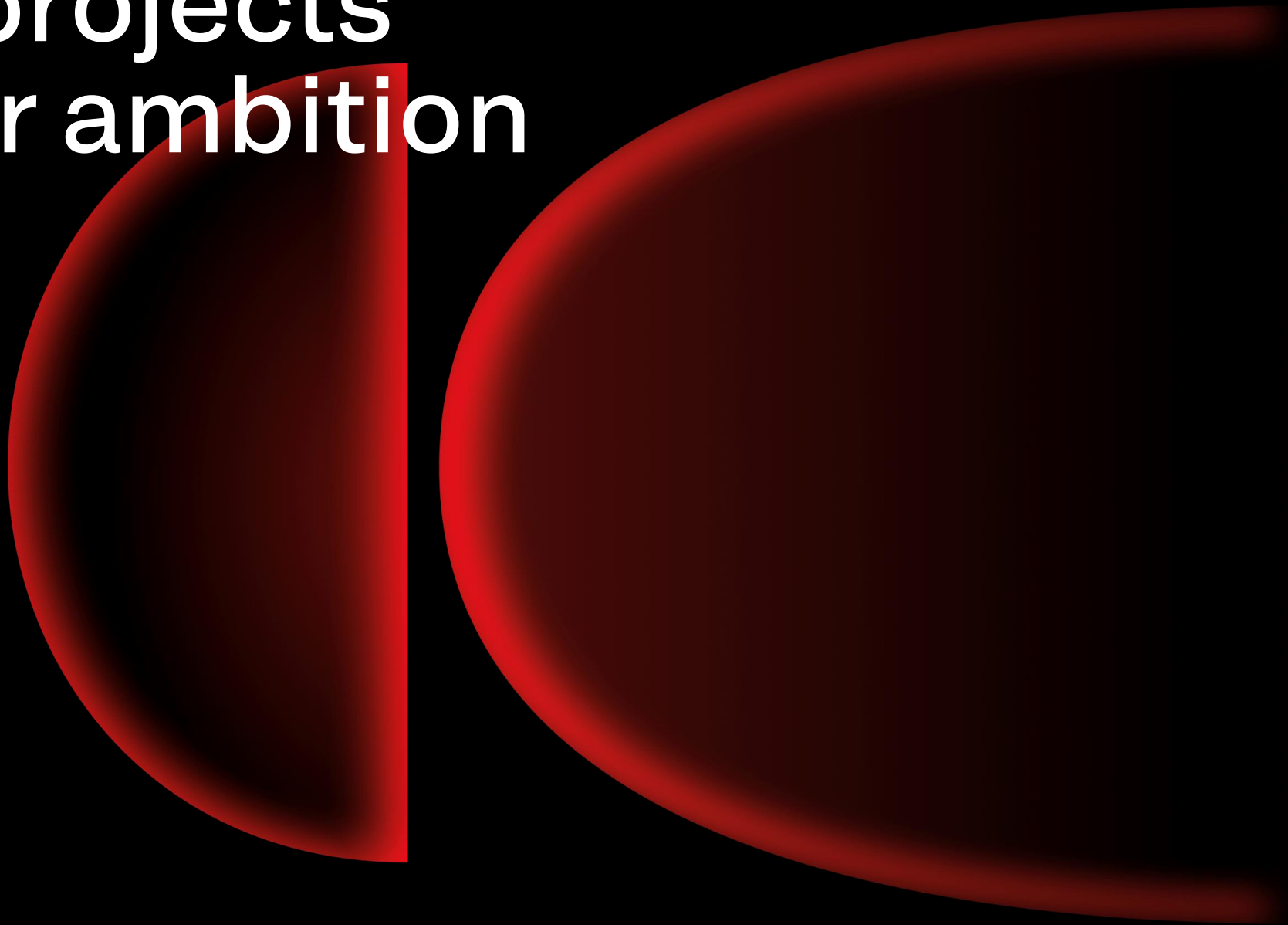
Sustainability

For the development of **quality education**, which affects the **sustainable development of cities and communities**, we launched educational projects with architects to raise awareness of this topic among specialists and the general public. Such projects became the regular "Kovalska meetup," an educational and discussion platform with the involvement of world architects.

The development project "Kudriavka" became a vivid example of a **responsible approach towards the sustainable development of cities and communities**. The company applied the principles of transparency and responsibility to renovating historical heritage. As part of the development of the territory, in-depth studies of traffic flows and expectations of the local community from the new construction project were conducted. The terms of reference for the architectural studio that will be involved in the development of "Kudriavka" include an analysis of the local community needs and a request for the preservation and revitalization of the historical part of the complex.



The projects
of our ambition



Rozvadiv-HUB

Kovalska is Ukraine's largest integrated construction materials producer, working on a wide set of investment projects united in the so called "Rozvadiv HUB" located on a 346-acre land plot in Rozvadiv village (30 miles south of Lviv, Western Ukraine), which the company purposefully acquired in 2020.

1. Limestone quarry (already operational)
2. Sand quarry (already operational)
3. Autoclaved aerated concrete plant
4. Dry construction mixes plant
5. A number of site infrastructure projects (roads, electricity substations, shops, natural gas supply, etc.)



UNIT.City B04 and B06

Campuses B04 and B06 are planned with the use of BIM technology. They meet all requirements for class A energy efficiency and are certified according to the LEED Silver green building standard. The Reynaers Aluminum element facade system, Guardian Glass double-glazed windows, and VRV multi-zone air conditioning are used in the project. The refined beauty of the campuses was created in partnership with APA Wojciechowski.

The total area of the two campuses is 40,000 m². Each floor of the two business centers is designed with a column pitch of 8.1 m. This solution makes the space as open as possible. On each floor, residents get a substantial amount of flexible open space. It can be rescheduled without restrictions.

Campus lighting is designed in such a way that the system can be managed from a mobile application.



NUVO

NUVO BUSINESS PARK is an ecosystem of seven high-tech A-class business-buildings united by a single infrastructure. Well-planned environment that combines the benefits of an urban center and the nature.

Architectural solution from the award-winning architects MVRDV, Orange Architects and APA Wojciechowski.

We were inspired by the ideas of sustainable architecture and environmental friendliness when designing NUVO BUSINESS PARK. Because of this, our partners receive solutions tailored to their specific business needs.



Infrastructure project: New terminal for Kyiv airport named after Igor Sikorski

Total area, m² :

2 880

Project located:

2 Medova str., Kyiv

Built within:

July 2018 — October 2018

Works performed:

Precast concrete elements
installation, a number of general
construction works



Infrastructure project: Reconstruction of National Sports Arena “Olimpiyskiy”

Seating, visitors:

70 050

Project located:

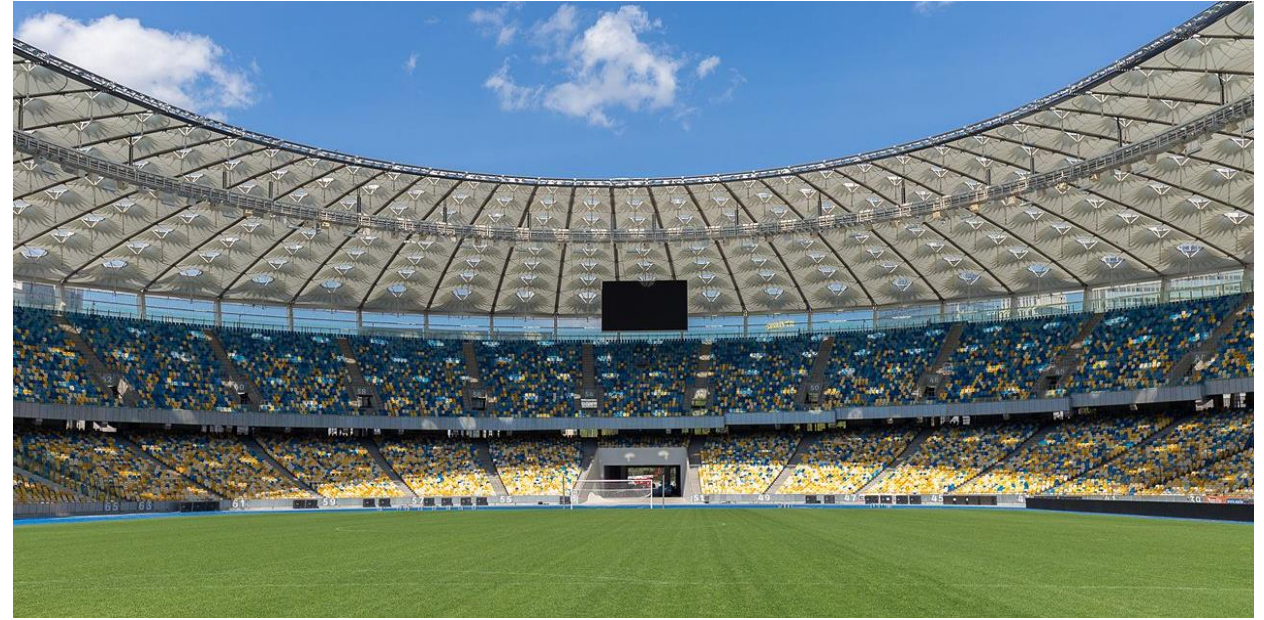
55 Velyka Vasylkivska str., Kyiv

Built within:

August 2008 — October 2011

Works performed:

Supply of RMX concrete and
Precast concrete elements, dry
construction materials, etc.



Shopping malls

Total area, m² :

5 720

Projects located:

5 Georgy Kirpy str., Kyiv
3 Svyatoshinska str, Kyiv
8A Pulyuya str, Kyiv

Built within:

April 2015 — June 2015
December 2017 - Jul 2018

Works performed:

Supply of RMX concrete and
Precast concrete elements,
general construction works, etc.



Residential real estate

Kub29



31

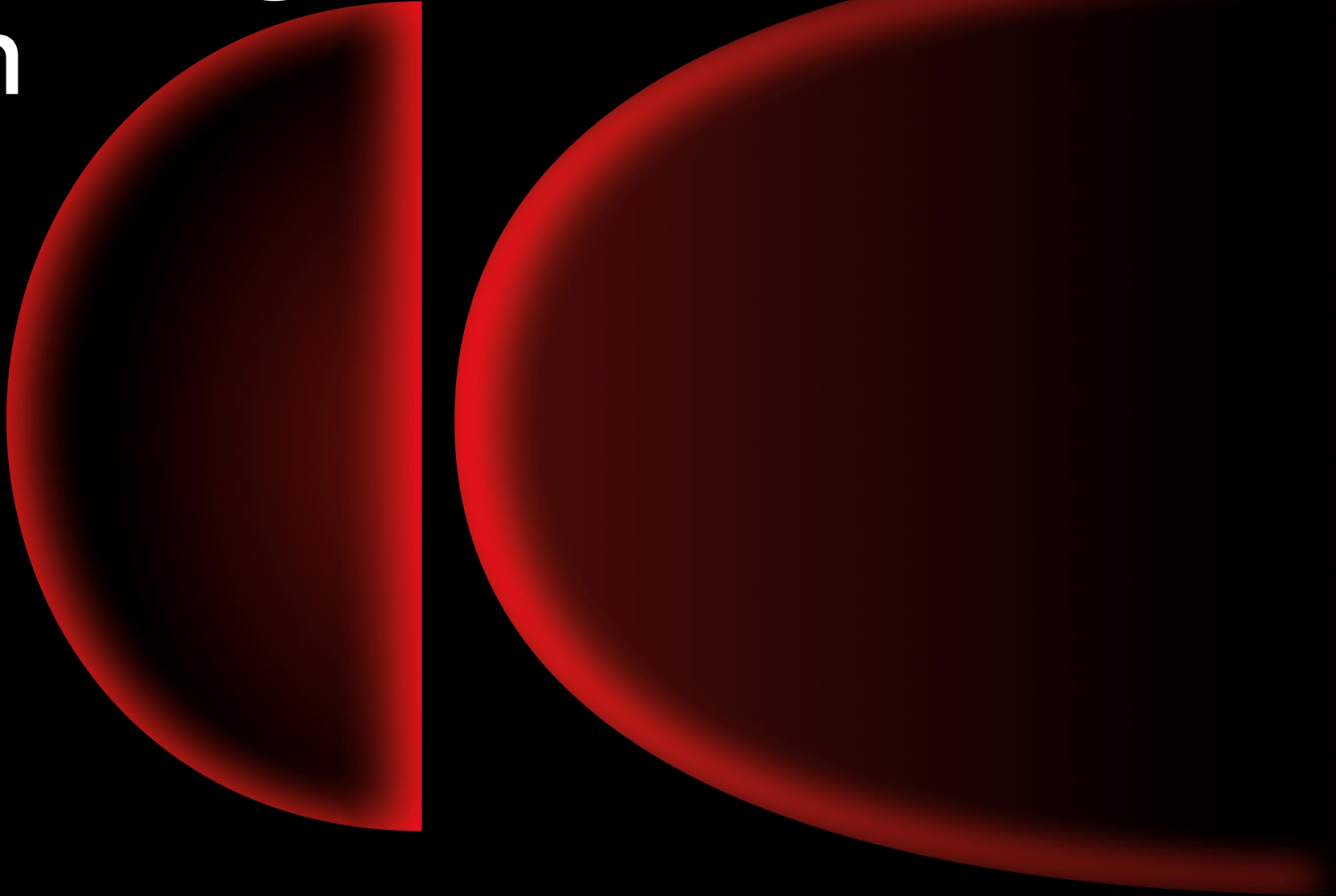


Vavilovyh



And so much more at: <https://build.kovalska.com/>

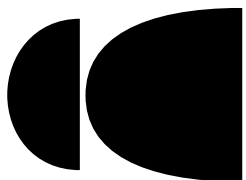
Our Management Team



Group Shareholders

Corporate center

- Kovalska Concrete
- Kovalska Product
- Kovalska Raw Materials
- Kovalska Development
- Segment of business development
- Service segment



The Group's shareholders determine the strategic directions of the Group's development and approve the Group's Strategy. They also approve the new business, sources, and terms of external financing.

The Corporate Center acts as the methodological and control center of the Group, that:

- 1) Is responsible for the implementation of the Group Strategy and strategic initiatives
- 2) Forms and approves standards for all directions of the Group activities
- 3) Determines performance indicators and reporting formats for divisions and segments
- 4) Monitors the activities of divisions and segments

The Division is a structural business unit of the Kovalska Group, which is the center of profit generation and combines production assets with similar products and activities.

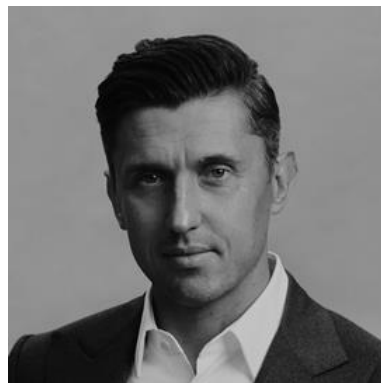
The Division's operating company is a separate legal entity that manages the Division's activities and owns the Division's facilities.

- The responsibility of the Operating Company of the Division:
- Management of sales and customer accounts (receivables)
- Implementation of integrated business planning of the Division's activities (balancing demand, production, and logistics capabilities and limitations)
- Management of production and warehouses
- Division logistics management
- Management of other purchases and related accounts payable
- Management of capital expenditures aimed at supporting production assets. The Corporate Center approves capital costs for development
- Management of operational expenses of the Division

The Business Development segment combines the Group's activities in the search for new assets and business opportunities, engineering and construction of industrial facilities, as well as integration of new assets (M&A)

The service segment combines enterprises that provide universal services to all enterprises of the Group. In 2022, it included the following services: IT, Accounting, Payment Factory, Marketing Services, and R&D.

Management



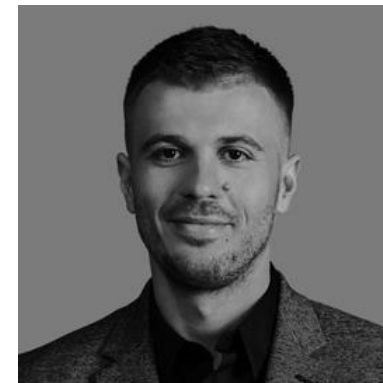
Sergii Pylypenko
CEO



Olga Pylypenko
Executive director



Nataliia Baranovska
Chief Operating Officer



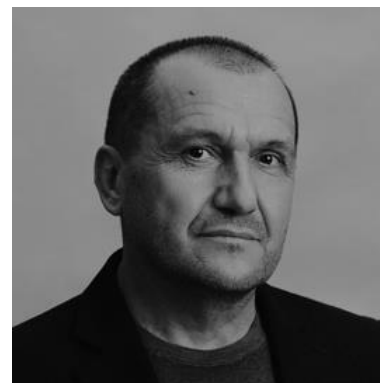
Ihor Subotenko
Director of “Kovalska Real Estate” division



Anton Novokhatnii
Chief Financial Officer



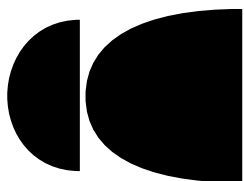
Yevhen Gvozdariov
Director of “Kovalska Concrete” division



Victor Dmytrenko
Director of “Kovalska Raw materials” division



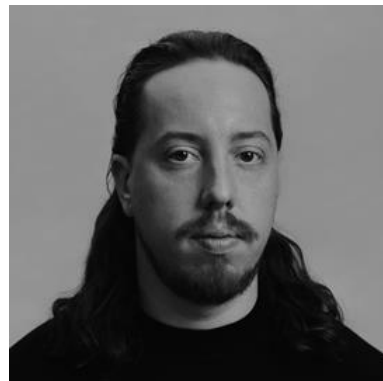
Olexander Skyba
Head of Siltek (“Terminal-M”)



Management



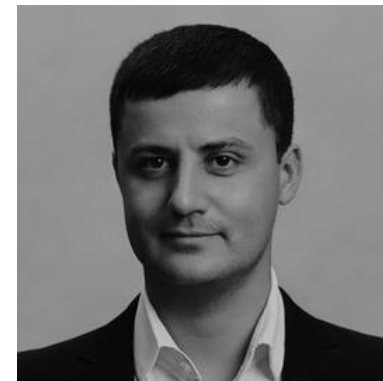
Victoria Spivak
Chief Research Officer



Volodymyr Sobolev
Chief Marketing Officer



Antonina Hnatiuk
Chief HR officer



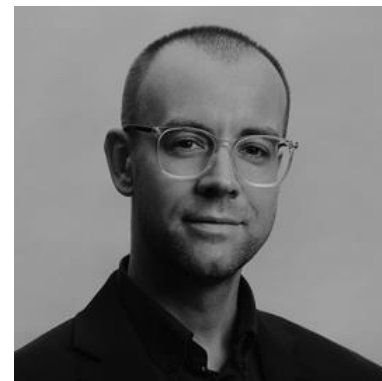
Ihor Skrypka
Chief Audit Executive



Mykola Nazarov
Chief Information Officer



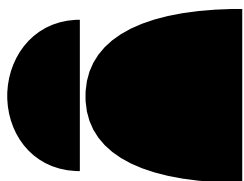
Hanna Verkhovetska
Chief Procurement Officer



Daniel Vakhovskyi
Chief Communications
Officer



Yurii Sokyrya
Chief Corporate Security
Officer



KOVALSKA

DEVELOPMENT AS A TRADITION

SINCE 1956