FINANCIAL REVIEW (CONTINUED)

INCOME TAX EXPENSE

In the reporting period, Metinvest recorded an income tax expense of US$83 million, compared with an income tax benefit of US$65 million for the year ended 31 December 2024. The change was mainly due to the deferred tax effect driven by the write-off of the related deferred tax liability following the partial impairment of Pokrovske Coal's assets recognised in 2024.

LOSS FROM OPERATIONS HELD FOR SALE

In 2025, the Group's management decided to dispose of Metinvest's US coal operations. As a result, Metinvest recorded a loss from operations held for sale of US$185 million, compared with US$79 million a year earlier.

NET LOSS

In 2025, the Group reported a net loss of US$191 million, compared with a net loss of US$1,152 million a year earlier. This was mainly attributable to a lower impact from the impairment of financial assets, decreased net operating costs, reduced finance costs and the reversal of impairment of financial assets.

These factors were partly offset by lower revenues, the loss from operations held for sale, income tax expenses, lower finance income, weaker net results from associates and joint ventures, and the reclassification to profit or loss of the currency translation reserve following the loss of significant influence and control.

The Group's net loss margin in the reporting period was 3%, compared with 14% a year earlier.

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 is referred to as EBITDA.

In 2025, Metinvest's EBITDA decreased by 24% year-on-year to US$765 million. The Mining segment's EBITDA fell by 48% year-on-year to US$424 million, while the Metallurgical segment's EBITDA rose by 51% year-on-year to US$437 million. Corporate overheads and eliminations totalled US$96 million in 2025, compared with US$100 million in 2024.

As a result, the Mining segment's contribution to the Group's EBITDA, before adjusting for corporate overheads and eliminations, fell to 49%, compared with 74% in 2024. Meanwhile, the Metallurgical segment's contribution grew to 51%, compared with 26% in 2024.

The decrease in the Group's EBITDA was driven primarily by the suspension of Ukrainian coking coal operations and softer selling prices across the entire product range.

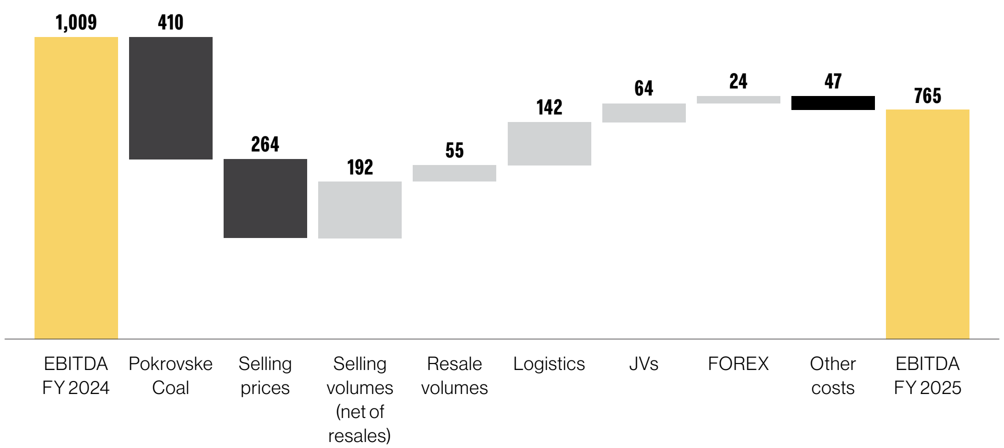
These factors were partly offset by: higher sales volumes, notably in-house sales of pig iron, finished steel products and pellets, as well as higher resale volumes; lower transportation costs, primarily reflecting reduced freight tariffs, more efficient logistics routes within Ukraine, as well as decreased coking coal shipments; improved results from both joint ventures; and decreased raw material expenses, mainly from lower prices for slabs and coke.

In 2025, the Group generated an EBITDA margin of 11%, a decrease of two percentage points year-on-year.

EBITDA

US$765 mn

-24%



CASE STUDY

OPERATIONAL EFFICIENCY

In 2025, Metinvest delivered materially impactful results from operational efficiencies totalling US$227 million (broadly in line with 2024 results).

The Group continued to realise improvements through a broad-based programme covering its operations. In commercial and logistics activities, gains were driven by stronger sales and procurement management and improved access to more economical markets. Another contributing factor was lower logistics costs, both for shipments within Ukraine and for the export and import of finished goods and raw materials.

In the Mining segment, a revised approach to the centralised management of iron ore assets identified synergies across individual sites, enabling more effective use of production facilities, and human and financial capital.

In the Metallurgical segment, efficiencies were achieved through the use of higher-quality raw materials in response to supply constraints arising from the full-scale war. This reduced coke consumption, supported adjustments to PCI technology and improved blast furnace performance at Kamet Steel.

Metinvest also delivered operational efficiencies across its energy assets. These included effective management of in-house electricity generation despite supply constraints and high costs, and procurement of energy supplies at prices below prevailing market rates.