METINVEST

9M 2020 Preliminary Results

3 December 2020

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Industry Overview

Global steel, iron ore and coking coal markets

Global finished steel consumption is expected to decline by 2.4% y-o-y in 2020, as the economic downturn caused by the outbreak of the COVID-19 pandemic has affected all major economies. At the same time, China is expected to show another year of steel consumption growth in 2020, due to prompt virus containment and provision of economic support.

Numerous lockdowns impacted supply and demand across all commodities. Oil prices dropped dramatically, resulting in a positive impact on transportation and raw material costs.

The price of hot-rolled coils (HRC) on FOB Black Sea basis dropped by 20% q-o-q in 2Q 2020 to US$379/t, before fully recovering in 3Q 2020, increasing by 23% q-o-q to US$465/t amid economic stimulus measures and the easing of lockdown restrictions across the world. In 9M 2020, the average price of HRC amounted to US$439/t (-9% y-o-y).

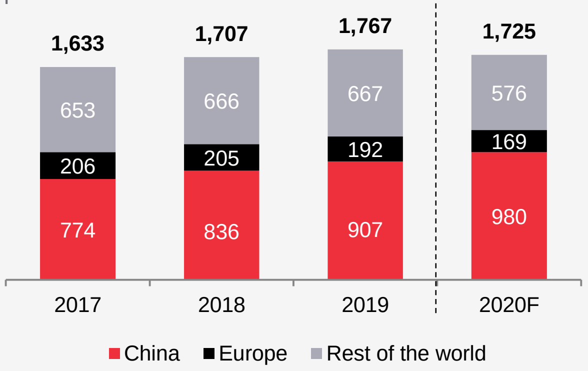
The price of 62% Fe iron ore increased further this year, averaging US$101/t in 9M 2020 (+6% y-o-y), amid strong demand in Asia and in China in particular, where hot metal production rose by 4% y-o-y in 9M 2020, as well as supply disruptions in Brazil.

Meanwhile, the pellet premium in Europe fell by 54% y-o-y to US$29/t in 9M 2020, amid a 15% y-o-y drop in steel output in the region.

The hard coking coal spot price dropped by 32% y-o-y to an average of US$129/t in 9M 2020, due to the imposition of import restrictions in China and weak demand in the rest of the world.

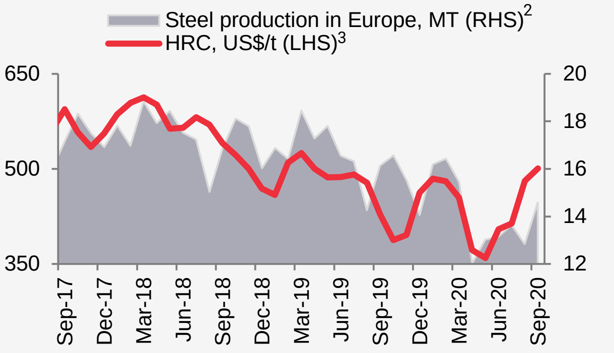
Finished steel consumption[1]

MT



Source: World Steel Association (WSA)

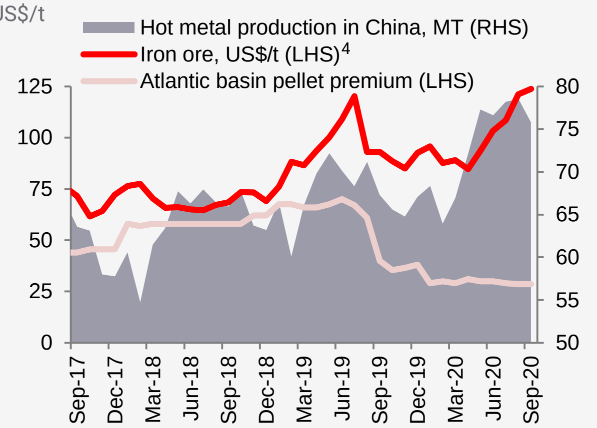
Steel price and production in Europe



Source: WSA, Metal Expert

Iron ore price

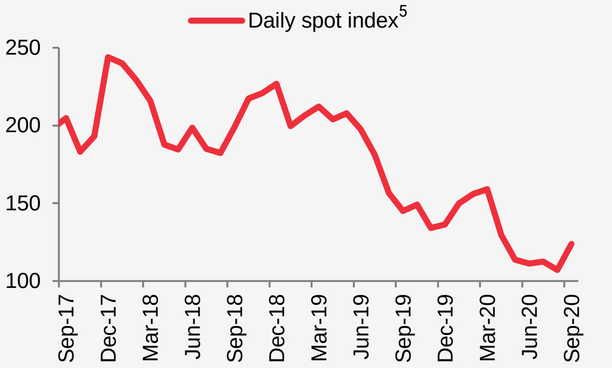
US$/t



Source: Bloomberg, WSA

Hard coking coal price

US$/t



Source: Bloomberg, Platts

1. Apparent consumption of finished steel products. 2020 data are WSA estimate as at October 2020
2. Europe includes the current 27 EU member states and the UK, Bosnia-Herzegovina, North Macedonia, Norway, Serbia and Turkey
3. FOB Black Sea
4. 62% Fe iron ore fines, CFR China
5. FOB Australia

Macro and steel industry in Ukraine

The Ukrainian economy demonstrated sustained growth for four straight years through the end of 2019, amid overall macroeconomic stabilisation. This was supported by structural reforms, a rise in domestic investment, a revival in household consumption, an expansion in the agricultural sector and construction activity, as well as the improved environment on external markets.

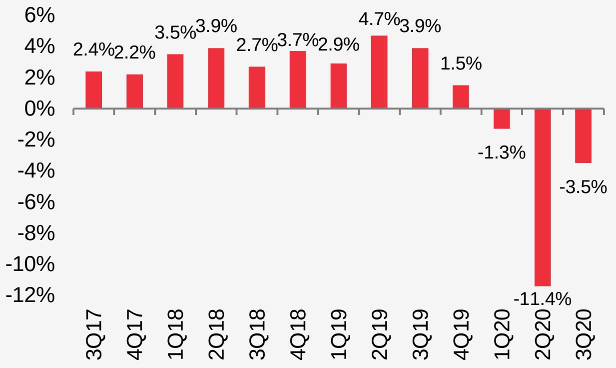
In 2020, the country's real GDP declined by 1.3% y-o-y in Q1 and 11.4% y-o-y in Q2, mainly attributable to a contraction in industrial production and construction activity, as well as the lockdown measures introduced in March to contain the spread of the COVID-19 pandemic. In 3Q 2020, the decline of real GDP slowed down to 3.5% y-o-y, amid the easing of restrictive anti-pandemic measures.

The NBU continued to follow an interest rate policy of inflation targeting and keeping the local currency floating:

- the consumer price index (CPI) amounted to 2.4% y-o-y in 9M 2020, compared to 8.8% in 9M 2019, dropping below the target of 5%
- from April 2019, the NBU began a cycle of monetary policy easing and cut its key interest rate several times from 18.0% in 2019 to 6.0% from June 2020
- although the hryvnia depreciated against the US dollar to 27.98 in September 2020, from 23.61 in December 2019, it averaged 26.52 in 9M 2020 – relatively flat y-o-y compared with an average of 26.37 in 9M 2019

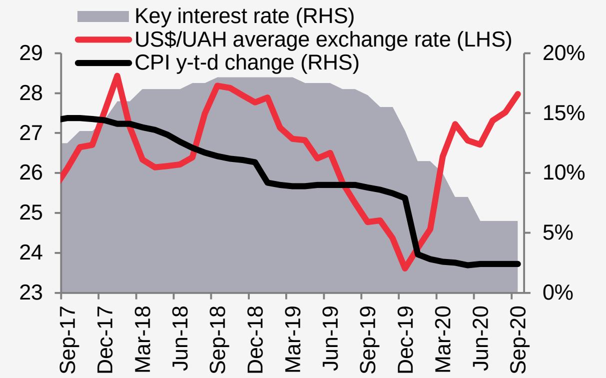
In 9M 2020, total steel output declined by 6.5% y-o-y. At the same time, apparent steel consumption fell by 8.6% y-o-y, mainly due to a 20.6% drop in machinery output and a 19.4% reduction in pipe production, while construction activity was effectively flat y-o-y.

Real GDP dynamics (y-o-y)



Source: State Statistics Service of Ukraine

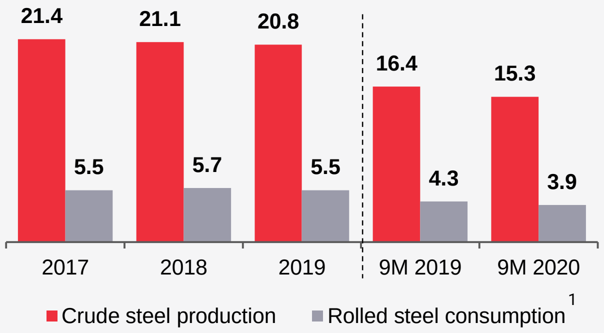
Inflation targeting policy in place



Source: National Bank of Ukraine (NBU), State Statistics Service of Ukraine

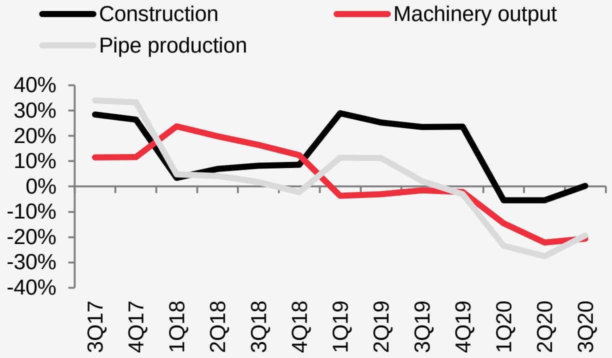
Steel industry

MT



Source: WSA, Metal Expert

Key steel-consuming sectors[2]



Source: State Statistics Service of Ukraine, Metal Expert

1. Consumption in Ukraine includes flat, long and certain semi-finished products but excludes pipes.
2. Index represents the cumulative index from the beginning of the respective year, y-o-y change.

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9M 2020 Highlights

Financial highlights

Total revenues[1] decreased by 10% y-o-y:

- metallurgical revenues fell by 13% y-o-y to US$5,982 mn
- mining revenues increased by 1% y-o-y to US$1,646 mn

Adjusted EBITDA[2] increased by 16% y-o-y:

- metallurgical EBITDA rose 36x y-o-y to US$501 mn
- mining EBITDA fell by 20% y-o-y to US$968 mn

The segmental contribution to EBITDA[3] changed y-o-y:

- metallurgical accounted for 34% (1% in 9M 2019)
- mining accounted for 66% (99% in 9M 2019)

The consolidated EBITDA margin rose by 4 pp y-o-y to 18%:

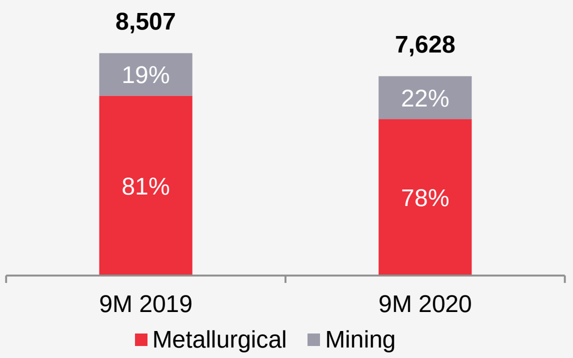
- metallurgical EBITDA margin increased by 8 pp y-o-y to 8%
- mining EBITDA margin fell by 2 pp y-o-y to 42%

CAPEX totalled US$460 mn, down 40% y-o-y

Free cash flow[4] reached US$575 mn, up 9x y-o-y

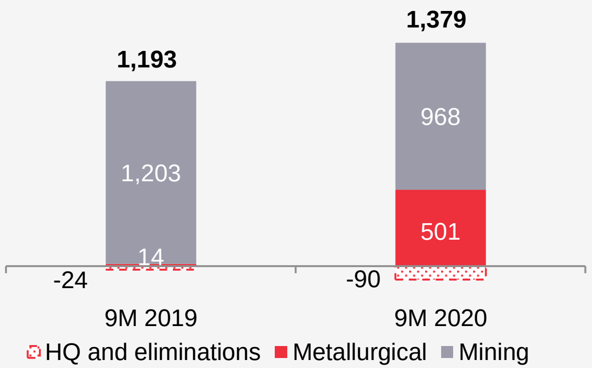
Revenues

US$ mn



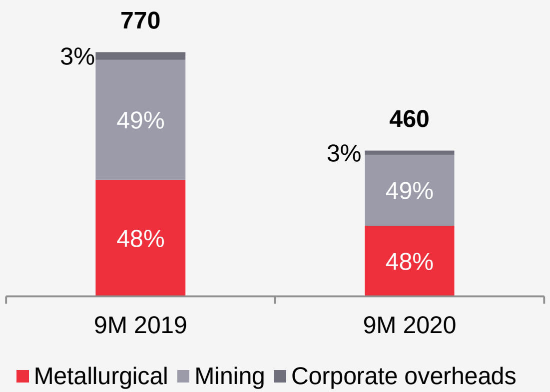
EBITDA

US$ mn



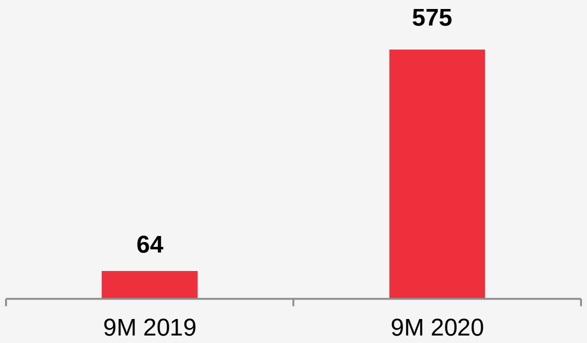
CAPEX

US$ mn



Free cash flow

US$ mn



1. External revenues for 9M 2019 were adjusted during the preparation of the FY2019 financial statements
2. Adjusted EBITDA is calculated as earnings before income tax, finance income and costs, depreciation and amortisation, impairment of property, plant and equipment, foreign exchange gains and losses, the share of results of associates and other expenses that the management considers non-core plus the share of EBITDA of joint ventures. Adjusted EBITDA will be referred to as EBITDA in this presentation. EBITDA for 9M 2019 was adjusted during the preparation of the FY2019 financial statements
3. The contribution is to the gross EBITDA, before adjusting for corporate overheads and eliminations
4. Free cash flow is calculated as net cash from operating activities less net cash used in investing activities

Due to rounding, numbers presented throughout this presentation may not add up precisely to the totals provided and percentages may not precisely reflect absolute figures.

Sales portfolio

Metallurgical sales

- 13% y-o-y decline, mainly due to:
  - decreased selling prices of steel and coke products in line with global benchmarks
  - the impact of the COVID-19 pandemic on demand in several strategic markets for the Group in 1H 2020
- distribution highlights:
  - lower share of Europe (-3 pp), due to weak demand for pig iron, slabs and flat products
  - higher share of MENA (+2 pp), due to demand in Turkey for high quality slabs and HRC
  - higher share of Southeast Asia (+2 pp), as Metinvest resumed sales to China amid a strong post-Covid economic recovery, selling 862 kt of semi-finished and finished products in the country

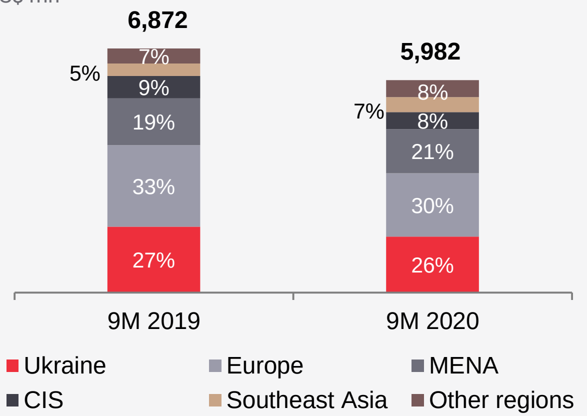
Mining sales

- 1% y-o-y increase, despite a significant change in the iron ore sales mix and geography due to weak demand in Europe, strong demand in China and reduced pellet premiums globally
  - share of Southeast Asia reached 45%, up 25 pp y-o-y
  - share of Europe was 17%, down 23 pp y-o-y

Sales in hard currencies (US$, US$-linked, EUR and GBP) accounted for 81% in 9M 2020 (+2 pp y-o-y)

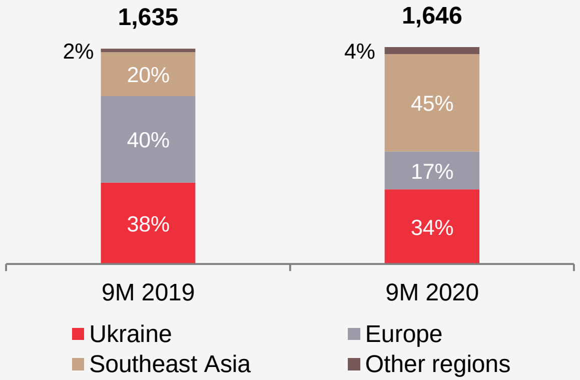
Metallurgical sales by region

US$ mn



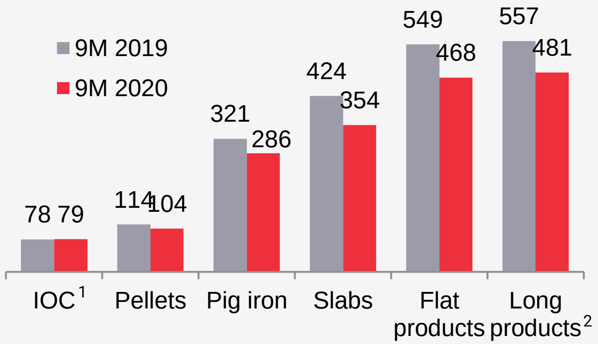
Mining sales by region

US$ mn



Price trends, FCA basis

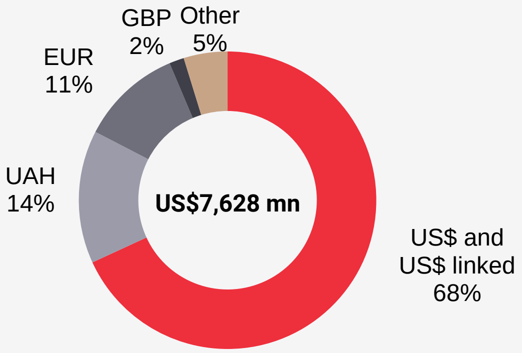
US$/t



1. Iron ore concentrate
2. Excluding railway products

Total sales by currency in 9M 2020

US$ mn



EBITDA

EBITDA rose by 16% y-o-y to US$1,379 mn, mainly driven by:

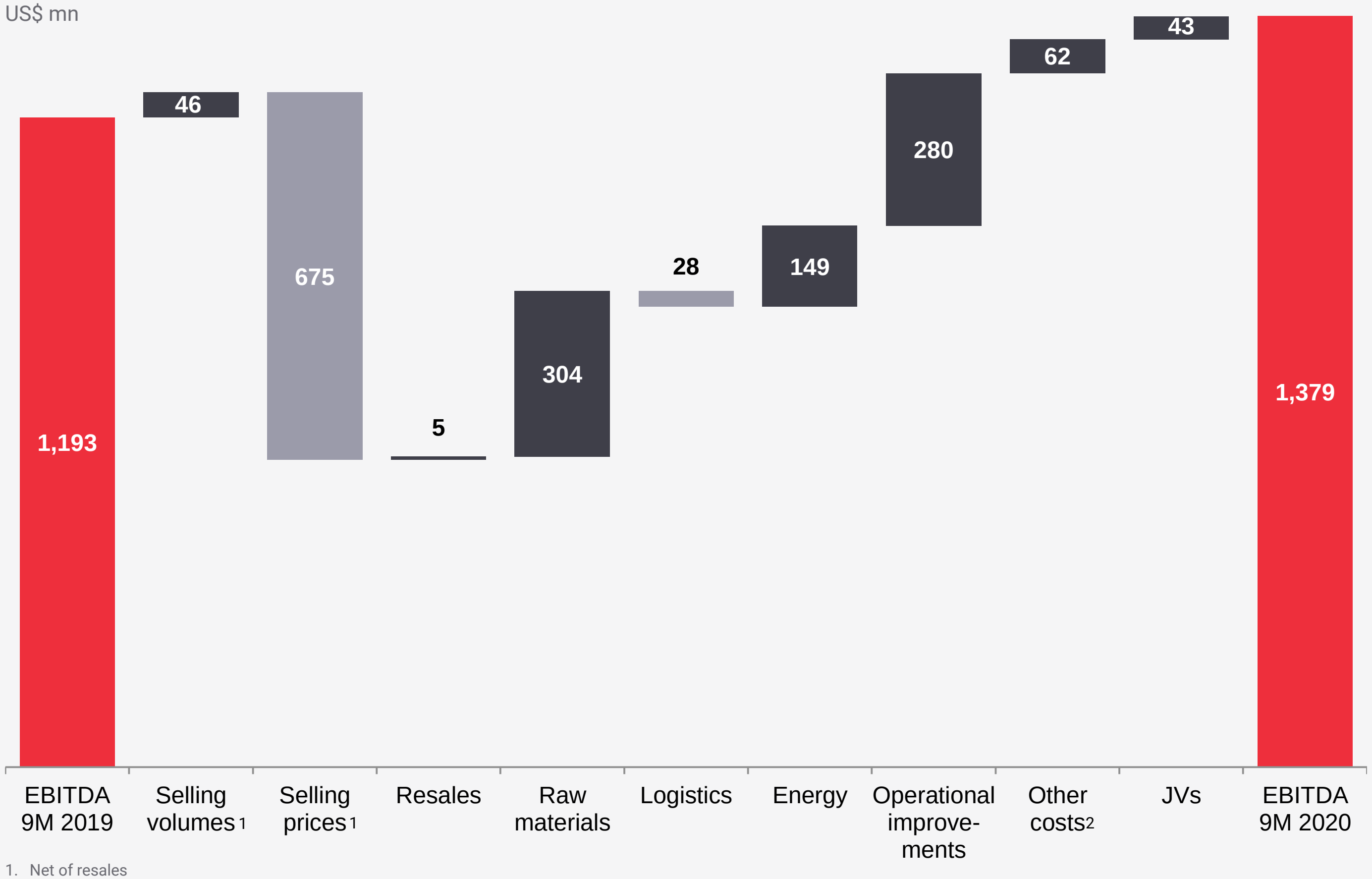
- lower spending on raw materials, primarily as a result of:
  - decreased market prices of coking coal, coke, scrap, ferroalloys
  - reduced consumption of seaborne coking coal
  - fewer purchases of third-party coils for further processing
  - lower railway costs in the US
- a positive effect from operational improvements amid:
  - improved efficiency of raw and energy material consumption
  - increased productivity of key production equipment
  - streamlined logistics
  - enhanced value proposition for customers
- lower expenses on energy materials, mainly amid reduced prices of natural gas (-43% y-o-y) and PCI coal (-34% y-o-y)
- greater sales volumes
- improved contribution from the joint ventures

Negative EBITDA drivers were:

- lower selling prices for steel products, coke and coking coal concentrate, as well as weaker pellet premiums
- greater spending on goods logistics, mainly due to a 2x increase in iron ore shipments to China and higher deliveries of pig iron and steel products to North America, Southeast Asia and MENA

EBITDA drivers

US$ mn



1. Net of resales
2. Other costs include forex effect, fixed costs and other expenses; net of resales

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Cash flow

Operating cash flow

- US$1,192 mn in 9M 2020, up 59% y-o-y
- EBITDA to OCF conversion reached 86% in 9M 2020, up 23 pp y-o-y

Working capital release, attributable to:

- a decrease in inventory (US$194 mn), mainly iron ore concentrate, coal and pig iron
- an increase in trade payables (US$245 mn)

Purchases of property, plant and equipment (PPE) and intangible assets (IA) totalled US$505 mn, down 24% y-o-y, including the settlement of accounts payable for CAPEX from previous periods

Financing cash outflow, mainly attributable to:

- net trade financing repayments of US$126 mn
- scheduled PXF repayment of US$88 mn

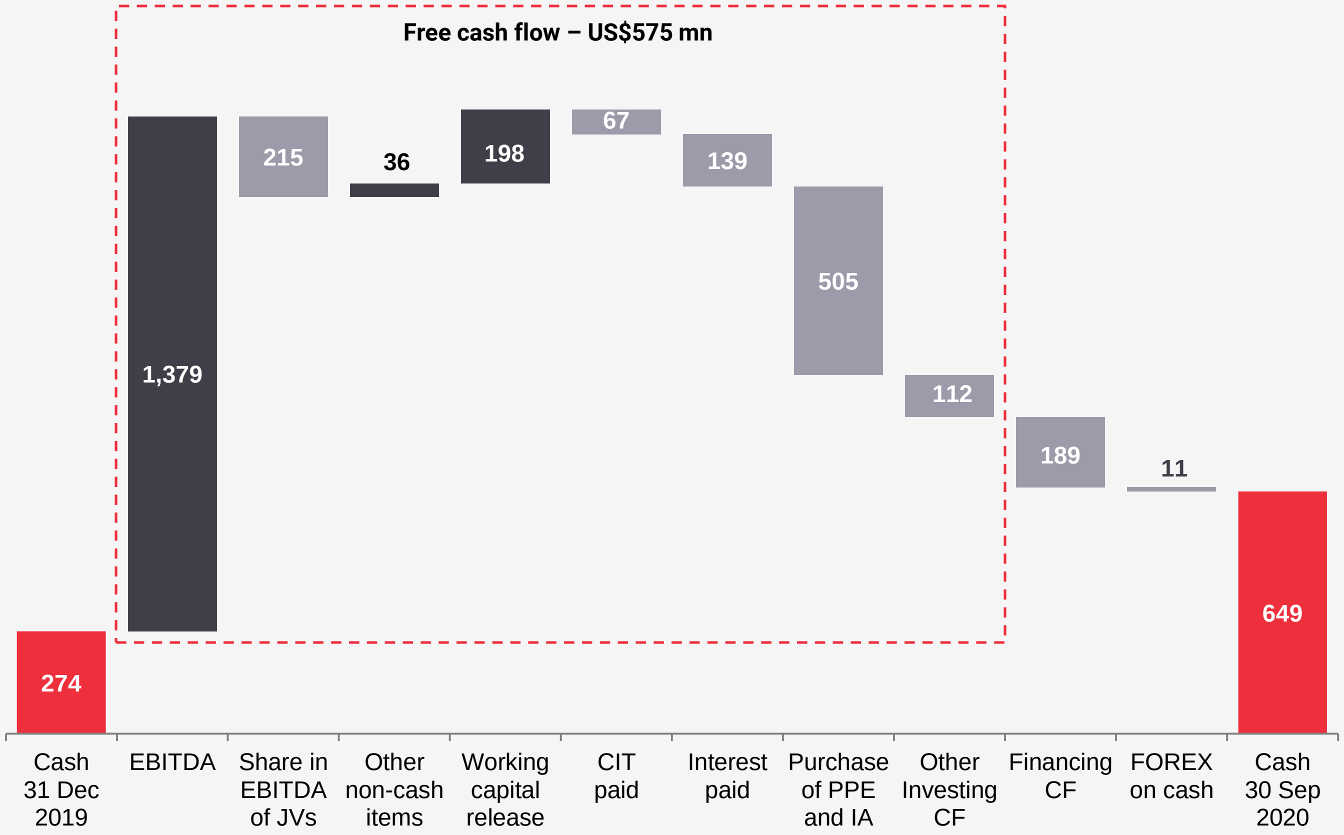
No dividends paid in 9M 2020

Free cash flow reached US$575 mn, up 9x y-o-y

Cash balance improved to US$649 mn as at 30 September 2020, up 2.4x y-t-d

Cash flow in 9M 2020

US$ mn



Capital expenditure

In 9M 2020:

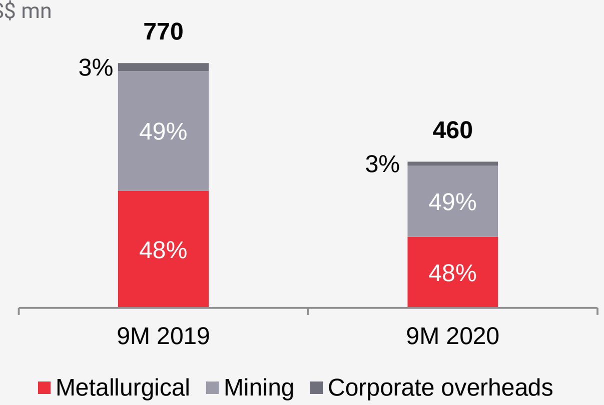
- CAPEX was US$460 mn, down 40% y-o-y, as planned
- segmental breakdown remained unchanged y-o-y
- the share of strategic projects was 33% (-2 pp y-o-y)

2020 CAPEX priorities:

- ring-fenced environmental agenda: such investments totalled US$144 mn in 9M 2020, up 44% y-o-y
  - the largest project – the reconstruction of the Ilyich Steel sinter plant – at final stage
  - Ilyich Steel completed construction of new gas cleaning facilities of the casting yard and bunker ramp of BF no. 3
- complete ongoing strategic projects:
  - Ilyich Steel's hot strip mill 1700 is in pilot operation, the new down coiler is to be installed this year
  - Central GOK completed the upgrade of its beneficiation facilities to produce premium quality iron ore products
  - Northern GOK completed the first stage of the OK-306 roasting machine technical modernisation to improve mechanical properties of pellets
- conducting crucial maintenance
- developing design of projects in the pipeline, driven by the Technological Strategy 2030

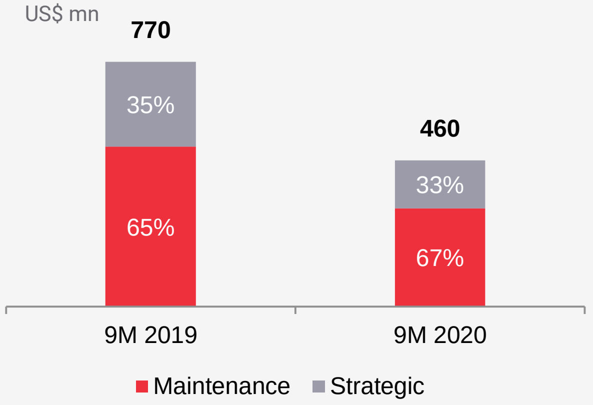
CAPEX by segment

US$ mn



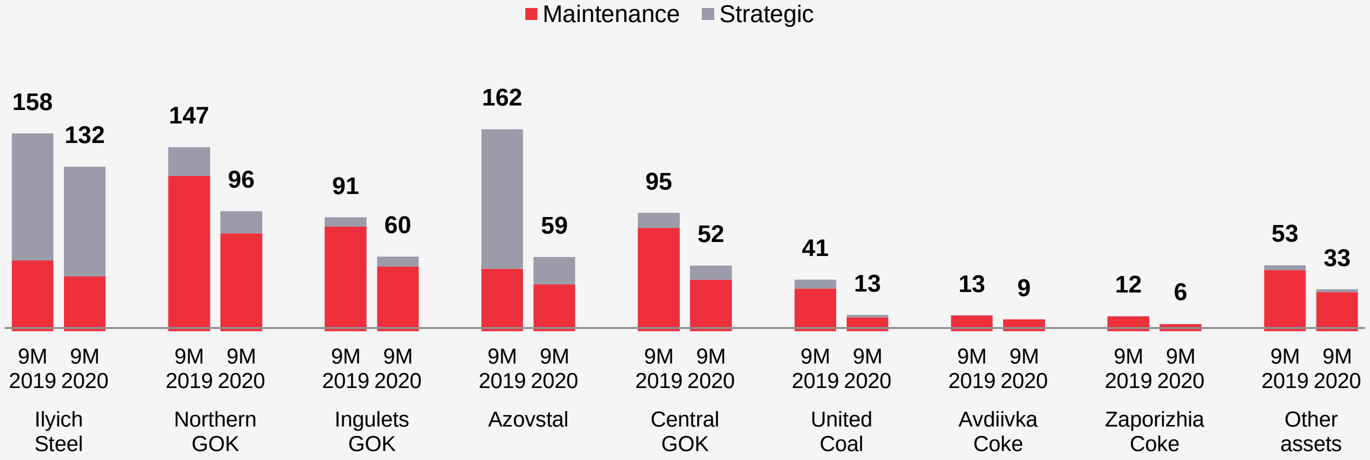
CAPEX by purpose

US$ mn



CAPEX by key asset

US$ mn



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Key strategic CAPEX projects in 2020

No	Project	Asset	Description	Status
1	**Reconstruction of hot strip mill (HSM) 1700**	**Ilyich Steel**	Increase hot strip mill capacity to 2.5 mt/y; improve HRC quality by reducing the minimum thickness to 1.2 mm, increasing weight first to 27 t, and to 32 t with the new down coiler, as well as allowing widths of 900-1600 mm; and reduce production costs	The mill was shut down for a scheduled major overhaul from 27 August to 5 November 2019. First coils were produced in November 2019. Equipment testing is ongoing. The new down coiler was installed and produced first coils in November 2020
2	**Construction of air separation units**	**Ilyich Steel**	Increase production of oxygen and nitrogen required for steel production	Detailed engineering has been developed. Air Liquide was selected as the key equipment supplier. The company started the contracting process with its sub-suppliers. Commissioning is expected in 2022
3	**Sinter plant reconstruction**	**Ilyich Steel**	Comply with environmental requirements	The project is in the final stage and is expected to be completed in 2021. The gas purification cyclones of the sintering zone of sintering machines (SMs) nos. 1-12 and the cyclones of the cooling zone of SMs nos. 7-12 have been replaced, installation of new bag filters has been completed
4	**Reconstruction with new construction of the gas cleaning facilities of the casthouse and stockhouse of blast furnaces (BF) nos. 3 and 5**	**Ilyich Steel**	Comply with environmental requirements	The project at BF no. 3 was completed in March 2020, KPIs have been fulfilled. The project at BF no. 5 started in 3Q 2020, with its completion expected in 2021
5	**Reconstruction of gas cleaning equipment of basic oxygen furnaces (BOF)**	**Azovstal**	Comply with environmental requirements	Basic and detailed engineering and documentation is being developed. A contract for the main technological equipment supply has been signed. Launch is scheduled for 2022
6	**Installation of a new plasma cutting line**	**Metinvest Trametal**	Increase the cutting capacity by 150-190 kt/y of plates with a thickness from 4 mm to 40 mm	Basic and detailed engineering and documentation is being developed
7	**Re-equipment of beneficiation facilities to produce DRI-quality pellets**	**Central GOK**	Improve mechanical properties of pellets to penetrate new premium markets	Upgraded facilities put into pilot operation in March 2020. Test shipments of BF pellets were sent to customers
8	**Construction of crusher and conveyor system**	**Ingulets GOK**	Reduce operational and capital expenditure in iron ore mining and maintain production volumes	Construction is ongoing on the Eastern conveyor line. It is expected to be completed in 2021
9	**Construction of crusher and conveyor system at Pervomaisky quarry**	**Northern GOK**	Reduce operational and capital expenditure in iron ore mining and maintain production volumes	Construction of the facility for rock transportation is ongoing. Completion is scheduled for the end of 2021
10	**Upgrade of roasting machine OK-306 (1st stage)**	**Northern GOK**	Improve mechanical properties of pellets to capture additional market premium	The 1st stage of technical modernisation of OK-306 was finalized in 3Q 2020.
11	**Replacement of gas cleaning units at Lurgi 552-A roasting machine**	**Northern GOK**	Comply with environmental requirements and improve workplace conditions	Active construction works are ongoing. Completion is expected in 2022

Debt profile

As at 30 September 2020:

- total debt was US$2,927 mn (-3% y-t-d)
- net debt was US$2,278 mn (-17% y-t-d)
- net debt to LTM EBITDA was 1.6x (-0.7x y-t-d)

In October 2020, Metinvest successfully extended its bond maturity profile and lowered its refinancing risks by:

- issuing US$333 mn 7-year bond bearing a 7.65% coupon
- effectively redeeming all of US$115 mn bonds due in 2021 and 38% of bonds due in 2023

First partnership with an international financial institution:

- the board of directors of the Black Sea Trade and Development Bank approved a long-term EUR62 mn facility

US$65 mn has been secured so far this year to fund CAPEX

CREDIT RATINGS

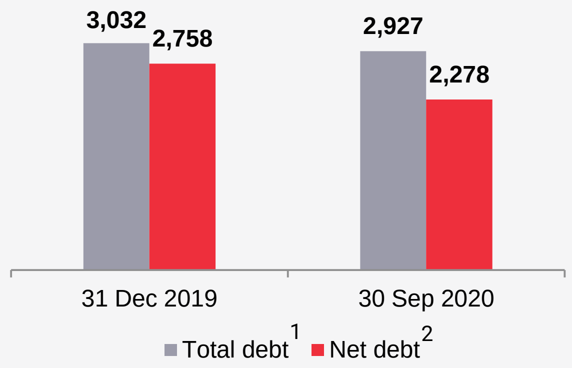
BB- negative / outlook change (Jun-20)
Fitch

B stable / rating affirmed (Jul-20)
S&P

B2 stable / rating upgrade (Jun-20)
Moody's

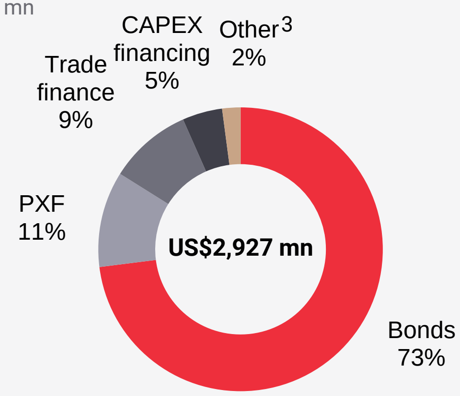
Total and net debt

US$ mn



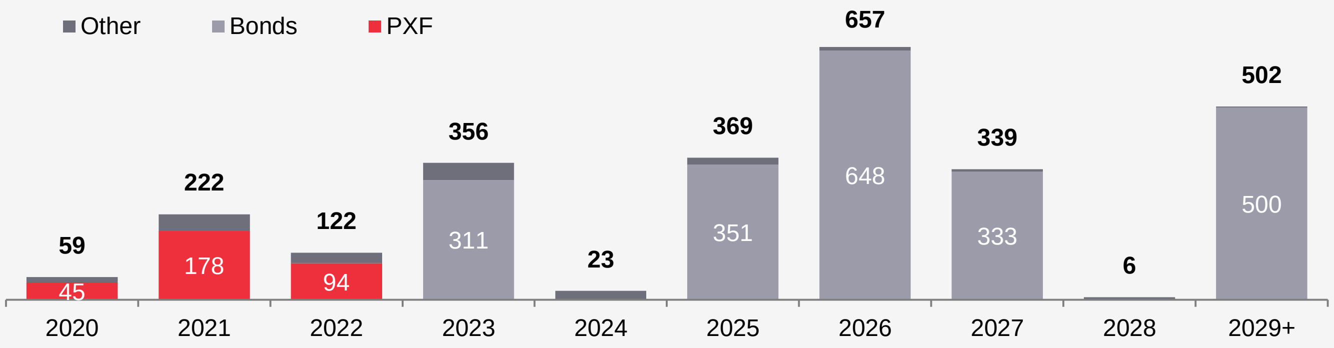
Total debt breakdown as at 30 Sep 2020

US$ mn



Corporate debt maturity after bond liability management[4]

US$ mn



1. Total debt is calculated as the sum of bank loans, bonds, trade finance and lease liabilities
2. Net debt is calculated as total debt less cash and cash equivalents
3. Lease liability under the IFRS 16 and other bank loans
4. Notes:
   - Bonds: US$311 mn at 7.75% pa due in 2023, EUR300 mn at 5.625% pa due in 2025 (converted at EUR/USD f/x of 1.1707), US$333 mn at 7.65% pa due in 2027, US$648 mn at 8.50% pa due in 2026, US$500 mn at 7.75% pa due in 2029
   - PXF as of 30 Sep 2020: US$317 mn at LIBOR + margin due in October 2022
   - Other as of 30 Sep 2020 includes ECA-covered and other facilities
   - Trade finance lines are mainly rollovers, so are excluded from the maturity profile chart; Lease liability under the IFRS 16 is excluded

ESG

Environment

Goals

Reduce environmental footprint

Introduce more efficient, energy-saving technology

Meet best global standards in this area

Proactively address critical issues

Results in 9M 2020

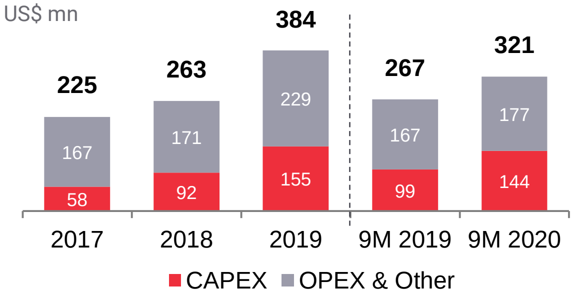
Around US$321 mn was spent on environmental safety[1] in 9M 2020, up 20% y-o-y

Progress on key projects to reduce environmental footprint, including:

- reconstruction of the gas cleaning system at Ilyich Steel's sinter plant (12 sintering machines) – expected up to 90% reduction of dust emissions and up to 40% reduction of SOx emissions
- reconstruction of the gas cleaning systems for basic oxygen furnaces nos. 1 and 2 at Azovstal – expected 70% reduction of dust emissions
- replacement of gas cleaning units of Lurgi 552-A roasting machine at Northern GOK – expected 40% reduction of dust emissions

Spending on the environment[1]

US$ mn



Social

Goals

Cooperate with the communities where Metinvest operates to achieve sustainable improvements in social conditions

Maintain a close dialogue with local stakeholders

Achieve zero incidents

Results in 9M 2020

Around 70,000 employees as at 30 September 2020

US$64 mn was spent on health and safety in 9M 2020, down 2% y-o-y

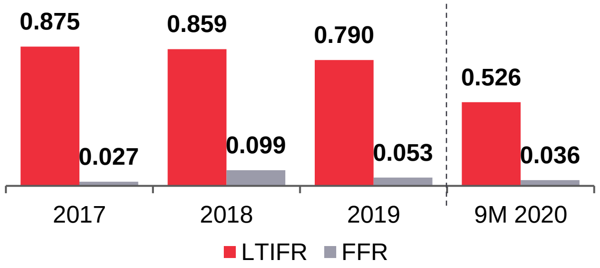
Metinvest rejected tax holidays offered by Ukrainian government and paid US$423 mn of taxes globally in 9M 2020, incl. CIT

US$11 mn was invested to support communities in 9M 2020, of which around US$5 mn was spent to help fight COVID-19

In response to the COVID-19 pandemic:

- all administrative employees switched to remote work, enhanced health protocols introduced at all assets
- the Group purchased 18,000 COVID-19 express tests for 44 medical institutions and financed the delivery of humanitarian supplies from China
- Metinvest constructed oxygen supply points and new oxygen lines at three healthcare facilities in Mariupol

LTIFR[2] and FFR[3]



Governance

Goals

Develop the corporate governance system to be among the most transparent international companies and serve the interests of all stakeholders as thoroughly as possible

Results in 9M 2020

The Supervisory Board includes three independent members, who are deemed independent within the meaning of the Dutch Corporate Governance Code 2016

Avetik Chalabyan joined the Supervisory Board and became a member of the Strategy and Investments Committee.
Mr. Chalabyan held various positions at McKinsey & Company (2001-2020), including Senior Partner (2013-2020) leading the global Metallurgical practice

The HR, health and safety, environmental protection, PR and communications functions have been merged into the Sustainable Development and People Management Directorate headed by the Chief Sustainability Officer in order to ensure the sustainable development of the Group

SUSTAINALYTICS 32.0

In June 2020, Sustainalytics assigned Metinvest an ESG Risk Ratings score of 32.0 on a scale between 0 (lowest risk) and 100 (highest risk). While the risk of experiencing material financial impacts driven by ESG factors was assessed as high due to the steel industry's significant exposure, Sustainalytics recognised the Group's management of material ESG issues as strong.

MSCI ESG RATINGS B

CCC | B | BB | BBB | A | AA | AAA

As of 2020, Metinvest received MSCI ESG Rating of 'B'[4] (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment. The rating remained unchanged y-o-y.

1. Including both capital and operational improvements
2. The lost-time injury frequency rate (LTIFR) is the number of lost-time incidents per 1 million man-hours.
3. The fatality frequency rate (FFR) is the number of job-related fatalities per 1 million man-hours.
4. Disclaimer statement. The use by Metinvest B.V. of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Metinvest B.V. by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

Segmental review

Mining operations

Overall iron ore concentrate output grew by 5% y-o-y, as a result of:

- the Group's mining assets boosting ore production
- operational improvements
- Central GOK processing third-party ore

Iron ore self-sufficiency of around 293%[1] in 9M 2020

Merchant iron ore concentrate[3] output surged by 52% y-o-y, due to greater overall concentrate output and changes in the order book at Northern GOK

Merchant pellet[3] output dropped by 37% y-o-y

- the share of high grade pellets was 48%, up 21 pp y-o-y, primarily as a result of the launch of production of concentrate with 70.5% Fe content and pellets with 67.5% Fe content that is used in DRI technology after the upgrade of beneficiation facilities at Central GOK
- output of pellets with 67.5% Fe content reached 892 kt in 9M 2020

Coking coal concentrate output[4] at United Coal in the US rose by 3% y-o-y due to the commissioning of new mining sections

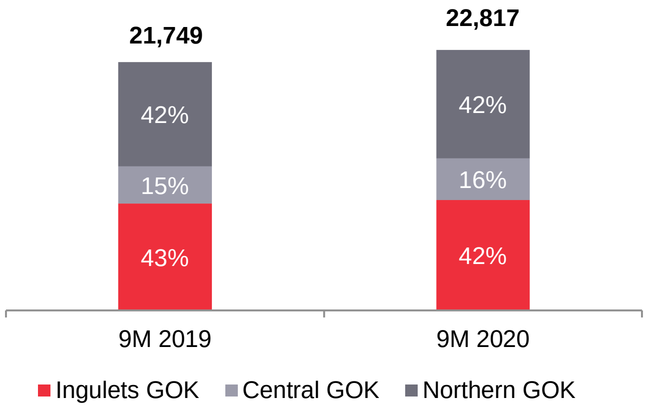
Coking coal self-sufficiency was 53%[5] in 9M 2020

Direct supplies of Russian coal resumed in March 2020

Additional long-term supplies have been secured by acquiring 24.77% in the biggest coking coal asset in Ukraine

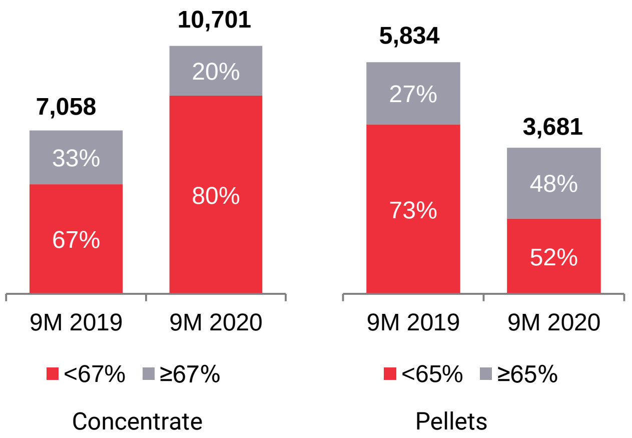
Iron ore concentrate production

kt



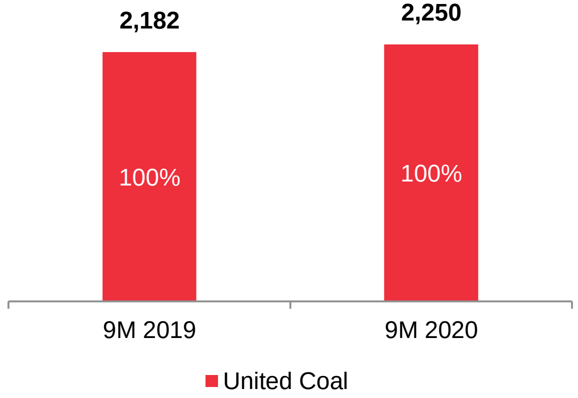
Output of iron ore products by Fe %

kt



Coking coal production

kt



1. Iron ore self-sufficiency is calculated as actual iron ore concentrate production divided by actual consumption of iron ore products to produce hot metal in the Metallurgical segment
2. In iron ore concentrate equivalent

3. Merchant iron ore product output figures exclude intragroup sales and consumption. The production data for merchant iron ore concentrate in 2019 and 1Q 2020 was revised to exclude sales between the mining assets to produce pellets.

4. Excluding production from raw coal purchased from third parties
5. Coal self-sufficiency is calculated as actual coal concentrate production divided by actual consumption of coal concentrate to produce coke required for production of hot metal in the Metallurgical segment, and coal consumption for PCI is included in the calculation

Mining segment financials

Sales

- external revenues increased by 1%, despite a significant redirection of iron ore products from Europe to Southeast Asia
- pellets accounted for 26% of the iron ore sales mix volumes and merchant concentrate for 74% in 9M 2020 (45% and 55% in 9M 2019, respectively)
- the top five iron ore customers accounted for 49% of segmental sales (66% in 9M 2019)
- overall, 61% of iron ore volumes were sold under annual contracts (73% in 9M 2019)

EBITDA

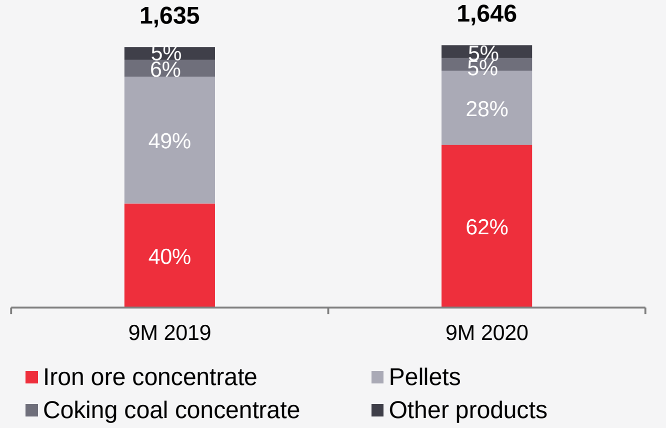
- EBITDA fell by 20% y-o-y, mainly due to the shift of the iron ore product mix towards concentrate amid weaker pellet demand and premiums, changes in the iron ore sales geography and lower coking coal prices
- the contribution to gross EBITDA[1] totalled 66%, down 33 pp y-o-y
- the EBITDA margin was 42%, down 2 pp y-o-y

The segment's CAPEX decreased by 41% y-o-y to US$224 mn, primarily due to lower maintenance investments at iron ore and coking coal producers

US$ mn	9M 2020	9M 2019	CHANGE
Sales (total)	2,310	2,704	-15%
Sales (external)	1,646	1,635	1%
% of Group total	22%	19%	+3 pp
EBITDA	968	1,203	-20%
% of Group total[1]	66%	99%	-33 pp
Margin	42%	44%	-2 pp
CAPEX	224	377	-41%

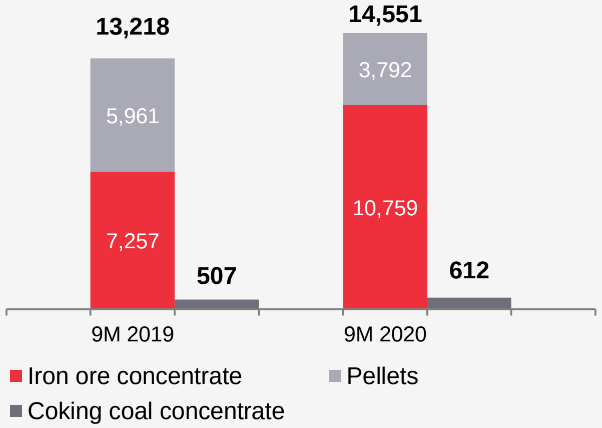
Sales by product

US$ mn



Sales by product

kt



1. The contribution is to the gross EBITDA, before adjusting for corporate overheads

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Metallurgical operations

Hot metal output increased by 5% y-o-y, amid:

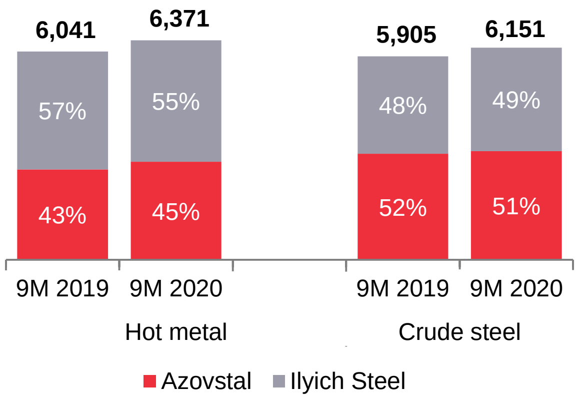
- a 9% increase at Azovstal amid the launch of BF no. 3 after a major overhaul and upgrade in June 2019
- a 3% rise at Ilyich Steel due to a lower base in the prior year due to the shutdown of BF no. 5 for an overhaul in May-July 2019

Crude steel output climbed by 4% y-o-y as a result of:

- a 2% increase at Azovstal amid greater hot metal production
- a 6% increase at Ilyich Steel due to the reallocation of hot metal to steelmaking after the launch of the new continuous casting machine no. 4

Hot metal and crude steel production

kt



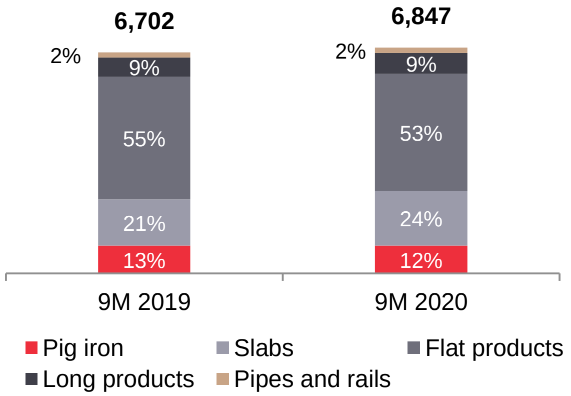
Merchant pig iron and steel product mix highlights:

- lower share of pig iron (-1 pp) amid unchanged output
- higher share of slabs (+3 pp), due to the launch of new equipment at Ilyich Steel and greater demand
- lower share of flat products (-2 pp), driven by a drop in plate output, partly compensated by a rise in HRC volumes after the revamp of Ilyich Steel's HSM 1700 and steady market demand for that product
- stable shares of long products, pipes and rails

Due to COVID-19, Metinvest Trametal and Ferriera Valsider in Italy shut down production operations from March 25 to April 12 and April 30, respectively

Merchant pig iron and steel product output

kt



In March 2020, Metinvest increased its stake in Dnipro Coke to 73.01%, as a result of which, it became a subsidiary of the Group

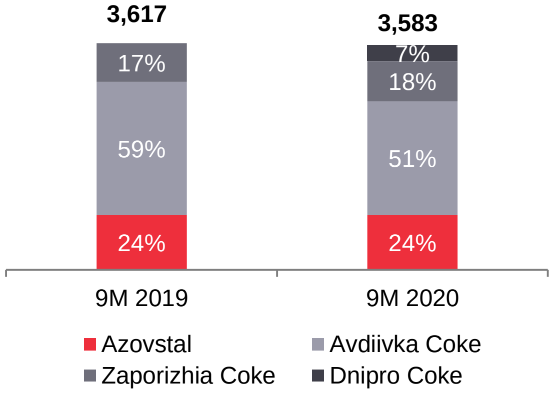
Coke[1] output edged down by 1% y-o-y, as fewer ovens at Avdiivka Coke were in operation, compared with 9M 2019, which was partly offset by the consolidation of Dnipro Coke's production from 2Q 2020 (254 kt)

Coke self-sufficiency stood at 165%[2] in 9M 2020

In 3Q 2020, Metinvest increased its stake in Zaporizhia Refractories, a producer of refractory products and materials in Ukraine, to 50.79%, following which it became a subsidiary of the Group

Coke production

kt



1. Dry blast furnace coke output. Starting in 2Q 2020, coke production data include production volumes of Dnipro Coke after the Group increased its stake in the asset to 73.01%
2. Coke self-sufficiency is calculated as actual coke production divided by actual consumption of coke to produce hot metal in the Metallurgical segment

Metallurgical segment financials

Sales

- external sales declined by 13% y-o-y, mainly due to decreased steel and coke selling prices in line with global benchmarks, as well as lower flat product sales volumes
- the share of HVA products[1] in the sales mix volumes, excluding resales, was 43% in 9M 2020, down 7 pp y-o-y
- the top five steel customers accounted for 16% of the segment's revenues (17% in 9M 2019)
- almost all steel volumes were sold on the spot market

EBITDA

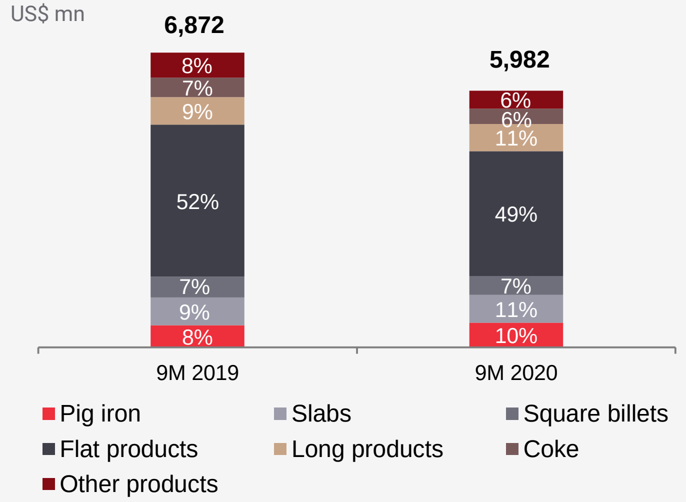
- EBITDA rose by more than 36x y-o-y, mainly due to lower expenses for raw and energy materials
- contribution to gross EBITDA[2] reached 34%, up 33 pp y-o-y
- EBITDA margin rose by 8 pp y-o-y to 8%, as a result of a lower cost base

The segment's CAPEX declined by 39% y-o-y to US$223 mn, following the completion of major strategic projects at Azovstal and reduced maintenance investments

US$ mn	9M 2020	9M 2019	CHANGE
Sales (total)	6,034	6,935	-13%
Sales (external)	5,982	6,872	-13%
% of Group total	78%	81%	-3 pp
EBITDA	501	14	+36x
% of Group total[2]	34%	1%	+33 pp
Margin	8%	0%	+8 pp
CAPEX	223	369	-39%

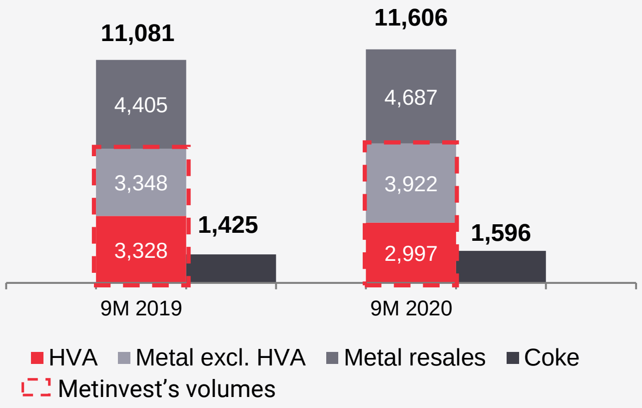
Sales by product

US$ mn



Sales by product

kt



1. HVA products include thick plates, cold-rolled flat products, hot-dip galvanised sheets and coils, structural sections, rails and pipes
2. The contribution is to the gross EBITDA, before adjusting for corporate overheads

Investor relations contacts

Yana Kalmykova

+380 44 251 83 36

yana.kalmykova@metinvestholding.com

Andrey Makar

+380 44 251 83 37

andrey.makar@metinvestholding.com

metinvestholding.com

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