

METINVEST ANNOUNCES 3Q AND 9M 2021 OPERATIONAL RESULTS

3 November 2021 – Metinvest B.V., the parent company of an international vertically integrated group of steel and mining companies (jointly referred to as “Metinvest” or “the Group”), today announces its operational results for the third quarter and nine months ended 30 September 2021.

OPERATIONAL HIGHLIGHTS

(kt)	3Q 2021	2Q 2021	Δ kt	Δ %	9M 2021	9M 2020	Δ kt	Δ %
Crude steel	2,575	2,229	346	16%	6,933	6,151	782	13%
Iron ore concentrate (total)	7,814	8,069	-255	-3%	23,678	22,817	861	4%
Coking coal concentrate (total)	1,351	1,715	-364	-21%	4,055	2,250	1,805	80%

METALLURGICAL SEGMENT

Hot metal production

(kt)	3Q 2021	2Q 2021	Δ kt	Δ %	9M 2021	9M 2020	Δ kt	Δ %
Hot metal	2,651	2,254	397	18%	7,056	6,371	685	11%
Azovstal	957	1,044	-87	-8%	2,938	2,848	90	3%
Ilyich Steel	1,354	1,210	144	12%	3,778	3,523	255	7%
Dnipro Coke	340	-	340	N/A	340	-	340	N/A

Crude steel production

(kt)	3Q 2021	2Q 2021	Δ kt	Δ %	9M 2021	9M 2020	Δ kt	Δ %
Crude steel	2,575	2,229	346	16%	6,933	6,151	782	13%
Azovstal	1,106	1,185	-79	-7%	3,346	3,156	190	6%
Ilyich Steel	1,084	1,044	40	4%	3,202	2,995	207	7%
Dnipro Coke	385	-	385	N/A	385	-	385	N/A

In 3Q 2021, Metinvest’s hot metal output climbed by 18% q-o-q to 2,651 kt. This was driven by the acquisition of assets relating to the integral property complex of PJSC Dneprovsky Iron & Steel Works (DMK) by Dnipro Coke and the consolidation of the former’s production volumes from August 2021, which amounted to 340 kt. In addition, Ilyich Steel increased its output by 144 kt as a result of the scheduled overhaul of blast furnace no. 5 in April 2021. At the same time, Azovstal decreased its production by 87 kt, attributable to the blast furnace repair schedule and availability of raw materials and fuel.

In 3Q 2021, the Group’s crude steel output increased by 16% q-o-q to 2,575 kt. This was mainly the result of the consolidation of DMK’s production volumes of 385 kt following the acquisition. In addition, there was a 40 kt increase in production at Ilyich Steel because of greater hot metal output at the plant. At the same time, production at Azovstal dropped by 79 kt, mainly because of a decrease in hot metal output at the plant.

In 9M 2021, hot metal output rose by 11% y-o-y to 7,056 kt following the acquisition of DMK’s integral property complex (340 kt). Also, both Mariupol plants increased their hot metal output: Ilyich Steel by 255 kt because of the shutdown of blast furnaces no. 3 and no. 4 for major overhauls in 1H 2020, and Azovstal by 90 kt because of blast furnace no. 4 operating in stand-by mode as per availability of orders in March-May 2020.

In 9M 2021, steel output climbed by 13% y-o-y to 6,933 kt because production increased by 207 kt at Ilyich Steel and by 190 kt at Azovstal amid greater hot metal output at the Mariupol plants and following the acquisition of DMK's production facilities (385 kt).

Merchant pig iron and steel product output¹

(kt)	3Q 2021	2Q 2021	Δ kt	Δ %	9M 2021	9M 2020	Δ kt	Δ %
Semi-finished products	1,015	687	328	48%	2,466	2,497	-31	-1%
Pig iron	396	292	104	36%	967	850	117	14%
Slabs	454	395	59	15%	1,334	1,647	-313	-19%
Billets	165	-	165	N/A	165	-	165	N/A
Finished products	1,863	1,819	44	2%	5,345	4,359	986	23%
Flat products	1,490	1,533	-43	-3%	4,430	3,571	859	24%
Hot-rolled plates	695	778	-83	-11%	2,173	2,048	125	6%
Hot-rolled coils	603	556	47	8%	1,669	1,113	556	50%
Cold-rolled coils	63	75	-12	-16%	223	142	81	57%
Galvanised coils	129	124	5	4%	365	268	97	36%
Long products	338	235	103	44%	788	627	161	26%
Railway products	13	8	5	63%	25	50	-25	-50%
Tubular products	22	43	-21	-49%	102	111	-9	-8%
TOTAL	2,878	2,506	372	15%	7,811	6,856	955	14%

In 3Q 2021, the Group's output of merchant semi-finished products surged by 48% q-o-q to 1,015 kt. The effect of the consolidation of merchant billet production at the former DMK facilities from August 2021 amounted to 165 kt. Pig iron production climbed by 36%. Merchant slab production increased by 15% because of a decrease in intragroup consumption amid annual major overhauls at re-rollers in the EU and the UK in August 2021.

In 9M 2021, the production of merchant semi-finished products edged down by 1% y-o-y to 2,466 kt because merchant slab output decreased by 313 kt amid the redistribution of slabs to flat product rolling. Pig iron production grew by 117 kt, mainly because of an increase in hot metal output. In addition, the DMK production facilities produced a total of 165 kt of billets following their consolidation into the Group.

In 3Q 2021, the Group's output of finished products rose by 2% q-o-q to 1,863 kt. In particular:

- flat product output decreased by 43 kt to 1,490 kt because of a reduction in the production of hot-rolled plates at Azovstal and re-rolling mills in the EU and the UK, which was partly offset by an increase in the production of hot-rolled coils at Ilyich Steel
- long product output climbed by 103 kt to 338 kt following the acquisition of DMK's re-rolling facilities
- railway product output grew by 5 kt to 13 kt
- tubular product output dropped by 21 kt to 22 kt amid fewer orders

In 9M 2021, the production of finished products climbed by 23% y-o-y to 5,345 kt. In particular:

- flat product output climbed by 859 kt to 4,430 kt amid greater coil production due to an improved productivity of the hot strip mill 1700 and four-stand mill at Ilyich Steel, and because of an increase in orders for plate at Azovstal
- long product output rose by 161 kt to 788 kt amid higher orders at Promet Steel and following the acquisition of the DMK production facilities.

¹ Excludes intragroup sales and intragroup consumption. From 3Q 2020, the intragroup consumption of hot-rolled plates, cold-rolled coils and galvanised coils has been revised. Also, from 2020, the output of cold-rolled sheets is included in the production volumes of cold-rolled coils.

Pig iron – merchant pig iron.

Billets include square and round ones.

Flat products include hot-rolled plates, as well as hot-rolled, cold-rolled and galvanised coils (including sheets).

Long products include hot-rolled sections (light, medium and heavy), rebar, merchant bars and wire rod.

Rail products include light and heavy rails and rail fasteners.

Tubular products include other electric resistance welded (ERW) pipes and seamless pipes.

- railway product output fell by 25 kt to 25 kt
- tubular product output edged down by 9 kt to 102 kt

Coke production²

(kt)	3Q 2021	2Q 2021	Δ kt	Δ %	9M 2021	9M 2020	Δ kt	Δ %
Coke (total)	1,094	1,198	-104	-9%	3,461	3,583	-122	-3%
Coke (merchant)	400	471	-71	-15%	1,391	1,508	-117	-8%

In 3Q 2021, the Group's output of coke totalled 1,094 kt, down 9% q-o-q because of a decrease in the number of coke ovens in use at Avdiivka Coke and a shortage of raw materials.

In 9M 2021, coke output edged down by 3% y-o-y to 3,461 kt because production decreased by 156 kt at Avdiivka Coke and by 76 kt at Azovstal amid a shortage of raw materials. The effect of the consolidation of Dnipro Coke's production volumes from April 2020 amounted to 112 kt.

MINING SEGMENT

Iron ore concentrate and pellet output³

(kt)	3Q 2021	2Q 2021	Δ kt	Δ %	9M 2021	9M 2020	Δ kt	Δ %
Iron ore concentrate (total)	7,814	8,069	-255	-3%	23,678	22,817	861	4%
Iron ore products (merchant)	3,712	4,924	-1,212	-25%	13,468	14,382	-914	-6%
Iron ore concentrate	2,444	3,312	-868	-26%	8,618	10,701	-2,083	-19%
Fe 65% to Fe 67%	1,284	2,321	-1,037	-45%	5,575	8,556	-2,981	-35%
Fe ≥67%	1,160	991	169	17%	3,043	2,145	898	42%
Pellets	1,268	1,612	-344	-21%	4,850	3,681	1,169	32%
Fe <65%	652	1,103	-451	-41%	3,119	1,896	1,223	65%
Fe 65% to Fe 67.5%	337	195	142	73%	1,028	893	135	15%
Fe ≥67.5%	279	314	-35	-11%	703	892	-189	-21%

In 3Q 2021, total iron ore concentrate production decreased by 3% q-o-q to 7,814 kt because of lower Fe content in ore at Ingulets GOK and Central GOK, and a reduction in ore mining and processing volumes at Northern GOK.

In 3Q 2021, merchant iron ore product output dropped by 25% q-o-q to 3,712 kt. Production of merchant concentrate and pellets fell by 26% and 21%, respectively, to 2,444 kt and 1,268 kt because of a decrease in total iron ore concentrate output and an increase in intragroup consumption by the Group's metallurgical plants.

In 9M 2021, total iron ore concentrate output grew by 4% y-o-y to 23,678 kt because of an increase in ore production at all iron ore assets and operational improvements.

In 9M 2021, merchant iron ore product output dropped by 6% y-o-y to 13,468 kt. Production of merchant concentrate fell by 19% to 8,618 kt because of an increase in intragroup consumption, the integration of DMK's production facilities and the redistribution of orders in favour of pellets. As a result, merchant pellet output rose by 32% to 4,850 kt.

² Merchant coke production figures exclude intragroup sales and consumption. From 2Q 2020, coke production data includes the production volumes of Dnipro Coke after the Group increased its stake in the asset to 73.01%.

³ Merchant iron ore product output figures exclude intragroup sales and consumption.

Coking coal concentrate production⁴

(kt)	3Q 2021	2Q 2021	Δ kt	Δ %	9M 2021	9M 2020	Δ kt	Δ %
Coking coal concentrate (total)	1,351	1,715	-364	-21%	4,055	2,250	1,805	80%

In 3Q 2021, coking coal concentrate output dropped by 21% q-o-q to 1,351 kt because production volumes at Pokrovske Coal⁵ in Ukraine fell by 315 kt amid unfavourable geological conditions. Coking coal concentrate production at United Coal's mines in the US decreased by 49 kt following a reduction in operating time in July.

In 9M 2021, coking coal concentrate production climbed by 80% y-o-y to 4,055 kt following the consolidation since March 2021 of Pokrovske Coal's volumes, which totalled 1,800 kt.

For more information, please visit metinvestholding.com

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METINVEST GROUP is a vertically integrated group of steel and mining companies that manages every link of the supply chain, from mining and processing iron ore and coal to making and selling semi-finished and finished steel products. It comprises steel and mining production facilities located in Ukraine, the European Union, the UK and the US, as well as a sales network covering all key global markets. Metinvest's business is divided for financial reporting purposes into two segments: Metallurgical and Mining. Its strategic vision is to become a leading vertically integrated steel producer in Europe, delivering sustainable growth and profitability resilient to business cycles and providing investors with returns above the industry benchmarks. For the 6 months ended 30 June 2021, the Group reported revenues of US\$8.5 bn and an EBITDA margin of 45%.

METINVEST HOLDING LLC is the management company of Metinvest Group.

⁴ Coal concentrate (total) production figures present coal production in equivalent of coal concentrate and do not include the processing of purchased coal. From March 2021, coking coal concentrate production data includes the production volumes of Pokrovske Coal after Metinvest increased its effective interest to a controlling stake.

⁵ Pokrovske Coal comprises several entities, the most significant of which are Pokrovske Colliery and Sviato-Varvyrnska Beneficiation Factory.