FINANCIAL REVIEW

MANAGING CHANGE

Metinvest demonstrated resilience in 2024 amid a challenging operating environment defined by the war and market volatility among many other factors. The Group benefited from the reinstatement of Black Sea navigation and the financial impact of operational improvements while progressing its deleveraging efforts.

REVENUES

Metinvest generates revenues primarily through the sale of its own steel, iron ore, coal and coke products. It also resells goods produced by its joint ventures and other third parties.

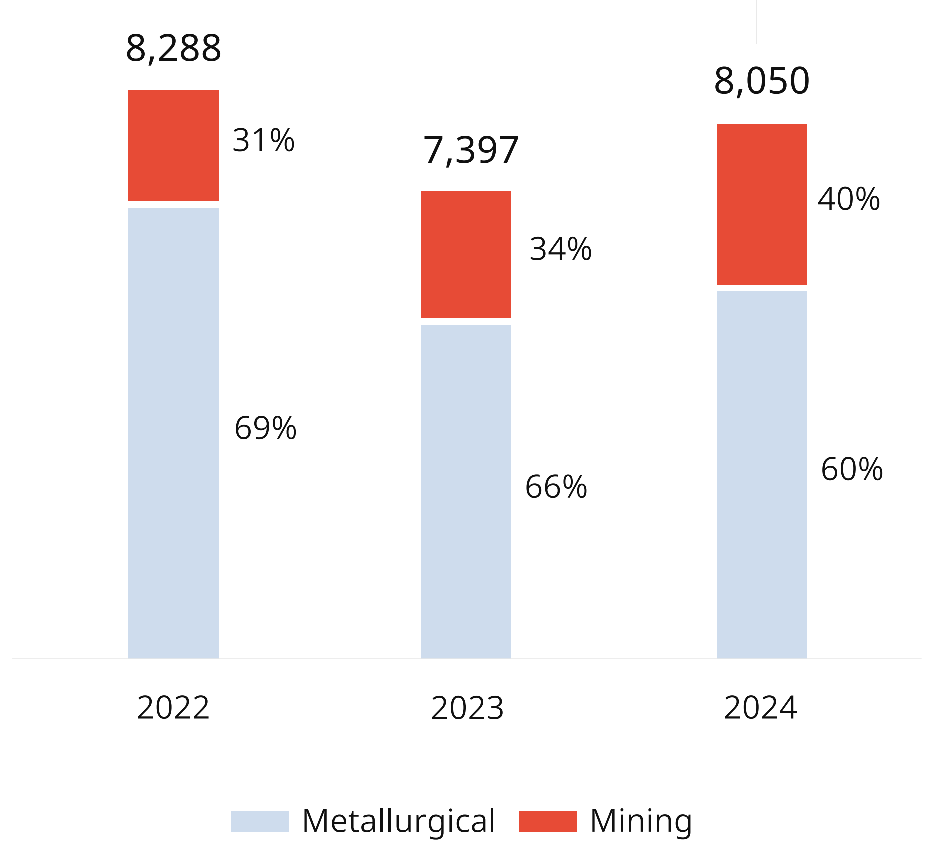
In 2024, the Group's consolidated revenues rose by 9% year-on-year to US$8,050 million. This increase was primarily driven by the effect of the reopening of Ukraine's Black Sea navigation, which eased logistical constraints for exports.

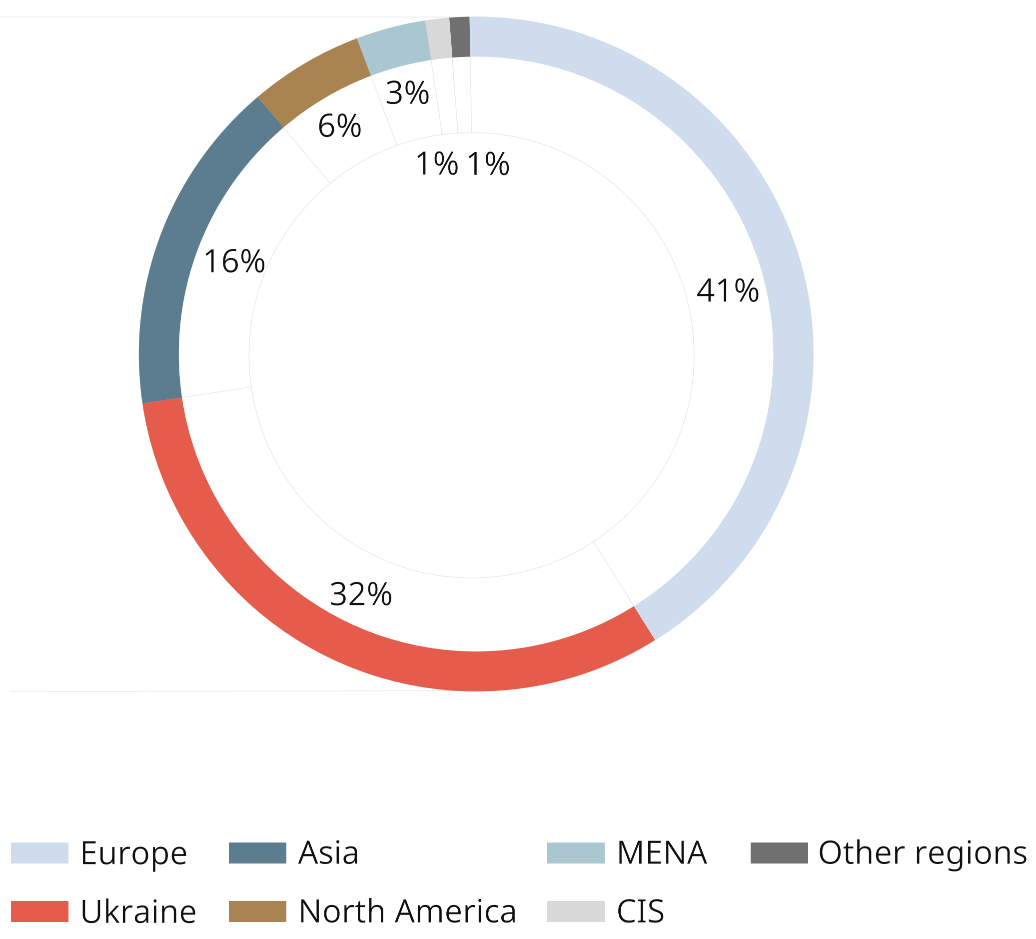
In addition, the volumes of resales of steel and iron ore substantially grew thanks to the improved operational performance of both joint ventures. At the same time, selling prices followed the downward trends of global benchmarks.

Overall, revenues from resales totalled US$2,869 million in 2024, up 30% year-on-year. They accounted for 36% of the top line, an increase of six percentage points year-on-year.

REVENUES

US$8,050 mn ↑9%





REVENUES BY MARKET

Metinvest's sales in Ukraine decreased by 2% year-on-year to US$2,587 million, mainly due to softer selling prices. As a result, Ukraine's share in consolidated revenues dropped by three percentage points to 32%.

At the same time, sales to other markets increased by 15% year-on-year to US$5,463 million in the reporting period, accounting for 68% of overall revenues.

Sales to Europe[1] declined by 8% year-on-year, reflecting a weaker pricing environment alongside lower shipments of iron ore concentrate (down by 18% year-on-year), coking coal concentrate (down by 26% year-on-year), and billets (down by 34% year-on-year). It was compensated by increased deliveries of pellets and flat products, each up by 10% year-on-year. As a result, the region's share in overall revenues dropped by seven percentage points to 41%.

Sales to Asia[2] surged by 2.6 times year-on-year, primarily because of the resumption of iron ore concentrate shipments to China. This drove up the region's share in overall revenues by nine percentage points to 16%.

Revenues from North America remained largely unchanged year-on-year at US$443 million. While shipments of long products rose by 43% year-on-year, pig iron volumes declined by 15% year-on-year. The region's share in consolidated revenues remained stable at 6%.

Revenues from the Middle East and North Africa (MENA) more than doubled, increasing by 2.2 times year-on-year, mainly because of a threefold rise in billet deliveries. The region's share in overall revenues grew by one percentage point to 3%.

Sales to CIS countries rose by 25% year-on-year, while the region's share in overall revenues remained unchanged at 1%.

Revenues from other regions climbed by 13% year-on-year and their share in total revenues held steady at 1%.

[1] Europe excludes Ukraine, European Commonwealth of Independent States (CIS) countries and Türkiye.
[2] Asia excludes the Middle East and Central Asia.

REVENUES BY PRODUCT

METALLURGICAL SEGMENT

In 2024, the Metallurgical segment's revenues remained nearly unchanged year-on-year at US$4,824 million. Sales of finished products and semi-finished products declined by 5% year-on-year and 3% year-on-year, respectively. At the same time, sales of coke increased by 6% year-on-year, while those of other products and services grew by 33% year-on-year. In the reporting period, the segment accounted for 60% of the overall top line (down six percentage points year-on-year).

Pig iron
In 2024, pig iron sales declined by 15% year-on-year to US$266 million, driven by a 16% year-on-year drop in shipments to 558 thousand tonnes. This included reductions of resales and in-house volumes by 12% year-on-year and by 52% year-on-year, respectively. The share of resales in total volumes rose by four percentage points year-on-year to 95%. North America and Europe remained key destinations for this product, accounting for 71% and 23% of all shipments, respectively, in 2024, compared with 70% and 26% in 2023.

Billets
In 2024, sales of billets grew by 9% year-on-year to US$389 million, driven by a 16% year-on-year increase in sales volumes to 716 thousand tonnes amid destocking. Shipments to MENA rose by 237 thousand tonnes year-on-year, making up 50% of overall deliveries in 2024 (20% in 2023). Conversely, shipments to Europe declined by 143 thousand tonnes year-on-year and accounted for 38% of all sales (68% in 2023). The average selling price decreased in line with the square billet CFR Türkiye benchmark, which fell by 7% year-on-year.

Flat products
In 2024, sales of flat products decreased by 6% year-on-year to US$2,244 million. This was driven by a decline in selling prices in line with the HRC CFR Italy benchmark, which fell by 9% year-on-year. Overall deliveries rose by 7% year-on-year to 3,047 thousand tonnes, supported by a 26% year-on-year increase in resales to 2,111 thousand tonnes, which brought their share in total volumes to 69% (up ten percentage points). Shipments were primarily directed to Europe, which accounted for 72% in overall volumes (71% in 2023). Sales in the region increased by 193 thousand tonnes, due to demand from key customers, an expanded customer base and stable operations of the Black Sea ports. Deliveries inside Ukraine accounted for 23% of sales volumes (25% in 2023).

Long products
Sales of long products remained similar year-on-year at US$948 million in 2024. Shipments increased by 5% year-on-year to 1,372 thousand tonnes, mainly arising from greater output at Kamet Steel. Ukraine and Europe remained key markets for these products, contributing 45% and 35% of total sales volumes, respectively (48% and 39% in 2023). The Group expanded deliveries to North America, which represented 17% of overall sales volumes in 2024 (12% in 2023). The average selling price declined, following the square billet CFR Türkiye benchmark.

Coke
During the reporting period, sales of coke climbed by 6% year-on-year to US$485 million. This was driven by more shipments, which increased by 18% year-on-year to 1,349 thousand tonnes, primarily thanks to higher resales to the Metallurgical JV. The average selling price decreased, following the dynamics of coking coal benchmark quotations.

MINING SEGMENT

In 2024, the Mining segment's revenues rose by 26% year-on-year to US$3,226 million, because of higher sales of iron ore products (up 78% year-on-year). The segment's share in the overall top line accounted for 40% (up six percentage points year-on-year).

Iron ore concentrate
Sales of merchant iron ore concentrate surged by 2.2 times year-on-year to US$1,638 million in 2024, driven by the unblocking of Ukraine's Black Sea navigation. Consequently, total sales volumes reached 16,465 thousand tonnes (up 2.2 times year-on-year). The Group ramped up deliveries to Asia, where sales rose by 9,566 thousand tonnes, accounting for 70% of overall shipments in 2024 (27% in 2023). Shipments to Ukraine remained relatively stable, representing 18% of total sales volumes (41% in 2023). Meanwhile, deliveries to Europe declined by 406 thousand tonnes, making up 11% of overall sales volumes (31% in 2023).

Pellets
In 2024, sales of pellets climbed by 8% year-on-year to US$751 million, driven by a 14% rise in sales volumes to 6,055 thousand tonnes. With increased demand from key customers, most of these volumes were distributed to Europe (81% in 2024, compared with 84% in 2023) and Ukraine (16% in 2024, compared with 15% in 2023).

Coking coal concentrate
In 2024, sales of coking coal concentrate fell by 26% year-on-year to US$795 million. First, the average selling price declined following the hard coking coal FOB Australia spot and LV FOB USEC benchmarks, which dropped by 19% and 16% year-on-year, respectively. Second, sales volumes decreased by 19% to 3,597 thousand tonnes because of lower output by both producers. During the reporting period, United Coal distributed almost all its products to Europe, North America and Asia, which accounted for 33%, 31% and 22%, respectively (34%, 27% and 33% in 2023, respectively). Pokrovske Coal's shipments were primarily directed to Ukraine (85% in 2024, compared with 62% in 2023), and, to a lesser extent, to Europe (15% in 2024, compared with 20% in 2023).

NET OPERATING COSTS

In 2024, net operating costs (excluding items shown separately)[3] grew by 12% year-on-year to US$7,648 million, mainly as a result of the factors described below.

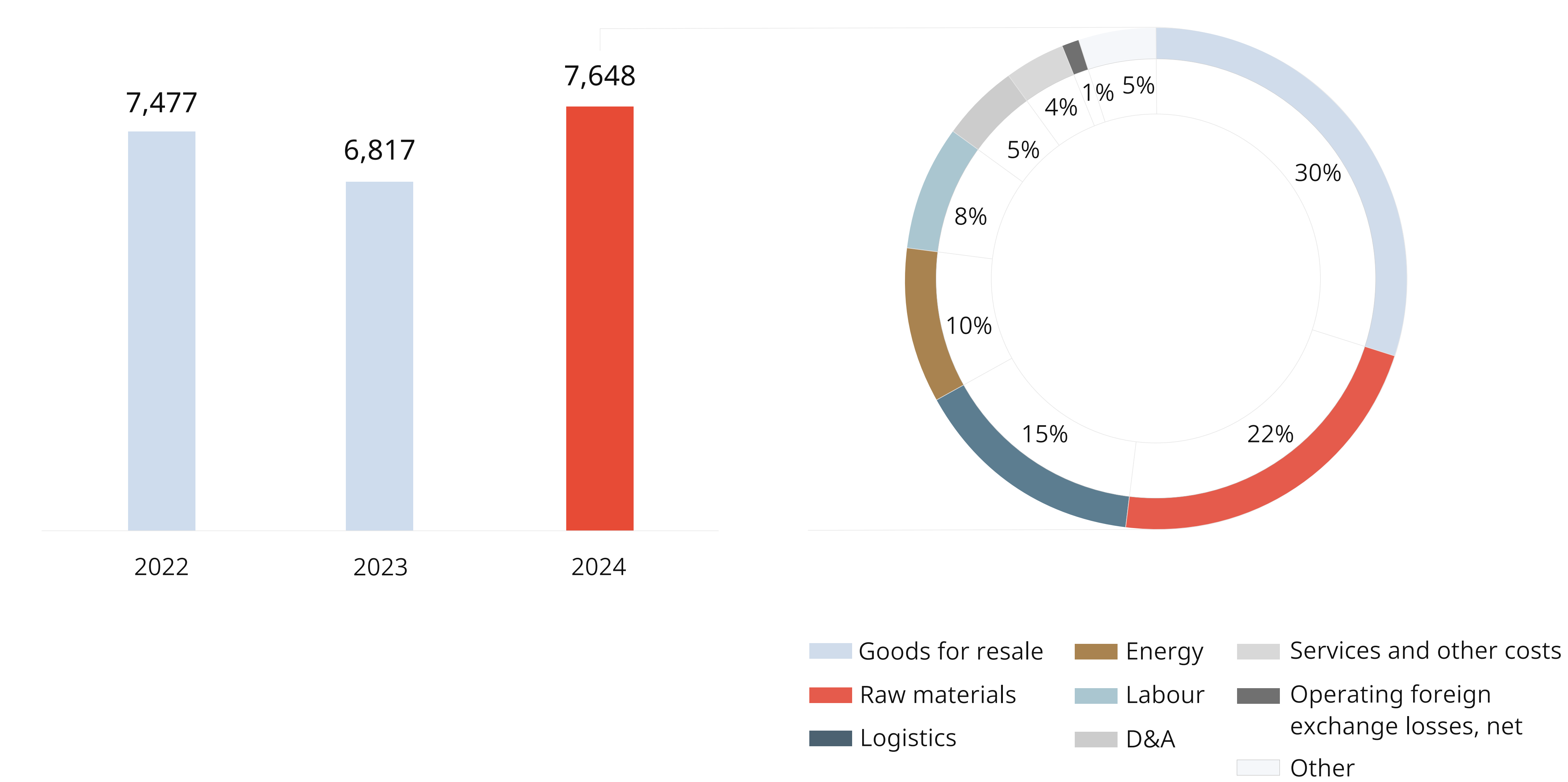
In the reporting period, the cost of goods and services for resale rose by US$516 million amid stronger resale volumes. Overall spending on the transportation of goods climbed by US$412 million, primarily due to increased freight costs amid stronger seaborne export volumes on the back of the reinstatement of Black Sea navigation. Additionally, energy material costs grew by US$99 million as a result of the higher electricity component resulting from increased consumption and tariffs for the Group's Ukrainian assets.

This was partly offset by a US$142 million reduction in raw materials costs, primarily due to decreased purchases of third-party feedstock for the re-rollers, as well as lower prices for coal, coke and iron ore. Net operating costs were further reduced by US$140 million due to a positive effect on costs from the hryvnia's depreciation against the US dollar.

As a percentage of consolidated revenues, net operating costs reached 95% in 2024 (up three percentage points year-on-year).

NET OPERATING COSTS

US$7,648 mn ↑12%



IMPAIRMENT OF FINANCIAL ASSETS

In 2024, impairment of financial assets decreased to US$23 million, compared with US$123 million a year earlier. As a percentage of consolidated revenues, the impairment of financial assets was nil in the reporting period, compared with 2% in 2023.

ALLOWANCE FOR IMPAIRMENT OF ASSETS

In 2024, the allowance for impairment of assets was US$1,317 million (US$12 million in 2023). As a percentage of consolidated revenues, the allowance for impairment of assets was 16% (nil in 2023).

As a result of the high level of uncertainty regarding the future development of the military situation in Ukraine, the deteriorating security situation in the vicinity of Pokrovske Coal, the subsequent suspension of its production, as well as the unknown timing of the restart of operations, the Group booked an allowance of partial impairment of assets in relation to its Ukrainian coking coal producer that was recognised in the profit and loss accounts.

As of 31 December 2024, Pokrovske Coal's assets in the Group's Consolidated Balance Sheet amounted to US$134 million, consisting primarily of property, plant and equipment, as well as inventories and replaceable equipment.

FINANCE INCOME

In 2024, Metinvest's finance income grew by 2.4 times year-on-year to US$74 million, primarily as a result of a gain on the extinguishment of bonds that were repurchased during the reporting period. As a percentage of consolidated revenues, finance income was 1% in 2024 (0.4% in 2023).

FINANCE COSTS

In the reporting period, finance costs increased by 47% year-on-year to US$409 million. This was primarily an effect of the recognition of non-cash losses of US$112 million on factoring operations of accounts receivable with the Group's subsidiaries located on the temporarily occupied territory and being under bankruptcy procedure. These balances were initially eliminated through consolidation, but after selling them to an external party the Group recognised losses, which arose due to a substantial discount embedded in the transaction, given the nature of the transferred balances. At the same time, interest expenses on bonds and other borrowings dropped by 7% year-on-year.

As a percentage of consolidated revenues, finance costs stood at 5% (up one percentage point year-on-year).

SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

In 2024, Metinvest's share in the net income of its associates and joint ventures was US$56 million, compared with a loss of US$232 million in 2023. The result was driven primarily by an improved performance of both joint ventures.

INCOME TAX BENEFIT

In 2024, the income tax benefit amounted to US$65 million, compared with income tax expenses of US$159 million in 2023. This was mainly due to the effect of the write-off of related deferred tax liability following the partial impairment of Pokrovske Coal's assets. At the same time, current tax expenses grew by 23% year-on-year to US$124 million in the reporting period.

NET LOSS

In 2024, the net loss was US$1,152 million, compared with US$194 million a year ago. This was primarily driven by an allowance for partial impairment of coking coal assets in Ukraine, increased net operating costs, as well as higher finance costs. These factors were partly offset by stronger revenues, the enhanced performance of associates and joint ventures, income tax benefit, lower impairment of financial assets, as well as higher finance income.

The net loss margin reached 14% in the reporting period, compared with 3% a year ago.

[3] In the factor analysis, all costs are presented net of the impact of exchange rate fluctuations between the hryvnia and the presentational currency, which is calculated separately and included in other costs. Net operating costs are presented without the effects of operational improvements.

EBITDA

Adjusted EBITDA is calculated as earnings before income tax, finance income and costs, depreciation and amortisation, impairment and devaluation of property, plant and equipment, operating foreign exchange gains and losses (net), the share of results of associates and other expenses that the management considers extraordinary, plus the share of EBITDA of joint ventures. Throughout this report, adjusted EBITDA will be referred to as EBITDA.

In 2024, Metinvest's EBITDA rose by 11% year-on-year to US$957 million. The Metallurgical segment's EBITDA grew by 82% to US$289 million, while the Mining segment's EBITDA remained flat at US$768 million. Corporate overheads and eliminations totalled US$100 million in 2024 (US$68 million in 2023).

As a result, in 2024, the Mining segment's contribution to the Group's EBITDA (before adjusting for corporate overheads and eliminations) was 73% (83% in 2023), while the Metallurgical segment's contribution grew to 27% (17% in 2023).

The growth in the Group's EBITDA was driven primarily by: stronger sales volumes of in-house iron ore products, as well as of billets and long products; operational improvements (as commented further in the text); the positive effect of the hryvnia's depreciation against the US dollar on costs (almost 9% year-on-year); weakening of the hryvnia against the US dollar on average for 2024; the improved performance of both joint ventures; lower raw materials costs from reduced coal, coke and iron ore prices; as well as decreased purchases of third-party feedstock for the re-rollers.

These factors were partly offset by: decreased selling prices; greater overall spending on transportation of goods, mainly due to increased seaborne shipments from Ukraine to distant markets; and increased spending on energy materials, primarily due to higher electricity costs.

In 2024, the Group generated a positive EBITDA margin of 12% (flat year-on-year). The Mining segment's EBITDA margin was 20% (down six percentage points year-on-year), while the Metallurgical segment's EBITDA margin was 6% (up three percentage points year-on-year).

OPERATIONAL IMPROVEMENTS

In 2024, Metinvest achieved significant gains from operational improvements, amounting to US$226 million: nearly double the previous year's figure.

First, enhanced sales were driven by the restoration of Black Sea navigation, allowing access to more efficient markets and improving overall logistics profitability due to lower freight costs.

Second, a revised approach to the centralised management of iron ore assets revealed synergies between the assets, enabling the most effective unitlisation of production units, as well as human and financial capital.

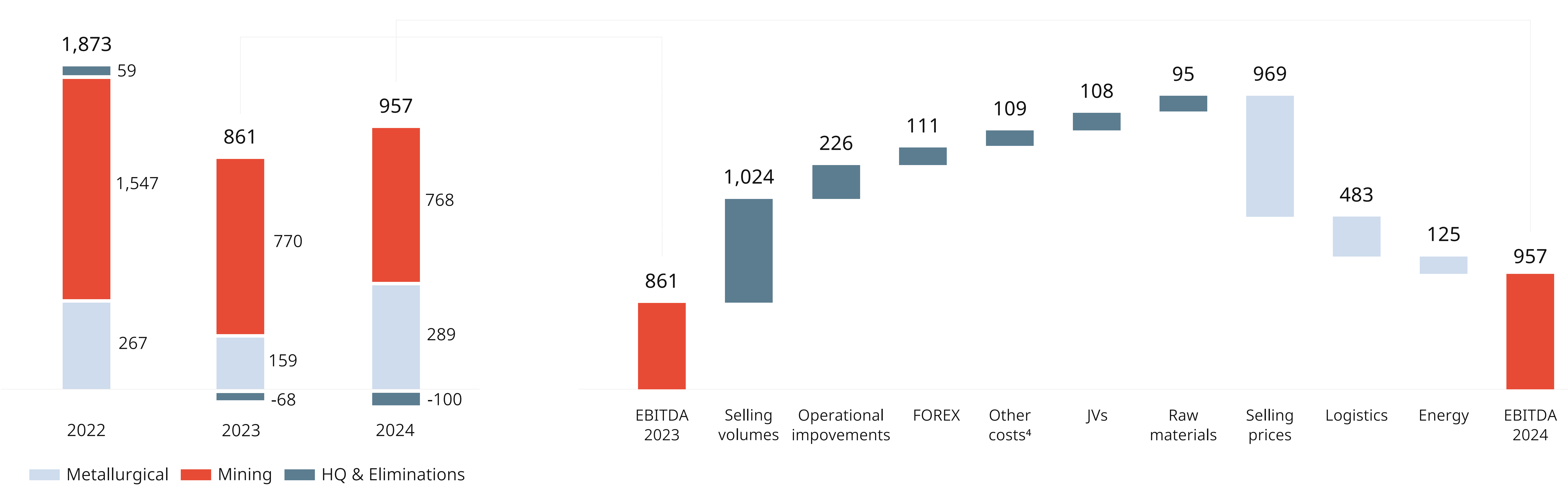
Third, in the metallurgical segment, there was a reduction in coke consumption at Kamet Steel and improved blast furnace performance, achieved through the rapid adaptation of PCI technology to alternative coal types amid wartime supply constraints.

Additionally, optimising of the procurement of raw materials contributed to these positive results.

[4] Other costs include labour costs, repairs and maintenance, services and other costs, as well impairment of financial assets.

EBITDA

US$957 mn ↑11%



APPROACH TO TAX

Metinvest takes a structured approach to managing its tax obligations, supported by a specialised unit within the Financial Directorate tasked with ensuring compliance with applicable regulatory standards and internal guidelines.

The Group's activities in this area are governed by its Tax Policy, which outlines several key principles:

- declaration and payment of taxes in line with business jurisdiction rules
- use of tax deductions and benefits as set out by legislation
- mandatory identification and management of tax risks
- inclusion of the tax function into the business decision-making process
- arm's length principle.

Additionally, Metinvest's Tax Policy framework enables the reporting of any breaches via the Trust Line, bolstered by centralised oversight and decision making. This is part of a comprehensive approach to managing tax risks, encompassing systematic risk detection, evaluation, mitigation and ongoing monitoring.

Compliance processes and the accuracy of tax reporting are verified through rigorous internal reviews. The Group maintains constructive dialogue with tax authorities, engaging systematically in regulated audits and consultations, thereby underscoring its commitment to transparency with fiscal institutions.

Through its tax contributions to national and local budgets in its countries of operation, Metinvest plays a vital role in supporting their economic advancement. In 2024, the Group's global tax contributions totalled US$478 million, of which US$350 million were in Ukraine.

LIQUIDITY AND CAPITAL RESOURCES

Net cash from operating activities
In the reporting period, Metinvest's operating cash flows before working capital changes remained largely unchanged year-on-year at US$929 million.

At the same time, working capital outflow totalled US$198 million (compared with inflow of US$83 million in 2023), predominantly due to a rise in the net effect of trade and other accounts receivable.

Income tax paid declined by 30% to US$102 million. Interest paid decreased by 4% to US$161 million.

As a result, Metinvest's net cash from operating activities declined by 34% year-on-year to US$468 million.

Net cash used in investing activities
In 2024, net cash used in investing activities totalled US$197 million, down 34% year-on-year. Total cash used to purchase property, plant and equipment (PPE) and intangible assets (IA) fell by 29% to US$216 million. Interest received doubled to US$13 million, while proceeds from sales of PPE and IA slightly decreased to US$6 million.

Net cash used in financing activities
In 2024, net cash used in financing activities totalled US$241 million, compared with US$115 million in 2023.

Net repayment of loans and borrowings amounted to US$216 million (US$185 million in 2023), primarily resulting from repurchasing bonds.

Net trade finance repayments amounted to US$25 million, compared with proceeds of US$70 million in 2023.

CAPITAL EXPENDITURES

In 2024, Metinvest maintained a prudent capital-allocation policy shaped by wartime constraints in Ukraine and decarbonisation of the European steel industry.

Spending in Ukraine was directed first and foremost to keeping people safe, sustaining critical equipment, and strengthening energy resilience and environmental compliance at operating sites. It also sought to reduce logistical bottlenecks.

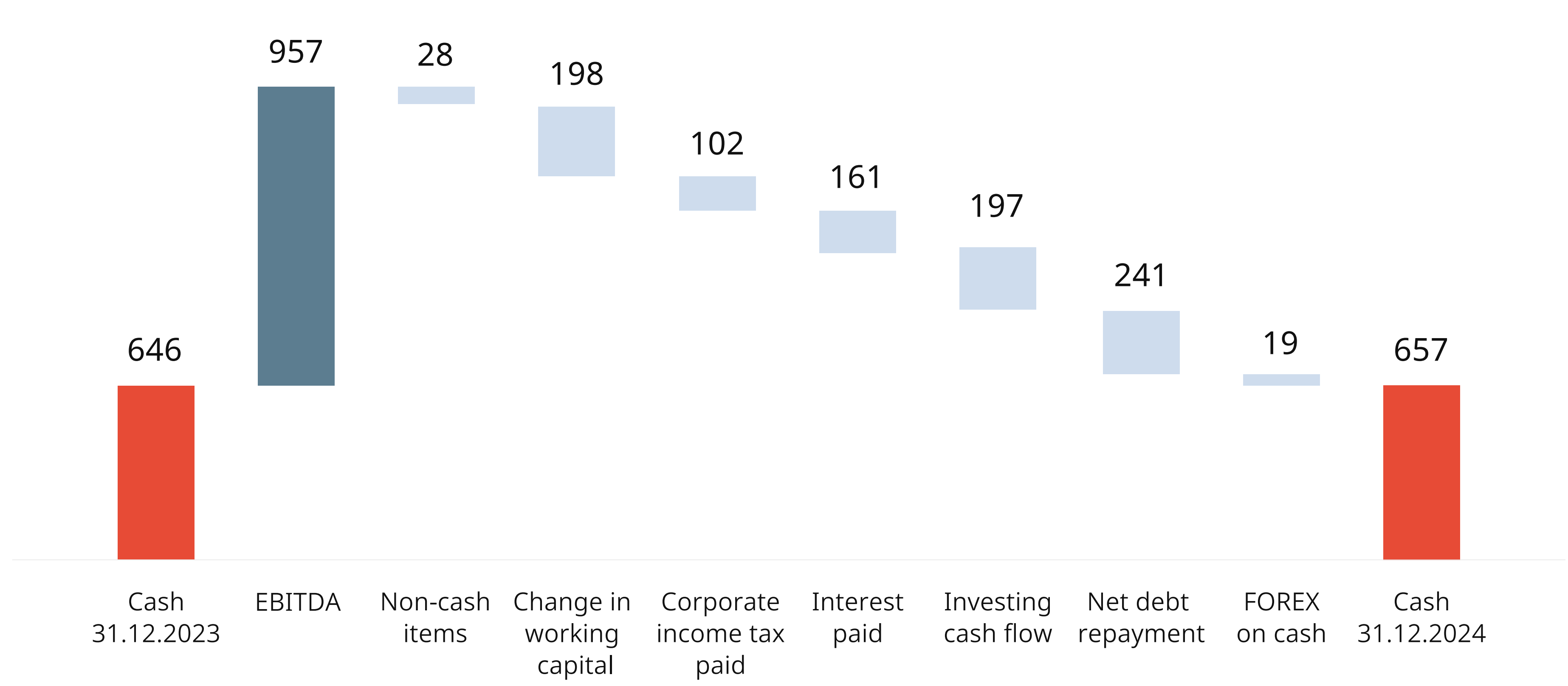
Although most large development projects remained on hold, the Group resumed a key initiative to thicken beneficiation wastes at Northern Iron Ore. The project aims to reduce tailings volumes, decrease operating and capital expenditures and reduce the environmental footprint, while also helping to maintain production volumes.

Metinvest also continued to prepare for the post-war recovery.

Outside Ukraine, the Group is advancing Project Adria, its low-carbon steelmaking complex in Italy. For more details about the project, see page 20.

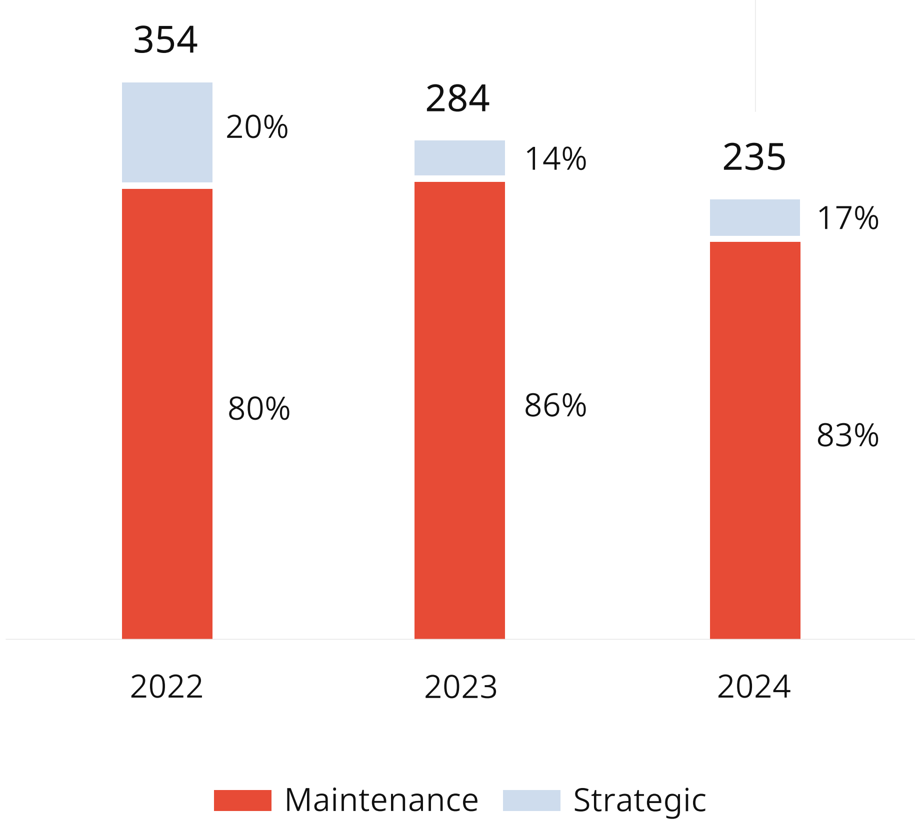
Overall, in the reporting period, total capital expenditures fell by 17% year-on-year to US$235 million. Around 83% of this was devoted to maintenance and 17% to strategic initiatives.

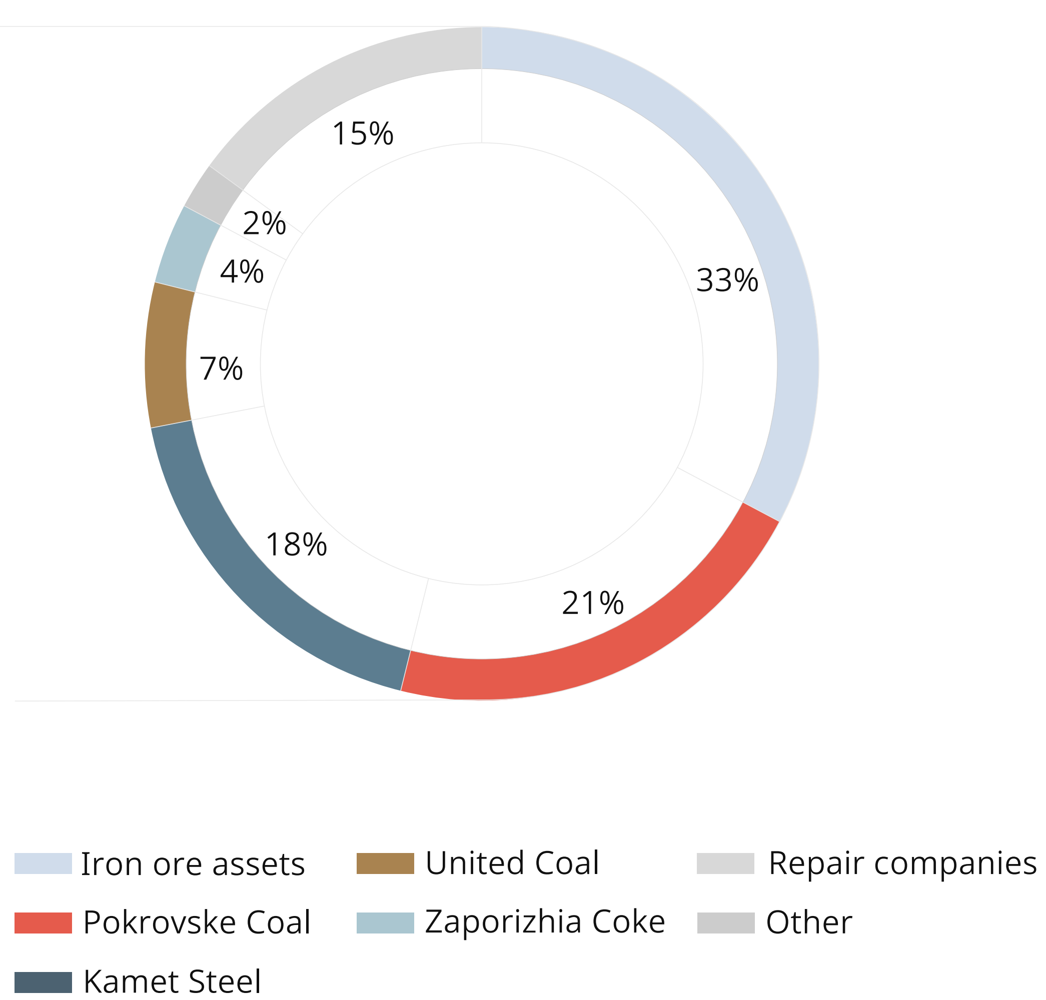
CASH FLOW



CAPEX

US$235 mn ↓17%





DELEVERAGING

Metinvest ended 2024 in a markedly stronger financial position. Total debt[5] as at 31 December 2024 was US$1,705 million, down 14% year-on-year. Meanwhile, the ratio of net debt[6] to EBITDA improved to 1.1x, compared with 1.6x a year earlier.

Bonds listed on the Euronext Dublin Stock Exchange remained the backbone of the Group's capital structure. They accounted for 85% of Metinvest's debt portfolio, up slightly from 84% as at 31 December 2024.

Metinvest's deleveraging drive accelerated during 2024. Through a series of liability-management transactions, the Group repurchased around EUR144 million of bonds due in 2025 and roughly US$56 million of bonds due in 2026. It also reduced the use of short-term trade-finance facilities.

In June 2025, after the reporting period, Metinvest fully redeemed the remaining principal amount of Senior Notes due in 2025 in full and in time. With this transaction, the Group has repaid two series of Senior Notes since the full-scale invasion.

Overall, Metinvest has repaid around US$670 million of debt since the beginning of 2022. The Group made these repayments despite the material impact of the full-scale war on its business model, including the loss of operational control or suspension of operations at certain assets in Ukraine and the continuing challenges of the current operating environment.

In addition, during the reporting period, the Group also diversified its working capital financing options.

In May 2024, it secured a new EUR10 million committed loan from the Black Sea Trade and Development Bank. In July 2024, it opened a new accounts receivable securitisation programme for the Italian re-rollers structured by Banca Akros S.p.A to finance a pool of accounts receivable of up to EUR50 million.

Credit rating agencies has continued to monitor Metinvest's performance. In October 2024, S&P maintained Metinvest's Long-Term Issuer Credit Rating at 'CCC+/negative,' which stands five notches above Ukraine's sovereign rating. Similarly, in July 2024, Fitch affirmed Metinvest's Long-Term Foreign Currency Issuer Default Rating at 'CCC,' placing it three notches above Ukraine's sovereign rating.

In June 2025, Moody's upheld the long-term corporate family rating (CFR) at 'Caa3' with a 'stable' outlook, indicating it is one notch above Ukraine's sovereign rating. Furthermore, Moody's scorecard-indicated outcome for May 2025 suggests Metinvest's potential credit rating at 'Ba2' based on a 12-18 month forward view, assuming it is not capped by Ukraine's sovereign foreign-currency ceiling.

[5] Total debt is calculated as the sum of bank loans, non-bank borrowings, bonds issued, trade finance and lease liabilities.
[6] Net debt is calculated as total debt less cash and cash equivalents.

TOTAL DEBT REPAYMENTS SINCE THE OUTBREAK OF WAR NEARLY US$670 MN