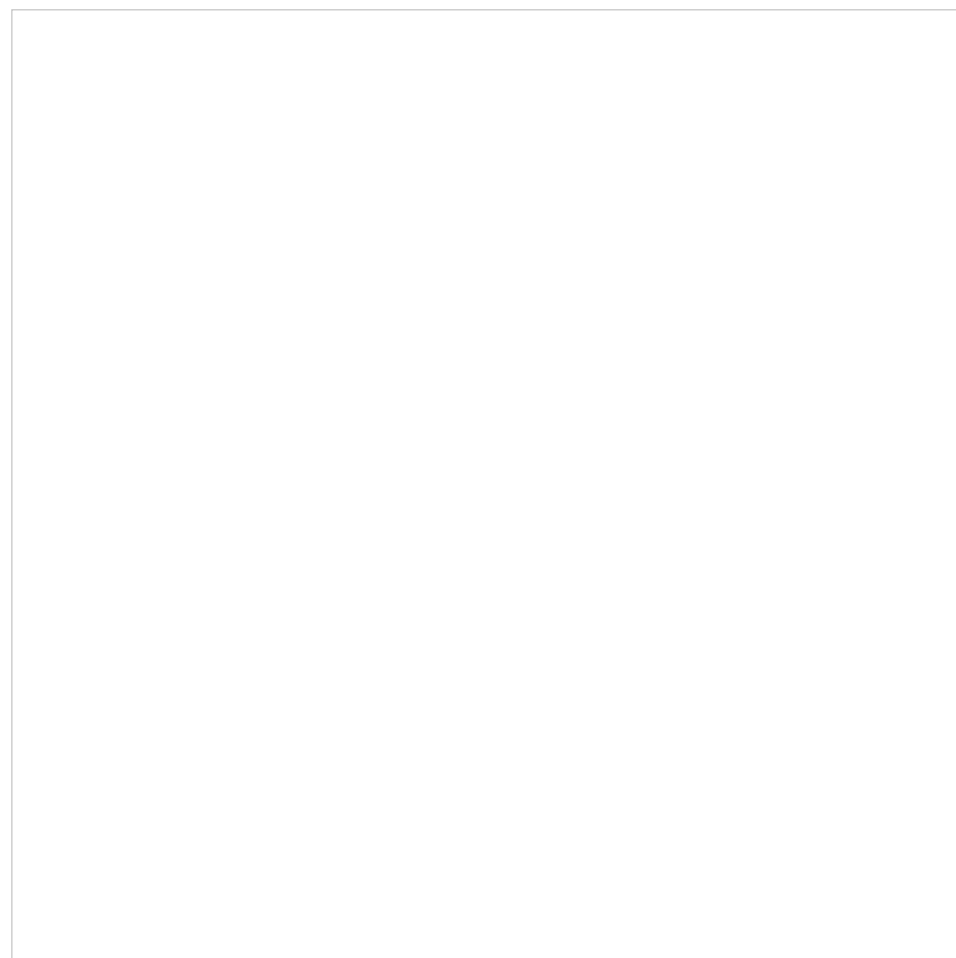


Metinvest announces financial results for the first six months of 2021

Metinvest B.V., the parent company of a vertically integrated group of steel and mining companies (jointly referred to as “Metinvest” or “the Group”), today announced its unaudited IFRS interim condensed consolidated financial statements for the six months ended 30 June 2021.



This release also contains non-IFRS measures that may not be comparable to similarly named measures used by other companies, and are not measures of the Group's financial performance under IFRS. Because of rounding, numbers presented in this release may not add up precisely to the totals provided and percentages may not precisely reflect absolute figures. No statement in this document is intended to be a profit forecast or estimate.

Summary - financial results	1H 2021	1H 2020	Change, y-o-y	
			US\$ mn	%
Income statement highlights				
Revenues	8,470	4,968	3,502	70%
Adjusted EBITDA	3,795	715	3,080	>100%
Margin	45%	14%		31 pp
Net profit	2,769	-240	3,009	-
Margin	33%	-5%		38 pp
Cash flow highlights				
Net cash from operations	2,735	685	2,050	>100%
Net cash used in investing activities	-620	-435	-185	43%
Net cash used in financing activities	-1,490	-52	-1,438	>100%
CAPEX	411	313	98	31%

Summary - financial results	30-06-21	31-12-20	Change, YTD	
			US\$ mn	%
Total debt	2,459	2,937	-478	-16%
Cash and cash equivalents	1,443	826	617	75%
Net debt	1,016	2,111	-1,095	-52%
Net debt/EBITDA	0.2x	1.0x		-0.8x

Summary - production results	1H 2021	1H 2020	Change, y-o-y	
			US\$ mn	%
Crude steel	4,358	3,963	395	10%
Azovstal	2,240	2,055	185	9%
Ilyich Steel	2,118	1,908	210	11%
Iron ore concentrate	15,864	15,174	690	5%
Northern GOK	6,782	6,368	414	7%
Ingulets GOK	6,566	6,425	141	2%
Central GOK	2,516	2,381	135	6%
Coking coal concentrate	2,705	1,536	1,169	76%
United Coal	1,516	1,536	-20	-1%
Pokrovske Coal	1,189	-	1,189	-

ESG HIGHLIGHTS

- The Group spent US\$204 mn on environmental protection measures in 1H 2021. Key achievements included Ilyich Steel completing the upgrade of gas cleaning facilities for the casthouse and stockhouse of blast furnace no. 5.
- Metinvest signed memoranda of understanding on decarbonisation with K1-MET, a leading Austrian competence centre for the development of advanced metallurgical and environmental processes, and Primetals Technologies, an international pioneer in the fields of engineering, plant building and lifecycle services for the metals industry.
- The Group increased salaries of its production personnel in Ukraine by up to 25% in May.
- Metinvest adopted a Code of Business Partnership to ensure fair business relationships with partners.
- In February, the Group improved its ESG Risk Rating from Sustainalytics, a leading global provider of ESG research, ratings and data, to 31.7 points. As such, it retained its top 10 position in the agency's ranking for global steelmakers at the time.
- Metinvest Tramatel, the Group's Italian re-roller, was named one of the Europe's Climate Leaders by the Financial Times.

OPERATIONAL HIGHLIGHTS

- In March, Metinvest obtained control over Pokrovske Coal, the largest high-quality coking coal producer in Ukraine, by exercising an option. Pokrovske Coal comprises several entities. As of 30 June 2021, the Group's effective interests in the main entities acquired were 99.22% in Pokrovske Colliery and 99.57% in Sviato-Varvarynska Beneficiation Factory.
- In August, after the end of the reporting period, Metinvest acquired assets relating to the integral property complex of Dneprovsky Iron & Steel Integrated Works (DMK) in Kamianske, Ukraine, for around
- US\$340 mn. The production capacity of the acquired assets includes 3.2 million tonnes of crude steel a year.
- In August, after the reporting period, Ingulets GOK launched a new crusher and conveyor system on the Eastern conveyor line.

• DEBT MANAGEMENT HIGHLIGHTS

- As of 30 June 2021, net debt decreased by 52% y-t-d to US\$1,016 mn, while net debt to LTM EBITDA declined by 0.8x y-t-d to 0.2x.
- Metinvest spent more than US\$1 bn on deleveraging (including repayments and repurchases of bank loans, non-bank borrowings, Eurobonds, trade finance and lease liabilities) in 1H 2021.
- After the reporting date, the Group repurchased a further US\$161 of its bonds (US\$142 mn of 2026

bonds via a tender offer and US\$19 mn of 2023 bonds via open market purchases) and cancelled them promptly afterwards, as well as repaid US\$80 mn under the non-bank borrowings ahead of schedule.

Commenting on the results, Yuriy Ryzhenkov, Chief Executive Officer of Metinvest, said:

“Against a backdrop of global economic recovery and rising commodity prices, the Group delivered commendable results in the first half of 2021.

Operationally, the figures were strong. Amid greater production at the two Mariupol plants, Azovstal and Ilyich Steel, Metinvest’s hot metal output increased by 8% y-o-y to 4,405 kt and crude steel output by 10% to 4,358 kt. Improved performance at all iron ore assets drove up the Group’s iron ore concentrate production by 5% to 15,864 kt. In addition, following the consolidation of Pokrovske Coal in March 2021, overall coking coal concentrate output soared by 76% to 2,705 kt.

Financially, amid this and strong steel and iron ore prices, the numbers were also decent. Consolidated revenues increased by 70% y-o-y, driving a rise in profitability.

Meanwhile, we pressed ahead with our operational improvement drive, delivering economic benefits of US\$368 million in the reporting period. This was due to the hard work of our team and various initiatives, often using cutting-edge technology. One example is the artificial intelligence introduced to control the heat balance in our blast furnaces. Another is the ‘Digital GOK’ programme developed to automate our iron ore assets through 2025, thereby streamlining business processes and reducing production costs.

CAPEX reached US\$411 million in the first half of 2021, up 31% y-o-y. The main new initiative is to construct the cold-rolling mill at Ilyich Steel, overall investments in which are expected to exceed US\$800 million in the initial stage alone. The mill offers new opportunities for us in terms of both products and markets.

The environment also remained high on the agenda, as shown by our CAPEX of more than US\$80 million for the area. We have a large pipeline of initiatives aimed at reducing our footprint. The Group will carry on with thoughtful investments in the environmental projects in the future. In addition, during the summer, we signed memoranda of understanding with reputable international partners on working together to decarbonise the steel industry.

There were also some significant M&A developments. Alongside the consolidation of Pokrovske Coal in March, as mentioned, we recently acquired former production assets of DMK, once one of the largest full-cycle steelmakers in Ukraine. We will now focus on integrating them properly and unlocking all synergies, thereby supporting local communities and employees.

Last but not least, we took advantage of the favourable environment and results to strengthen our financial foundations further. In the first half of 2021, we spent more than US\$1 bn on deleveraging, reducing our net debt to LTM EBITDA ratio to 0.2x. Measures included settling a large part of Pokrovske Coal’s debt ahead of schedule, repaying a PXF facility in full and partly repurchasing bonds.

On behalf of the Executive Team, I would like to thank our people for their professionalism and dedication, as well as our stakeholders for their contribution and ongoing support. This year is one of celebration: of the 15th anniversary of the Group and the 30th year since Ukraine’s independence. As we continue to work diligently, we expect the achievements of both Metinvest and the country to go from strength to strength.”