METINVEST B.V.

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2024

All tabular amounts in millions of US Dollars

1. METINVEST B.V. AND ITS OPERATIONS

Metinvest B.V. (the "Company" or "Metinvest"), is a private limited liability company registered in the Netherlands. The Company and its subsidiaries (together referred to as the "Group" or "Metinvest Group") are an integrated steel producer, owning assets in each link of the production chain – from iron ore mining, coking coal mining and coke production, through to semi-finished and finished steel production. The steel products, iron ore and coke and coal are sold on both the Ukrainian market and globally.

As at 31 December 2024 and throughout the periods presented in these consolidated financial statements, Metinvest B.V. is owned 71.24% by its parent company SCM (System Capital Management) Limited ("SCM") and 23.76% by Smart Steel Limited ("SMART") that has significant influence over Metinvest. The ultimate parent of Metinvest is SCM Holdings Limited, Cyprus, which is controlled by Mr. Rinat Akhmetov. The remaining 5% interest in the Company in the form of Class C shares has been acquired by SCM Holdings Limited from the previous owners of Ilyich Group for the benefit of SCM and SMART. It is the intention of SCM and SMART to dispose of the said 5% interest in due course (after receipt of respective governmental approvals, if such will be necessary), and in such manner that the ultimate interest of SCM in the Company shall be 75% minus 1 share, and the ultimate interest of SMART in the Company shall be 25% plus 1 share, thus SCM remaining as the controlling shareholder.

The most significant subsidiaries of Metinvest B.V. are presented below:

Name	Effective % interest		Segment	Country of incorporation
	as at 31 December 2024	as at 31 December 2023		
Metinvest Holding LLC	100.0%	100.0%	Corporate	Ukraine
Metinvest Management B.V.	100.0%	100.0%	Corporate	Netherlands
Metinvest International SA	100.0%	100.0%	Metallurgical	Switzerland
Metinvest Service Metal Centres LLC	100.0%	100.0%	Metallurgical	Ukraine
Metinvest Polska sp. z o.o.	100.0%	100.0%	Metallurgical	Poland
Ferriera Valsider S.p.A.	100.0%	100.0%	Metallurgical	Italy
Metinvest Trametal S.p.A.	100.0%	100.0%	Metallurgical	Italy
Spartan UK Limited	100.0%	100.0%	Metallurgical	UK
JSC Promet Steel	100.0%	100.0%	Metallurgical	Bulgaria
PrJSC Kamet-Steel	100.0%	100.0%	Metallurgical	Ukraine
PrJSC Zaporizhcoke	57.2%	57.2%	Metallurgical	Ukraine
PrJSC Northern Iron Ore Enrichment Works	100.0%	100.0%	Mining	Ukraine
PrJSC Central Iron Ore Enrichment Works	100.0%	100.0%	Mining	Ukraine
PrJSC Ingulets Iron Ore Enrichment Works	100.0%	100.0%	Mining	Ukraine
United Coal Company LLC ("UCC")	100.0%	100.0%	Mining	USA
PrJSC Colliery Group "Pokrovske"	100.0%	100.0%	Mining	Ukraine
Concentrating Factory "Sviato-Varvarynska" LLC	100.0%	100.0%	Mining	Ukraine

As at 31 December 2024, the Group employed approximately 63 thousand people (31 December 2023: 70 thousand).

The Company's registered address is: Zuidplein 216, 1077XV, Amsterdam. The Company is registered with the commercial trade register under the number 24321697. The principal places of production facilities of the Group are in Ukraine, Europe and the USA.

METINVEST B.V.

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONTINUED)

All tabular amounts in millions of US Dollars

2. OPERATING ENVIRONMENT OF THE GROUP

During the periods covered by these consolidated financial statements, and as of the signing date, military actions resulting from Russia's invasion of Ukraine, launched on 24 February 2022, are still ongoing in the Eastern and Southern regions of Ukraine along the frontline. Some towns and cities in these areas remain temporarily occupied, while Russia conducts sporadic bombardments across the entire Ukrainian territory. In 2024, Russian forces continued advancing on the eastern front.

Since the outbreak of the war, the Black Sea and Azov Sea ports in Ukraine suspended their operations being blocked or occupied by Russia as a result of military actions, while increased logistics costs have restricted the ability to sell to distant markets. In August 2023, the Ukrainian defense forces established a maritime route open to merchant ships for all types of products. This allowed the Group to increase the capacity utilization of its iron ore production plants in Ukraine and sales volumes respectively starting the last quarter of 2023 and during 2024 due to release of the logistical bottleneck.

In February 2024 Ukrainian Armed Forces withdrew from Avdiivka (the Donetsk region), immediately after which Avdiivka was captured by the Russian troops. This event had no immediate impact on Metinvest's operations, as the Group's coking plant in this town was mothballed back in April 2022, shortly after Russia's invasion of Ukraine.

In 2024, there were several massive strikes against Ukraine's energy generating and transmission assets. These attacks caused significant power supply shortages throughout the country during certain months of the year. To address this issue, Metinvest resumed importing electricity for some of its Ukrainian operations on as-needed basis. Consequently, power costs became a material factor in management's decisions regarding optimal utilization and configuration of the Group's Ukrainian assets.

After occupation of Avdiivka, Russian forces concentrated their efforts on several fronts, including in the direction of Pokrovsk (the Donetsk region), near which Pokrovske coal business[1] is located. Russian troops have occupied towns and villages in the region and shifted the frontline during the second half of 2024. Due to the evolving frontline conditions, power supply shortages and the deteriorating security situation, Metinvest has halted production at one of its vertical mine shafts (Shaft No.3) of Pokrovske Colliery in mid-December 2024 and later suspended all production operations of Pokrovske coal business prioritizing employee's safety and facilitating the evacuation of the staff and their families.

Following the developments mentioned above Metinvest's management is implementing contingency plans to maintain the availability of essential raw materials for steel production. These include increasing the supply of coking coal from the Group's US subsidiary for internal use, as well as utilizing accumulated coal stocks, while arranging additional third-party sources of these materials.

As of the date of signing of these consolidated financial statements most of Pokrovske coal assets remain in Ukrainian-controlled territory. Together with the Pokrovsk city military administration and representatives of the Ukrainian Armed Forces, Metinvest is closely monitoring the security situation around the asset.

Challenges Ukraine is facing due to the war hamper the sustainability and further development of its economy and financial sector. The operating environment of the Group thus remains challenging. The outcome and the timing of the war resolution cannot be predicted with the sufficient degree of certainty.

The NBU lowered its key policy rate to 13.5% effective from 13 December 2024 (rate was at the level of 15% effective from 15 December 2023). The policy rate was further increased to 14.5% effective from 24 January 2025 and to 15.5% effective from 7 March 2025.

The consumer inflation rate (CPI) in Ukraine for the year ended 31 December 2024 stood at the level 6.5% y-o-y (for the year ended 31 December 2023: 12.8% y-o-y) according to the State Statistics Service of Ukraine. Despite the unfavorable CPI trend in late 2024, the NBU anticipates that inflation will gradually return to a downward trajectory in 2025, moving closer to its 5% target in 2026.

Ukraine's real GDP grew by 3.4% in 2024, according to the NBU. The slowdown from the 5.3% growth in 2023 was due to smaller harvests, weaker-than-expected external demand, intensified hostilities and Russian air attacks, and resulting electricity shortages. Considering the security risks and the difficult situation at the labor market, the NBU has revised its 2025 GDP growth forecast downward to 3.6%. However, the baseline scenario anticipates a gradual return to normal economic conditions, with growth expected to accelerate moderately to around 4% in 2026-2027.

From October 2023 the National Bank of Ukraine adopted a managed floating exchange rate regime, following the cancelation of fixed rate mode implemented in the response to the military invasion of Ukraine. Under this regime, the official exchange rate is determined based on the market rates in interbank operations, rather than being set directly by the National Bank. At the date of these consolidated financial statements, the official NBU exchange rate of Hryvnia against US dollar was at the level of UAH 41.51 per USD 1.

In 2024, the NBU maintained its policy of gradually easing restrictions imposed after Russia's invasion of Ukraine. In particular, on 3 May 2024 the NBU implemented its new package of currency liberalization measures. These measures aimed to improve business conditions, support economic recovery and attract new investments to the country. One of the changes stipulates that starting from 13 May 2024, businesses are allowed to repatriate new dividends earned from 1 January 2024 with a monthly limit of EUR 1 million. Among other introduced changes were: the opportunity to repay interest on "old" external loans being not overdue as of 24 February 2022, relaxation of restrictions on repayment of "new" external loans, abolishment of currency restrictions for the import of services. In July 2024, the NBU continued with the introduction of further liberalization measures. In particular, it permitted companies to repatriate dividends to service Eurobond coupons provided that the company is a guarantor under Eurobonds issued by its parent company or by a company under common control. September 2024 liberalization efforts allowed the Ukrainian companies (that are guarantors under Eurobonds) to pay abroad dividends to their parent companies in the amount covering coupon payments for the period from 24 February 2022 until 9 July 2024.

The yield to maturity ("YtM") on the Ukrainian Government's USD-denominated Eurobonds (for 5-year maturity instruments) decreased substantially during 2024 as a result of a successful restructuring of sovereign public debt and was at 14.6% as of 31 December 2024 when compared with 51.1% as at 31 December 2023. At the same time, the yield of the UAH-denominated domestic Ukrainian sovereign bonds (for a 5-year maturity) amounted to 15.4% as at 31 December 2024 (18% as at 31 December 2023).

From the start of the war the Ukrainian budget experiences a deficit, which is financed by international financial assistance, national borrowings, and direct deficit monetization by the NBU as a measure of last resort. Ukraine received nearly USD 42 billion in international aid in 2024, which is crucially important for Ukraine's ability to continue fighting against the aggression and funding the budget deficit and on-going debt repayments. Ukraine's international reserves increased by 8% to USD 43.8 billion as of 1 January 2025.

The Group's financial performance is largely dependent on the global prices of and demand for steel, iron ore and coking coal products. The prices of steel products are influenced by many factors, including global economic conditions, demand for steel products, worldwide production capacity, capacity utilization rates, raw material costs, currency exchange rates and improvements in steel-making processes.

Compared with the average for 2023, the benchmark hot-rolled coil price (Platts HRC EXW Italy) in 2024 decreased by 11% to an average of USD 670 per tonne, the benchmark iron ore price (Platts 62% Fe CFR China) decreased by 8% to an average of USD 110 per dry tonne, while the benchmark coking coal price (HCC Premium LV, FOB Australia) decreased by 19% to an average USD 241 per tonne.

[1] Pokrovske coal business comprises several entities, the main ones being PrJSC Colliery Group "Pokrovske" and Concentrating Factory "Sviato-Varvarynska" LLC

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation and statement of compliance. These consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as adopted by European Union and the statutory provisions of Part 9, Book 2, of the Dutch Civil Code ("DCC"). The consolidated financial statements have been prepared under the historical cost convention unless stated otherwise. The material accounting policies applied in the preparation of these consolidated financial statements are set out below or in the separate Notes of these financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

These consolidated financial statements are presented in millions of US dollars and all values are rounded off to the nearest million except where otherwise indicated.

Purchases of subsidiaries from parties under common control and merger reserve in equity. Purchases of subsidiaries from parties under common control are accounted under the predecessor values method. Under this method the financial statements of the entity are presented as if the businesses had been consolidated from the beginning of the earliest period presented (or the date that the entities were first under common control, if later). The assets and liabilities of the subsidiary transferred under common control are at the predecessor entity's book values. The difference between the consideration given and the aggregate book value of the assets and liabilities (as of the date of the transaction) of the acquired entity is recorded as an adjustment to equity. This is recorded as a merger reserve. No additional goodwill is created by such purchases.

Foreign currency translation. The functional currency for the majority of the consolidated entities is Ukrainian hryvnia ("UAH"), euro ("EUR") or US dollar ("USD").

The principal rate of exchange used for translating foreign currency balances is as follows:

	31 December 2024	31 December 2023
1 USD to UAH	42.04	37.98
1 EUR to UAH	43.93	42.21

Translation from functional to presentation currency. The Group has selected the US dollar ("USD") as the presentation currency. The USD has been selected as the presentation currency for the Group as: (a) management of the Group manages business risks and exposures and measures the performance of its businesses in the USD; (b) the USD is widely used as a presentation currency of companies engaged primarily in metallurgy; and (c) the USD is the most convenient presentation currency for non-Ukrainian users of these IFRS consolidated financial statements.

The results and financial position of each consolidated entity are translated into the presentation currency as follows:

(I) assets and liabilities for each balance sheet are translated at the closing rate at the date of that balance sheet;

(II) income and expenses for each income statement are translated at monthly average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(III) all resulting exchange differences are recognised through other comprehensive income and they accumulate as a separate component of equity. All the components of consolidated equity at each balance sheet date are translated at the historical rate. The balancing figure goes to cumulative currency translation reserve in other reserves in equity. All the elements within equity are presented at the rates prevailing at the dates of such movements (or an average rate for the period when this approximates the transaction date exchange rate).

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

As follows from policy on translation from functional to presentation currency revaluation results, and reclassification from revaluation reserve to retained earnings are translated into USD using the exchange rates prevailing at the dates of transaction. Because of lower strength of UAH as compared to USD (and consequent depreciation against USD since the historical revaluations dates), the revaluation reserve in presentation currency is carried at rates lower than the closing UAH/USD rate, thus, differs from the revaluation balances recognised in the Group's property, plant and equipment. Upon disposal, sale or liquidation of assets related to these equity components differences are reclassified to retained earnings.

At present, the UAH is not a freely convertible currency outside of Ukraine and there are some limitations on UAH conversion within the Ukraine as a result of the NBU limitations imposed due to the events described in the Note 2 of these consolidated financial statements.

Revenue recognition
The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money. Payment terms under contracts with customers may vary based on individual circumstances, ranging from prepayments, letters of credit, and bank guarantees to open terms under insurance, typically up to 90 days.

(a) Sale of goods, by-products and merchandise

The Group manufactures and sells a range of steel products to large, medium and small size customers. By-products and merchandise are sold to the same range of customers. Majority of revenues from sales of goods, by-products and merchandise are recognised at the point of transfer of control over the goods, normally when the goods are shipped. The Group normally uses standardised Incoterms such as cost and-freight (CFR), free-carrier (FCA), cost-insurance-freight (CIF), free-on-board (FOB) and ex-works (EXW) which define the point of control transfer.

Sales are recorded based on the price indicated in the specifications to the sales contracts. The sales price is established separately for each specification.

(b) Sale of services

Sales of services are recognised in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

The Group provides freight services to the customers as part of standard products sales contract. Management considers that freight services should be treated as separate performance obligations and should be recognised over the transportation period.

(c) Commission income

The Group acts as an agent for sales transactions on behalf of the third parties. The commission income received by the Group as a fee for facilitating such transactions is recognized at the point of transfer of risks and rewards of ownership of the goods to the customers of the third parties. Such income is reported as part of revenue.

Value added tax. VAT rates applicable for the Group's transactions in Ukraine where the substantial part of the Group operations are concentrated, are as follows: 20% on domestic sales and imports of goods, works and services and 0% on export of goods. Export of services is exempt from VAT. A taxpayer's VAT liability equals the total amount of VAT collected within a reporting period, and for domestic operations arises on the earlier of the date of shipping goods to a customer or the date of receiving payment from the customer; for export operations arises on the date of customs clearance of exported goods. A VAT credit is the amount that a taxpayer is entitled to offset against his VAT liability in a reporting period. For domestic and export operations rights to VAT credit arise when a VAT invoice is received, which is issued on the earlier of the date of payment to the supplier or the date goods are received.

VAT rates in countries where the Group operates, excluding Ukraine, vary from 7% to 23%. The Group properly considers the specific legislative requirements when accounting for VAT on transactions in each individual company's respective jurisdictions.

Where provision has been made for impairment of receivables, the impairment loss is recorded for the gross amount of the debtor, including VAT. VAT assets recoverable in cash from the State are included into Group's assets. All other VAT assets and liabilities are netted only within the individual companies of the Group.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the IFRS consolidated financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Impairment of property, plant and equipment, goodwill and other intangible assets. The Group and its subsidiaries are required to perform impairment tests for their assets or cash-generating units when there is indication that an asset or a cash-generating unit ("CGU") may be impaired.

One of the determining factors in identifying a cash-generating unit is the ability to measure independent cash flows for that unit. Within the Group's identified cash-generating units a significant proportion of their output is input to another cash-generating unit. Therefore, judgement is needed in determining a cash-generating unit.

Annually the Group assesses whether goodwill is impaired. This requires estimation of the value in use / fair value less costs of disposal of the cash-generating units or groups of cash-generating units to which goodwill is allocated.

Allocation of goodwill to groups of cash generating units requires significant judgement related to expected synergies. Estimating value in use / fair value less costs of disposal requires the Group to make an estimate of expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Precision of future cash flows is dependent, inter alia, on quality of management's forecasts of benchmark price levels for key commodities, production volumes and production costs, and necessary capital expenditure levels.

The results of the most recent test for impairment of property, plant and equipment, goodwill and other intangible assets of the Group are disclosed in the Note 10 of these consolidated financial statements.

Revaluation of property, plant and equipment. On an annual basis management of the Group carries out an analysis to assess whether carrying amounts of items of property, plant and equipment differ materially from that which would be determined using fair value at the end of the reporting period. The analysis is based on price indices, developments in technology, movements in exchange rates since the date of latest revaluation, profitability of underlying businesses, developments in operating environment and other relevant factors. Where the analysis indicates that the fair values of items of property plan and equipment differ materially from the carrying amounts, further revaluation is performed involving independent valuers.

As most of the Group's property, plant and equipment is of specialized nature, its fair value is determined using depreciated replacement cost (Level 3) or, where it is available, the market value (Level 2).

The majority of the structures, plant and machinery are specialized in nature and are rarely sold in the open market in Ukraine other than as part of a continuing business. The market for similar property, plant and equipment is not active in Ukraine and does not provide a sufficient number of sales of comparable assets to allow for using a market-based approach for determining fair value. Consequently, the fair value of structures, plant and machinery was primarily determined using depreciated replacement cost. This method considers the cost to reproduce or replace the property, plant and equipment, adjusted for physical, functional or economic depreciation, and obsolescence. The depreciated replacement cost was estimated based on internal sources and analysis of Ukrainian and international markets for similar property, plant and equipment. Various market data was collected from published information, catalogues, statistical data etc., and industry experts and suppliers.

When performing valuation using these methods, the key estimates and judgments applied by the independent valuers, in discussion with the Group's internal valuation team and technicians, are as follows:

- choice of information sources for construction costs analysis (actual costs recently incurred by the Group, specialized reference materials and handbooks, estimates for cost of construction of various equipment etc.);

- determination of similar items for replacement cost of certain equipment, as well as corresponding adjustments required to take into account differences in technical characteristics and condition of new and existing equipment;

- selection of market data when determining market value where it is available as well as corresponding adjustments required to take into account differences in technical characteristics and the condition of new and existing equipment;

- determination of applicable cumulative price indices which would most reliably reflect the change in fair value of assets revalued using indexation of carrying amounts;

- use of directories of per-unit replacement cost for buildings and constructions, assuming that all buildings and constructions of similar type and nature within industry have similar replacement costs; and

- liquidation value for items, which are expected to be realized, less cost to sell.

The fair values obtained using depreciated replacement cost and indexation of carrying amounts are validated using discounted cash flow models (income approach, Level 3), and are adjusted if the values obtained using income approach are lower than those obtained using depreciated replacement cost or indexation of carrying amounts (i.e. there is economic obsolescence). Key inputs into discounted cash flow models are consistent with the assumptions used for goodwill impairment testing (Note 10).

Changes in the above estimates and judgments could have a material effect on the fair value of property, plant and equipment, which, however, is impracticable to quantify due to wide variety of assumptions and assets being valued. The estimates used to assess the fair value of property, plant and equipment are impacted by the uncertainties caused by the war in Ukraine (Note 2), including importantly future planned production.

Remaining useful lives of property, plant and equipment. The Group's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the technical characteristics, physical conditions, management's expectations on use of the respective assets and other factors. This affects depreciation charge and revaluation results.

Related party transactions. In the normal course of business the Group enters into transactions with related parties. Judgement is applied in determining if transactions are priced at market or non-market terms, where there is no active market for such transactions, and also in estimating the timing of settlement of the balances due from related parties, where there is a history of prolongations. Financial instruments are recorded at origination at fair value using the market rate prevailing at the date of the transaction. The Group's accounting policy is to record gains and losses on related party transactions, other than business combination or equity investments, in the income statement. The basis for judgement is pricing for similar types of transactions with unrelated parties and an effective interest rate analysis.

Further, estimation of timing of settlement and recoverability of balances due from related parties requires judgement. Ability of shareholders and parties under their control to repay the amounts due to the Group is dependent to large extent on cash flows from the Group. Such cash flows in the current circumstances may be limited (Note 17). The expected credit loss allowance was recognised in respect of balances due from related parties as disclosed in Note 13 of these consolidated financial statements.

Post-employment and other long-term employee benefits obligations. Management assesses post-employment and other long-term employee benefit obligations using the Projected Unit Credit Method based on actuarial assumptions which represent management's best estimates of the variables that will determine the ultimate cost of providing post-employment and other employee benefits. Since the plan is administered by the State of Ukraine, the Group may not have full access to information and therefore assumptions regarding when, or if, an employee takes early retirement, whether the Group would need to fund pensions for ex-employees depending on whether that ex-employee continues working in hazardous conditions could all have a significant impact on the pension obligation.

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The major assumptions used in determining the net cost (income) for pensions include the discount rate and future salary and benefits increase rate. Any changes in these assumptions will impact the carrying amount of pension obligations as disclosed in sensitivity analysis in Note 18.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability. Other key assumptions for pension obligations are based in part on the current market conditions. Additional information is disclosed in Note 18.

Tax legislation. Ukrainian tax, currency and customs legislation continues to evolve. Conflicting regulations are subject to varying interpretations. Management believes its interpretations are appropriate and sustainable, but no guarantee can be provided against a challenge from the tax authorities (Note 25).

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NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONTINUED)

All tabular amounts in millions of US Dollars

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

Functional currency. Judgement was applied in determining the functional currency of Metinvest B.V., which is a holding company for operations of the Group in Ukraine, Italy, the United States of America and other countries. The functional currency of Metinvest B.V. was determined on the basis that (i) in management's opinion Metinvest B.V. is not an extension of and is not integral to the Ukrainian operations; (ii) the primary economic exposures are to a number of countries; and (iii) Metinvest B.V. retains cash and obtains majority of financing in US Dollars. Management therefore determined the US Dollar as the functional currency of Metinvest B.V.

Inability to continue normal production operations of the entities which assets are, to the extent important for the production process part, located on the temporarily occupied territory[2]
In March 2017, the Group lost the ability to perform production operations of the assets located on the territories, temporarily not controlled by Ukraine due to actions of illegal armed formations backed by the Russian Federation. Also, the Group is not able to conduct normal production operations of assets located on the territory of Ukraine being temporarily occupied by Russia after the full-scale invasion of Ukraine started 24 February 2022.

The Group accounted for these events as impairment of related property, plant, and equipment and inventories, and, accordingly, recognized the impairment through Other Comprehensive Income to the extent of existing revaluation reserve and recognized further impairment loss through the profit and loss. Also, the Group has determined that the operations located on the temporarily occupied territory do not represent a disposal of foreign operations as defined in IAS 21.

Operations of entities most of whose tangible assets are located on the temporarily occupied territory is not a separate geographical segment therefore, the management believes that these activities do not represent discontinued operations.

(I) Currency translation reserve (CTR) related to operations of the entities whose tangible assets are located on the temporarily occupied territory.

The assets in respect of which there is no ability in the foreseeable perspective to conduct normal production, have not been consolidated directly but only together with the remaining operations of each of the legal entities, which continue to be run by the Group. Operations and management were structured in such a way that each legal entity in its entirety was considered to be one entity and, therefore, the temporarily not operational part of an entity's tangible assets does not represent a branch or a business. Thus the management determined that these operations do not represent foreign operations as defined in IAS 21 The Effects of Changes in Foreign Exchange Rates and therefore no accumulated CTR on those entities is reclassified to profit and loss. Would it be determined that these operations represent disposed foreign operations, the accumulated CTR relating to those operations would need to be reclassified from Other Comprehensive Income to the profit and loss (considering the functional currency of the abovementioned entities is UAH) resulting in negative charge to Income Statement and no impact on total Comprehensive Income.

If all the net assets of the entities located on the temporarily occupied territory were derecognised, the negative charge of CTR in income statement would have been USD 4,185 million, as stated above; the exact amount of the charge would depend on whether only part or all the assets and liabilities of these entities were derecognised. Thus, this charge would be significantly different if only assets and (or) some liabilities of these entities were derecognised.

(II) Impairment of property, plant and equipment located on the temporarily occupied territory.

Management has determined that inability to operate the tangible assets does not require the derecognition of these assets as the Group still holds the legal title over these assets and inability to operate the assets might be temporary. Moreover, the Group may still be able to receive compensation for the assets through international courts.

The results of the most recent impairment test of Group’s property, plant and equipment, goodwill and other intangible assets, which takes into account the developments in the operating environment (Note 2) are disclosed in the Note 10 of these consolidated financial statements.

5. GOING CONCERN

As explained in Note 2, there remains significant uncertainty regarding the progression of the military invasion of Ukraine, launched by Russia on 24 February 2022, its duration, and its impact on the Group. Multiple scenarios remain possible, with unknown likelihood and varying potential impacts.

Despite these challenges, the Group has adjusted its business processes and continues to implement the required measures, where needed, to ensure operational continuity, while businesses in Italy and the UK have transitioned to third-party supplies and sales. Management continues to monitor the situation closely, taking necessary measures to adapt operations and maintain uninterrupted activities wherever possible.

Metinvest manages its financing risks, including compliance with covenants.

The Group generated positive cash flows from operating activities in the amount of USD 468 million for the year ended 31 December 2024 (31 December 2023: USD 707 million).

The Group generated a net loss of USD 1,152 million for the year ended 31 December 2024 due to impairment of assets of Pokrovske coal business following its suspension of production due to evolving frontline conditions (Note 2) (31 December 2023: net loss of USD 194 million).

As at 31 December 2024, the Group’s current liabilities exceeded its current assets by USD 445 million (31 December 2023: 278 million). As at 31 December 2024 and as of the date of signing of these consolidated financial statements, current liabilities of the Group include USD 417 million of dividends payable to Metinvest B.V. shareholders (31 December 2023: USD 417 million). The Directors have not made a decision to make any payments of dividends within any set time frame as at 31 December 2024. Given the Company's current situation, the Directors, in line with the Dutch Civil Code, carefully evaluate the cash flow forecast and potential downside scenarios before deciding on any dividend distribution to ensure the Company can continue operating and meet its debt obligations after the distribution.

[2] "Temporarily occupied territory" is the official term used by the Ministry of national unity of Ukraine and Ministry of Reintegration of the Temporarily Occupied Territories of Ukraine, and refers to the internationally recognized territory of Ukraine that is currently not under the de facto control of the Ukrainian authorities due to its occupation by Russia since 2014 and 2022.

5. GOING CONCERN (CONTINUED)

For the purposes of assessing the going concern assumption, management has prepared a cash flow projections based on the following key assumptions:

- no further significant progression of Russian troops into the territory of Ukraine and no further escalation of military actions that could severely affect the Group's operating assets, or result in severe and wide-spread damages to Ukrainian energy infrastructure;
- the maritime corridor remains operating during the forecasting period, allowing the shipment of mining/metallurgical products through the Black Sea; usage of current alternative export routes in Ukraine via land border crossings; availability of existing railway transportation connection and importing crucial raw materials;
- the Group retains the ability to operate production entities in Ukraine, which as of the date of signing of these consolidated financial statements are operational, albeit at reduced capacity;
- securing the Group's raw material needs for steel production by increasing coking coal supplies from the Group's US subsidiary and sourcing additional third-party supplies to substitute Pokrovske coal business's production, which has been suspended due to intensified military actions and the deteriorating security situation nearby;
- re-rolling mills in the EU and UK assets continue to operate subject to market conditions;
- the Group is able to purchase imported electricity for some of Ukrainian assets while needed;
- the Group is able to shift production volumes among Ukrainian iron ore operations, taking into account the availability of electricity, its costs and other factors to ensure an efficient production process;
- prices for key products and raw materials used in the cash flow projections are in a range of the currently available forecasts from industry experts and other external reputable sources.

The projected operating cash flows in this scenario together with the existing cash balance available as of the date of signing of these consolidated financial statements are expected to be sufficient to cover the Group's cash needs in investing and financing activities (including the payment of debts as they fall due but excluding dividend payments as described above) in the projected period.

The military situation in Ukraine remains developing and highly uncertain, thus management of the Group continues to closely monitor the situation and perform all possible actions to minimise controllable risks and preserve cash flows and ensure business continuity. These measures, among others include: maximising utilisation of existing resources and efficient management of production capacities both in and outside of Ukraine taking into account market, electricity limitations; arranging imported electricity purchases and securing other measures in order to avoid operations disruption due to power shortages for the entities in Ukraine; optimising capital expenditures; proactively managing the debt maturities, focusing efforts towards further deleveraging.

While management expects that the situation will improve and the "active" stage of war in Ukraine will eventually subside, allowing for the ramping-up of operations, its significant aggravation with potential implication for the ability to generate sufficient cash flow to fund operations and comply with financial covenants, may cast significant doubt on the Group's ability to continue as a going concern.

Management acknowledges that the future development of military actions and their duration represent a material uncertainty which may cast significant doubt on the Group's and the Company's ability to continue as a going concern and, therefore, the Group and the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. Despite this material uncertainty, management continues to take actions to minimise the impact of these developments on the Group and the Company and thus believes that application of the going concern assumption for the preparation of these consolidated financial statements is appropriate.

6. NEW ACCOUNTING PRONOUNCEMENTS

New and amended standards adopted by the Group. The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2024:

- ***Classification of liabilities as current or non-current – Amendments to IAS 1 (originally issued on 23 January 2020 and subsequently amended on 15 July 2020 and 31 October 2022, ultimately effective for annual periods beginning on or after 1 January 2024).***

These amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities are non-current if the entity has a substantive right, at the end of the reporting period, to defer settlement for at least twelve months. The guidance no longer requires such a right to be unconditional. The October 2022 amendment established that loan covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Management's expectations whether they will subsequently exercise the right to defer settlement do not affect classification of liabilities. A liability is classified as current if a condition is breached at or before the reporting date even if a waiver of that condition is obtained from the lender after the end of the reporting period. Conversely, a loan is classified as non-current if a loan covenant is breached only after the reporting date. In addition, the amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. 'Settlement' is defined as the extinguishment of a liability with cash, other resources embodying economic benefits or an entity's own equity instruments. There is an exception for convertible instruments that might be converted into equity, but only for those instruments where the conversion option is classified as an equity instrument as a separate component of a compound financial instrument.

As a result of the adoption of the amendments to IAS 1, the Group changed its accounting policy for the classification of borrowings: "Borrowings are classified as current liabilities unless at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period."

This new policy did not result in a change in the classification of Group's borrowings. The Group did not make retrospective adjustments as a result of adopting the amendments to IAS 1.

- ***Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022 and effective for annual periods beginning on or after 1 January 2024).***

The amendments relate to the sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to subsequently measure liabilities arising from the transaction and in a way that it does not recognize any gain or loss related to the right of use that it retained. This means deferral of such a gain even if the obligation is to make variable payments that do not depend on an index or a rate.

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6. NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

The application of these amendments had no material impact on the Group's consolidated financial statements.

- ***Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (Issued on 25 May 2023 and effective for annual periods beginning on or after 1 January 2024).***

In response to concerns of the users of financial statements about inadequate or misleading disclosure of financing arrangements, in May 2023, the IASB issued amendments to IAS 7 and IFRS 7 to require disclosure about entity's supplier finance arrangements (SFAs). These amendments require the disclosures of the entity's supplier finance arrangements that would enable the users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk. The purpose of the additional disclosure requirements is to enhance the transparency of the supplier finance arrangements. The amendments do not affect recognition or measurement principles but only disclosure requirements.

The application of these amendments had no material impact on the Group's consolidated financial statements.

New accounting pronouncements. Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2025 or later, and which the Group has not early adopted.

The following new standards, which are relevant to the Group, have been endorsed by European Union:

- ***Amendments to IAS 21 Lack of Exchangeability (Issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025).***

In August 2023, the IASB issued amendments to IAS 21 to help entities assess exchangeability between two currencies and determine the spot exchange rate, when exchangeability is lacking. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. The amendments to IAS 21 do not provide detailed requirements on how to estimate the spot exchange rate. Instead, they set out a framework under which an entity can determine the spot exchange rate at the measurement date. When applying the new requirements, it is not permitted to restate comparative information. It is required to translate the affected amounts at estimated spot exchange rates at the date of initial application, with an adjustment to retained earnings or to the reserve for cumulative translation differences.

The Group is currently assessing the impact of the amendments on the consolidated financial statements.

The following new standards, which are relevant to the Group, have been issued, but have not been endorsed by European Union:

- ***IFRS 18 Presentation and Disclosure in Financial Statements (Issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027).***

The IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to: - the structure of the statement of profit or loss;

- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and

- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 will be retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information.

- ***Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026).***

The IASB issued amendments to IFRS 9 and IFRS 7 to: (a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; (b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; (c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and (d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

- ***Annual Improvements to IFRS Accounting Standards (Issued in July 2024 and effective from 1 January 2026).***
- ***Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7 (Issued on 18 December 2024 and effective from 1 January 2026).***
- ***IFRS 19 Subsidiaries without Public Accountability: Disclosures (Issued on 9 May 2024 and effective for annual periods beginning on or after 1 January 2027).***

The Group is currently assessing the impact of these amendments to the standards and interpretations on the consolidated financial statements.

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7. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer of the Group that makes strategic decisions.

Company reports separately information about an operating segment that meets the quantitative thresholds according to IFRS Accounting Standards unless aggregation criteria are met.

The Group's business is organised on the basis of the following main operating (reporting) segments:

- *Metallurgical* — comprising the production and sale of coke, semi-finished and finished steel products;
- *Mining* — comprising the production, enrichment and sale of iron ore and coal by the Group's Ukrainian operations and UCC, the Group's US coal operations. Output of the Group's mining business covers iron ore and coking coal needs of the Group's steelmaking business with surplus of iron ore sold to third parties.

Segmentation presented in these consolidated financial statements is consistent with the structure of financial information regularly reviewed by the Group's management, including Chief Operating Decision Maker (CODM).

Operating segments' performance is assessed based on a measure of adjusted EBITDA. This measurement basis excludes dividend income, impairment of goodwill, other intangible assets and property, plant and equipment, the effects of non-recurring expenditures from the operating segments and foreign exchange gains / losses, expected credit losses of joint ventures on receivables from the Group. Revenues and expenses for internal reporting purposes have been accounted for using IFRS principles. Certain adjustments are applied by management to contractual prices for intersegment sales.

Segment information for the year ended 31 December 2024 was as follows:

2024	Metallurgical	Mining	Corporate overheads	Eliminations	Total
Sales – external	4,824	3,226	-	-	**8,050**
Sales to other segments	101	550	-	(651)	**-**
Total of the reportable segments' revenue	**4,925**	**3,776**	**-**	**(651)**	**8,050**
Timing of revenue recognition					**-**
At a point in time	4,502	2,243	-	-	**6,745**
Over time	322	983	-	-	**1,305**
Total of the reportable segments' external revenue	**4,824**	**3,226**	**-**	**-**	**8,050**
Net operating costs	**(4,564)**	**(2,464)**	**(101)**	**1**	**(7,128)**
Adjusted EBITDA	**247**	**752**	**(101)**	**1**	**899**
Share in EBITDA of joint ventures	42	16	-	-	58
Adjusted EBITDA including share in EBITDA of joint ventures	**289**	**768**	**(101)**	**1**	**957**
Reconciling items:					
Depreciation and amortisation	(76)	(295)	(19)	-	**(390)**
Impairment of property, plant and equipment and other intangible assets	(7)	(1,203)	(2)	-	**(1,212)**
Impairment of Goodwill	-	(93)	-	-	**(93)**
(Impairment) / reversal of impairment of inventories and replaceable equipment located on the occupied territory	-	(18)	-	-	**(18)**
Share of result of associates and depreciation, amortisation, tax, finance and other income and costs in joint ventures					**(2)**
Finance income					**74**
Finance costs					**(409)**
Operating foreign exchange losses less gains, net					**(117)**
Loss from change in fair value of financial instruments					**(6)**
Other					**(1)**
Profit / (loss) before income tax					**(1,217)**

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7. SEGMENT INFORMATION (CONTINUED)

	Metallurgical	Mining	Corporate overheads	Total
Capital expenditure	81	146	8	**235**
Significant non-cash items included into adjusted EBITDA:				
- reversal of impairment / (impairment) of financial assets	(12)	(10)	(1)	**(23)**
- write-off of trade and other payables	-	-	-	**-**

Segment information for the year ended 31 December 2023 was as follows:

2023	Metallurgical	Mining	Corporate overheads	Eliminations	Total
Sales – external	4,846	2,551	-	-	**7,397**
Sales to other segments	107	457	-	(564)	**-**
Total of the reportable segments' revenue	**4,953**	**3,008**	**-**	**(564)**	**7,397**
Timing of revenue recognition					**-**
At a point in time	4,492	2,103	-	-	**6,595**
Over time	354	448	-	-	**802**
Total of the reportable segments' external revenue	**4,846**	**2,551**	**-**	**-**	**7,397**
Net operating costs	**(4,666)**	**(1,632)**	**(70)**	**4**	**(6,364)**
Adjusted EBITDA	**177**	**802**	**(72)**	**4**	**911**
Share in EBITDA of joint ventures	(18)	(32)	-	-	(50)
Adjusted EBITDA including share in EBITDA of joint ventures	**159**	**770**	**(72)**	**4**	**861**
Reconciling items:					
Depreciation and amortisation	(64)	(324)	(15)	-	**(403)**
Impairment of property, plant and equipment and other intangible assets	(17)	(2)	1	-	**(18)**
(Impairment) / reversal of impairment of inventories and replaceable equipment located on the occupied territory					**-**
Share of result of associates and depreciation, amortisation, tax, finance and other income and costs in joint ventures					**(182)**
Finance income					**31**
Finance costs					**(279)**
Operating foreign exchange losses less gains, net					**(56)**
Loss from change in fair value of financial instruments					**10**
Other					**1**
Profit / (loss) before income tax					**(35)**

	Metallurgical	Mining	Corporate overheads	Total
Capital expenditure	65	213	6	**284**
Significant non-cash items included into adjusted EBITDA:				
- reversal of impairment / (impairment) of financial assets	(3)	(118)	(2)	**(123)**
- write-off of trade and other payables	4	-	-	**4**

All tabular amounts in millions of US Dollars

7. SEGMENT INFORMATION (CONTINUED)

Analysis of revenue by category:

2024	Metallurgical	Mining	Total
Sales of own products	**2,769**	**2,412**	**5,181**
- Steel products	2,170	-	2,170
- Iron ore products	-	1,617	1,617
- Coal and coke	339	795	1,134
- Other	260	-	260
Resale of purchased goods	**2,055**	**814**	**2,869**
- Steel products	1,813	-	1,813
- Iron ore products	-	772	772
- Coal and coke	187	33	220
- Other	55	9	64
Total	**4,824**	**3,226**	**8,050**

2023	Metallurgical	Mining	Total
Sales of own products	**3,018**	**2,175**	**5,193**
- Steel products	2,437	-	2,437
- Iron ore products	-	1,088	1,088
- Coal and coke	363	1,081	1,444
- Other	218	6	224
Resale of purchased goods	**1,828**	**376**	**2,204**
- Steel products	1,678	-	1,678
- Iron ore products	-	348	348
- Coal and coke	128	15	143
- Other	22	13	35
Total	**4,846**	**2,551**	**7,397**

The Group's two reportable segments operate in six main geographical areas. Revenue by location of customers is presented below:

2024	Metallurgical	Mining	Total
Ukraine	1,851	736	**2,587**
Rest of Europe	2,266	1,007	**3,273**
Middle East and Northern Africa	253	22	**275**
Rest of Asia[3]	-	1,320	**1,320**
Commonwealth of Independent States[4]	71	-	**71**
North America	350	93	**443**
Other countries	33	48	**81**
Total	**4,824**	**3,226**	**8,050**

[3] Rest of Asia consists mainly of sales to China (2024 - USD 1,227 million; 2023 – USD 274 million). Sales to other countries in this region amount to USD 93 million in 2024 and USD 234 million in 2023.

[4] Except for Russia and Belarus.

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7. SEGMENT INFORMATION (CONTINUED)

2023	Metallurgical	Mining	Total
Ukraine	1,871	757	**2,628**
Rest of Europe	2,429	1,129	**3,558**
Middle East and Northern Africa	122	5	**127**
Rest of Asia	-	508	**508**
Commonwealth of Independent States	57	-	**57**
North America	330	117	**447**
Other countries	37	35	**72**
Total	**4,846**	**2,551**	**7,397**

During the year ended 31 December 2024, the external revenue of the Pokrovske coal business amounted to USD 412 million (5% of total Group's revenue) (2023: external revenue amounted to USD 583 million or 8% of total Group's revenue), while sales to other Group subsidiaries (intersegment) amounted to USD 241 million (2023: USD 292 million). The adjusted EBITDA of the Porkovske coal business approximated to 40% of Group’s adjusted EBITDA for 2024 (approximated to 55% in 2023).

Sales to the Group's joint venture represent about 15% (2023: 13%) of the total Group's revenue for the reporting period (out of which 63% relates to Metallurgical segment (2023: 64%)).

As at 31 December 2024, 87% of the Group’s non-current assets, other than financial instruments and deferred tax assets, were located in Ukraine (31 December 2023: 89%).

In 2024, average number of employees (full-time equivalent) attributable to Metallurgical segment amounted to 18 thousand and Mining segment – 16 thousand (2023: Metallurgical segment – 19 thousand and Mining segment – 20 thousand). 17 employees are hired in the Netherlands as of 31 December 2024 (31 December 2023: 12 employees).

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8. GOODWILL

The movements of goodwill during the periods presented in these consolidated financial statements were as follows:

	2024	2023
As at 1 January		
Original amount	1,344	1,305
Accumulated impairment	(675)	(655)
Net carrying amount	**669**	**650**
Impairment	(93)	-
Currency translation differences	(36)	19
As at 31 December		
Original amount	1,284	1,344
Accumulated impairment	(744)	(675)
Net carrying amount	**540**	**669**

Management allocates and monitors goodwill at the following groups of cash generating units ("CGUs"):

	31 December 2024	31 December 2023
Metallurgical segment	508	532
Iron Ore Enrichment Works	32	35
Pokrovske coal business	-	102
Total	**540**	**669**

Goodwill related to UCC have been fully impaired in the previous years and it's carrying amount is zero as at both 31 December 2024 and 31 December 2023.

Taking into account the events, described in Note 2, management performed impairment testing of the property, plant and equipment, goodwill and other intangible assets, related to Metallurgical and Mining segments as at 31 December 2024. In the result of the procedures performed allowance for impairment of goodwill related to the Pokrovske coal business was recognized in the amount of USD 93 million as at year ended 31 December 2024. The recoverable amount of each CGU was determined based on fair value less cost to sell calculations and value in use method based on the probability-based discounted cash flow scenario (applicable for Pokrovske coal business). The details of key assumptions used for impairment testing and the results obtained are reflected in the Note 10 of these consolidated financial statements.

All tabular amounts in millions of US Dollars

9. OTHER INTANGIBLE ASSETS

Accounting policy

All of the Group's other intangible assets have definite useful lives and primarily include capitalised computer software and licences, mining licences, mining permits and coal reserves. Acquired computer software and other licences are capitalised on the basis of the costs incurred to acquire and bring them to use.

Other intangible assets are carried at cost less accumulated amortisation and impairment losses, if any.

Licences and coal reserves are amortised using the units-of-production method over all estimated proven and probable reserve assigned to the mines. Proven and probable reserves exclude non-recoverable coal and ore reserves and estimated processing losses. Amortisation rates are updated when revisions to coal reserve estimates are made.

The movements of other intangible assets were as follows:

	Coal reserves	Licenses and mining permits	Other intangible assets	Total
As at 1 January 2023				
Cost	418	1,162	274	**1,854**
Accumulated amortisation	(418)	(225)	(256)	**(899)**
Net carrying amount	-	**937**	**18**	**955**
Additions	-	-	5	**5**
Currency translation differences	-	(34)	(2)	**(36)**
Impairment	-	-	-	**-**
Amortisation	-	(22)	(5)	**(27)**
As at 31 December 2023				
Cost	418	1,119	275	**1,812**
Accumulated amortisation and impairment	(418)	(238)	(259)	**(915)**
Net carrying amount	-	**881**	**16**	**897**
Additions	-	-	4	**4**
Currency translation differences	-	(85)	(2)	**(87)**
Impairment	-	(730)	(3)	**(733)**
Amortisation	-	(20)	(4)	**(24)**
As at 31 December 2024				
Cost	418	1,012	269	**1,699**
Accumulated amortisation	(418)	(966)	(258)	**(1,642)**
Net carrying amount	**-**	**46**	**11**	**57**

Taking into account the events, described in Note 2, management performed impairment testing of the Group's property, plant and equipment, goodwill and other intangible assets as at 31 December 2024. In the result of the procedures performed allowance for impairment of the mining license of the Pokrovske coal business in the amount of USD 730 million (net carrying amount as of 31 December 2023: USD 828 million) was recognised as at 31 December 2024. Other intangible assets were included into carrying value of the respective CGUs. For results of these impairment tests refer to Note 10.

Remaining licenses and mining permits balance as at 31 December 2024 includes a net carrying amount of USD 43 million (2023: USD 49 million) for the iron ore license of PrJSC Ingulets Iron Ore Enrichment Works, which is being amortized using the units-of-production method over its remaining useful life of approximately 23 years.

The coal reserves were acquired as part of the acquisition of UCC in 2009. As at 31 December 2024 and 31 December 2023 these reserves were fully impaired.

10. PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Property, plant and equipment are stated using the revaluation model. Fair values are based on valuations by external independent valuers. The frequency of revaluation depends upon the movements in the fair values of the assets being revalued. The revaluation reserve in equity is transferred directly to retained earnings when the surplus is realised either on the retirement or disposal of the asset or as the asset is used by the Group; in the latter case, the amount of the surplus realised is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

Upon recognition, items of property, plant and equipment are divided into components, which represent items with a significant value that have different useful lives.

Depreciation is charged to the consolidated income statement on a straight-line basis to allocate costs or revalued amounts of individual assets to their residual value over the estimated remaining useful lives. Depreciation commences at the moment when assets is ready for use. The estimated useful lives are as follows:

	Useful lives in years
Buildings and structures	from 2 to 60
Plant and machinery	from 2 to 35
Furniture, fittings and equipment	from 2 to 10

Construction in progress represents prepayments for property, plant and equipment, and the cost of property, plant and equipment, construction of which has not yet been completed. No depreciation is charged on such assets until they are ready for use.

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10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The movements of property, plant and equipment were as follows:

	Land	Buildings and structures	Plant and machinery	Furniture, fittings and equipment	Construction in progress	Total
Cost or valuation as at 1 January 2023	**56**	**2,026**	**3,143**	**138**	**922**	**6,285**
Additions	-	-	-	-	279	**279**
Transfers	-	274	141	14	(429)	**-**
Disposals	-	(18)	(81)	(2)	(5)	**(106)**
Acquisition of subsidiary	-	3	2	-	1	**6**
Reclassification to inventory	-	-	-	-	(20)	**(20)**
Currency translation differences	2	(85)	(123)	(4)	(30)	**(240)**
As at 31 December 2023	**58**	**2,200**	**3,082**	**146**	**718**	**6,204**
Additions	-	-	-	-	231	**231**
Transfers	-	93	125	20	(238)	**-**
Disposals	**-**	(11)	(108)	(15)	(3)	**(137)**
Elimination against accumulated depreciation upon revaluation	-	(375)	(612)	(21)	-	**(1,008)**
Revaluation surplus	**-**	308	361	4	47	**720**
Revaluation decreases that offset previous increases	-	(2)	(7)	-	-	**(9)**
Reclassification to inventory	-	-	-	-	(27)	**(27)**
Currency translation differences	(3)	(117)	(67)	(12)	(61)	**(260)**
As at 31 December 2024	**55**	**2,096**	**2,774**	**122**	**667**	**5,714**
Accumulated depreciation and impairment as at 1 January 2023	**-**	**(1,036)**	**(2,299)**	**(108)**	**(362)**	**(3,805)**
Depreciation charge for the year	-	(150)	(217)	(12)	-	**(379)**
Disposals	**-**	18	80	2	1	**101**
Transfers	-	-	(2)	2	-	**-**
Impairment	-	(3)	-	2	(17)	**(18)**
Currency translation differences	-	51	102	4	11	**168**
As at 31 December 2023	-	**(1,120)**	**(2,336)**	**(110)**	**(367)**	**(3,933)**
Depreciation charge for the year	-	(131)	(230)	(10)	-	**(371)**
Disposals	-	11	104	8	1	**124**
Transfers	-	-	2	(2)	-	**-**
Elimination against accumulated depreciation upon revaluation	-	375	612	21	-	**1,008**
Impairment	-	(362)	(77)	(3)	(37)	**(479)**
Currency translation differences	-	15	-	9	32	**56**
As at 31 December 2024	**-**	**(1,212)**	**(1,925)**	**(87)**	**(371)**	**(3,595)**
Net book value as at						
31 December 2023	**58**	**1,080**	**746**	**36**	**351**	**2,271**
31 December 2024	**55**	**884**	**849**	**35**	**296**	**2,119**

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10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The table above includes USD 1,904 million (2023: USD 2,107 million) of cost and accumulated depreciation of the assets, located on temporarily occupied territory, being fully impaired.

As at 31 December 2024 and 2023, construction in progress balance includes prepayments for property, plant and equipment of USD 21 million and USD 19 million, respectively.

As at 31 December 2024, the Group has recognized right-of-use asset in the amount of USD 27 million within Property, plant and equipment, mainly attributable to plant and machinery (as at 31 December 2023: USD 38 million).

Fair valuation of property, plant and equipment. The Group performed a revaluation of assets as at 30 September 2024. The assets subject to revaluation represent key production assets in Ukraine and cover about 93% of value of the Group's property, plant and equipment located in Ukraine as of the date of valuation.

A revaluation exercise was deemed unnecessary for other property, plant, and equipment balances, mainly located outside Ukraine, as management estimated that their fair value as of 31 December 2024, was not materially different from their cumulative carrying amount. The Group performed instead the impairment testing for these assets as of 31 December 2024.

The revaluation and impairment as at and for the year ended 31 December 2024 are recorded as follows:

	Recognized in profit and loss	Recognized in Other comprehensive income	Total
Revaluation surplus	17	720	**737**
Revaluation decreases that offset previous increases in the carrying amount	-	(9)	**(9)**
Assets written down during the year	(17)	-	**(17)**
Net effect of revaluation	**-**	**711**	**711**
Impairment of property, plant and equipment related to Pokrovske coal business	(479)	-	**(479)**
Total	**(479)**	**711**	**232**

Impairment assessment. Considering the recent developments in the operating environment, in particular, evolving military situation, impacting operations of the Group as well as volatility on some key markets, in which the Group operates, during 2024, the Group considered that these events constitute signs of impairment of property, plant and equipment, goodwill and other intangible assets as at 31 December 2024 and conducted an impairment test at that date.

To ensure that the impairment testing model fully reflects the anticipated long-term changes in cash flows, for the impairment test the Group developed cash flow projections for 10 years for Ukrainian entities and 5 years for assets outside of Ukraine, which are consistent with the Group's strategy approved by senior management. The 10-year period for cash flow projection was used for Ukrainian assets as estimates incorporated in the longer period more accurately assume, amongst other, the production plan and market prices trends.

The valuation method used for determination of each CGU fair value is mostly based on unobservable market data, which is within Level 3 of the fair value hierarchy.

- **Metallurgical segment**

The following table and further paragraphs summarize key assumptions on which management has based its cash flow projections to undertake the impairment testing of goodwill (and subsequently property, plant and equipment and intangible assets) in the metallurgical segment for Ukrainian assets:

	31 December 2024	31 December 2023
Metallurgical		
Post-tax discount rate (USD)	18.76%	20.9%
Growth rate in perpetual period[5]	3%	3%

[5] Represents growth rate of future cash flows in perpetual period. This note applicable to all CGUs.

All tabular amounts in millions of US Dollars

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The values assigned to the key assumptions represent management's assessment of future trends in the business and are based on both external and internal sources.

The discount rate reflects the market assessment of the time value of money and risks specific to the Group. The cost of equity has been determined using the Capital Asset Pricing Model based on observable inputs, inputs from third party financial analysts and Group-specific inputs.

Forecasts from industry experts and other external reputable sources, as well as internal analysis were used by management to determine price levels used in the impairment test. Forecasted benchmark iron prices for Fe 62% fines (CFR North China) is expected to be USD 90 per tonne in 2025, decreasing to USD 88-89 per tonne in 2026-2027, based on the consensus forecast median and is projected to grow at 2% p.a. on average thereafter. Prices for other iron ore products and different markets were determined based on respective discounts or premiums for Fe content, pelletizing premiums, applicable transportation costs and historic discounts or premiums usual for those markets.

The forecasted benchmark coking coal price for premium low volatile hard coking coal (FOB Queensland) is projected to be USD 220 per tonne in 2025, USD 226 per tonne in 2026, USD 222-213 per tonne in 2027-2028 with a further growth at 2% p.a. on average thereafter. Forecasted prices for other types of coking coal and prices at other markets were determined based on respective historic discounts for differences in quality of each particular coal type and estimated transportation costs.

The forecasted prices for steel products used in the impairment test were estimated based on the benchmark HRC EXW Italy. The forecasted benchmark is expected to reach USD 694 per tonne in 2025, decline to USD 684 per tonne in 2026, increase to USD 696 in 2027 and with further growth by 2% per year. Forecasted prices for other steel products were based on historic spreads between the prices for different products to HRC, logistics adjustments, specific discounts or premiums, related to the products quality and other specific characteristics.

Management assumed that the forecasted production volumes of PrJSC Kamet-Steel will gradually return to its full operating capacity within 2 years from the assessment date assuming the termination of the "active" stage of the war in Ukraine and permanent deblocking of seaports, allowing, among others, increase of export sales due to gradual ramp up of seaborne throughput.

As part of the impairment test of goodwill, property, plant and equipment and other intangible assets, the Group considered the potential carbon neutrality in 2060 and took into account the impact of changes in global legislation (CBAM). The potential CBAM impact calculation was based on the best management estimate and the information, available at the period of impairment testing.

An exchange rate of 42.04 UAH for 1 USD as at 31 December 2024 is expected to gradually increase to 57 UAH for 1 USD in 2034.

As at 31 December 2024, the Metallurgical segment's recoverable amount, determined based on fair value less cost to sell estimations, is USD 1,477 million (31 December 2023: USD 1,194 million) and exceeds its total carrying amount by USD 326 million (31 December 2023: USD 41 million).

The table below summarizes the impact of changes in main assumptions with all other variables held constant to the impairment of goodwill (and subsequently to property, plant and equipment and intangible assets) related to the Metallurgical segment:

Ukrainian entities:	**31 December 2024**	**31 December 2023**
Volumes of production/sales		
Decrease in all the periods by 3.3%	-	Recoverable amount equals carrying amount
Decrease in all the periods by 15.0%	-	Impairment of USD 148 million required
Decrease in all the periods by 16.25%	Recoverable amount equals carrying amount	-
Decrease in all the periods by 20.0%	Impairment of USD 75 million required	-
Steel prices		
Decrease in all the periods by 0.7%	-	Recoverable amount equals carrying amount
Decrease in all the periods by 4.0%	-	Impairment of USD 191 million required
Decrease in all the periods by 4.69%	Recoverable amount equals carrying amount	-
Decrease in all the periods by 6%	Impairment of USD 91 million required	-
Iron ore prices		
Increase in all the periods by 6.8%	-	Recoverable amount equals carrying amount
Increase in all the periods by 45.0%	-	Impairment of USD 239 million required
Increase in all the periods by 50.3%	Recoverable amount equals carrying amount	-
Increase in all the periods by 60.0%	Impairment of USD 63 million required	-
Coke and coal prices		
Increase in all the periods by 2.6%	-	Recoverable amount equals carrying amount
Increase in all the periods by 19%	Recoverable amount equals carrying amount	-
Increase in all the periods by 21.0%	Impairment of USD 35 million required	Impairment of USD 309 million required
Increase in all the periods by 30.0%	Impairment of USD 193 million required	-

All tabular amounts in millions of US Dollars

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Ukrainian entities:	31 December 2024	31 December 2023
Discount rates		
Increase in all the periods by 3.2 pp	-	Recoverable amount equals carrying amount
Increase in all the periods by 10.0 pp	-	Impairment of USD 62 million required
Increase in all the periods by 15.8 pp	Recoverable amount equals carrying amount	-
Increase in all the periods by 20.0 pp	Impairment of USD 43 million required	-
Growth rate in perpetual period	No reasonable changes would lead to impairment	No reasonable changes would lead to impairment

Key assumptions over assets outside of Ukraine:	31 December 2024	31 December 2023
Metallurgical		
Post-tax discount rate (local currencies)	10%-10.5%	8.9%-10.1%
Growth rate in perpetual period	1.7%-2%	1.5%-2%

The table below summarises the impact of changes in main assumptions with all other variables held constant to the impairment of goodwill and subsequently to property, plant and equipment and other intangible assets related to the Metallurgical segment (assets outside of Ukraine):

	31 December 2024	31 December 2023
Volumes of production/sales		
Decrease in all the periods by 3.3%	-	Recoverable amount equals carrying amount
Decrease in all the periods by 25%	-	Impairment of USD 271 million required
Decrease in all the periods by 35.4%	Recoverable amount equals carrying amount	-
Decrease in all the periods by 40%	Impairment of USD 42 million required	-
Steel prices		
Decrease in all the periods by 0.5%	-	Recoverable amount equals carrying amount
Decrease in all the periods by 4.19%	Recoverable amount equals carrying amount	-
Decrease in all the periods by 5.0%	Impairment of USD 63 million required	Impairment of USD 379 million required
Decrease in all the periods by 8%	Impairment of USD 297 million required	-
Variable costs		
Increase in all the periods by 0.55%	-	Recoverable amount equals carrying amount
Increase in all the periods by 4.75%	Recoverable amount equals carrying amount	-
Increase in all the periods by 5.0%	Impairment of USD 17 million required	Impairment of USD 316 million required
Increase in all the periods by 8%	Impairment of USD 223 million required	-
Discount rates		
Increase in all the periods by 0.5 pp	-	Recoverable amount equals carrying amount
Increase in all the periods by 5.0 pp	-	Impairment of USD 223 million required
Increase in all the periods by 15.4 pp	Recoverable amount equals carrying amount	-
Increase in all the periods by 25 pp	Impairment of USD 45 million required	-
Growth rate in perpetual period	No reasonable changes would lead to impairment	No reasonable changes would lead to impairment

All tabular amounts in millions of US Dollars

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

- ***Mining segment - Iron Ore Enrichment Works.***

The following table and further paragraphs summarize key assumptions on which management has based its cash flow projections to undertake the impairment testing of goodwill (and subsequently to property, plant and equipment and intangible assets) in the mining segment:

	31 December 2024	31 December 2023
Mining segment - Pokrovske coal business		
Post-tax discount rate (USD)	17.97%	20.9%
Growth rate in perpetual period	3%	3%

The assumptions incorporated into the prices forecast are in line with those disclosed as part of metallurgical segment.

Management assumed that forecasted production volumes of the Iron Ore Enrichment Works will gradually return to its full operating capacity within 2 years from the assessment date assuming the termination of the "active" stage of war in Ukraine and permanent deblocking of seaports, among others, increase of export sales due to gradual ramp up of seaborne throughput.

The terminal value periods, incorporated into the forecasts for mining plants are limited by the expected term of mineral resources extraction and is within the range of 2047-2055.

As at 31 December 2024, the recoverable amount of the Mining segment (Iron Ore Enrichment Works), determined based on the fair value less cost to sell estimations, was USD 2,043 million (31 December 2023: USD 1,228 million) and exceeded its total carrying amount by USD 634 million (31 December 2023: USD 217 million).

The table below summarizes the impact of changes in the main assumptions with all other variables held constant to the impairment of goodwill (and subsequently to property, plant and equipment and intangible assets) related to this group of CGUs:

	31 December 2024	31 December 2023
Volumes of production/sales		
Decrease in all the periods by 5.85%	-	Recoverable amount equals carrying amount
Decrease in all the periods by 10.0%	-	Impairment of USD 155 million required
Decrease in all the periods by 13.5%	Recoverable amount equals carrying amount	-
Decrease in all the periods by 15.0%	Impairment of USD 71 million required	-
Iron ore prices		
Decrease in all the periods by 3.1%	-	Recoverable amount equals carrying amount
Decrease in all the periods by 6.7%	Recoverable amount equals carrying amount	-
Decrease in all the periods by 10.0%	Impairment of USD 313 million required	Impairment of USD 485 million required
Discount rates		
Increase in all the periods by 3.2 pp	-	Recoverable amount equals carrying amount
Increase in all the periods by 6.86 pp	Recoverable amount equals carrying amount	-
Increase in all the periods by 7.5 pp	Impairment of USD 41 million required	Impairment of USD 203 million required
Growth rate in perpetual period	No reasonable changes would lead to impairment	No reasonable changes would lead to impairment

- ***Mining segment - Pokrovske coal business.***

As described in Note 2 of these consolidated financial statements, Metinvest halted production at one of its vertical mine shafts (Shaft No.3) of Pokrovske Colliery in mid-December 2024 and later suspended all production operations of Pokrovske coal business due to evolving frontline conditions and a deteriorating security situation nearby.

Management considered the high uncertainties regarding the future development of the military situation and the timing of the restart of Pokrovske coal business. To capture the increased risk and uncertainty in the cash flow, management used value in use method based on the probability-based discounted cash flow scenario, which better estimates the recoverable amount of this CGU than single predicted outcome.

Management developed two probability-weighted scenarios based on the further evolution of the military situation, assigning different probability weights to each scenario. This includes a worst-case scenario, in which operations do not resume in the foreseeable future due to ongoing security concerns, with a 90% probability allocation.

The alternative scenario anticipates the gradual resumption of operations starting in 2027. 10% probability was allocated to this scenario. The cash flow projection developed under this scenario includes the following main assumptions:

All tabular amounts in millions of US Dollars

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	31 December 2024
Pre-tax discount rate (USD)	Ranging from 21.92% to 15.85%, applied throughout the forecasted period (10 years), considering the gradual stabilization of the operating environment following the expected ceasefire.
Volumes forecast	0% in 2025-2026, 28%-45% of pre-war production levels in 2027, 52% since 2028 and further
Coal prices forecast	USD 220 in 2027, USD 211 in 2028, starting from 2029 prices are adjusted for the level of inflation in the USA

In addition to the normal maintenance CAPEX, USD 100 million of one-off CAPEX required to restart the operations was included in the abovementioned scenario.

As a result of the impairment testing performed, an allowance for the impairment of property, plant, and equipment of the Pokrovske coal business amounting to USD 471 million was recognized as of 31 December 2024. The remaining recoverable amount of the property, plant and equipment related to the Pokrovske coal business CGU approximated USD 103 million as of 31 December 2024.

The recoverable amount stated above is most sensitive to the allocation of the weighted probabilities. Should the probability allocated to alternative scenario decrease by 5%, the recoverable amount of the respective property, plant and equipment would approximate to USD 52 million.

The table below summaries total impact of allowance for impairment of Pokrovske coal business assets:

	Impairment allowance recognized in profit and loss	Remaining balance as of 31 December 2024
Property, plant and equipment	471	103
Intangible assets	730	-
Goodwill	93	-
Inventories and replaceable equipment	18	31
Total allowances[6]	**1,312**	**134**

The following table summarize key assumptions on which management has based its cash flow projections to undertake the impairment testing in the comparative period, presented in these financial statements:

	31 December 2023
Pre-tax discount rate (USD)	29.9%
Growth rate in perpetual period	3%
Coal prices forecast	USD 245 per tonne in 2024, USD 218-202 in 2025-2026, USD 198 in 2027, starting from 2028 prices are adjusted for the level of inflation in the USA

Pokrovske coal business was expected to operate in 2024-2025 approximately at the level of its normal "after-war" capacity with the increase of volumes till its maximum capacity in 2026 and thereafter.

As at 31 December 2023, the recoverable amount of the Pokrovske coal business, determined based on pre-tax value in use estimations, was USD 1,656 million, which exceeded the carrying amount by USD 26 million.

• ***Mining segment - UCC***

In respect of UCC there is no goodwill allocated, and an impairment test was carried out in respect of property, plant and equipment only. As at 31 December 2024, the recoverable amount of UCC is USD 131 million (31 December 2023: USD 144 million), approximating its carrying amount. The recoverable amount has been determined based on fair value less cost to sell estimations. No additional net impairment or reversal of previous impairment was recognized during 2024 year. The discount rate used for the impairment testing of UCC was 8.1% (31 December 2023: 8.4%).

[6] Total amount of Allowance for impairment of assets, presented separately in the Consolidated Income Statement, includes also USD 5 million of impairment allowance, resulted due to hostile activities in Ukraine, on the assets, other than Pokrovske coal business.

METINVEST B.V.

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONTINUED)

All tabular amounts in millions of US Dollars

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The table below summarizes the impact of changes in main assumptions with all other variables held constant to the impairment of property, plant and equipment of UCC:

	31 December 2024	31 December 2023
Coking coal prices		
Decrease in all the periods by 3.0%	Impairment of USD 128 million required	Impairment of USD 143 million required
Cash costs		
Increase in all the periods by 3.0%	Impairment of USD 128 million required	Impairment of USD 156 million required
Discount rates		
Increase in all the periods by 1 pp	Impairment of USD 24 million required	Impairment of USD 22 million required

During 2024, USD 3 million of borrowing costs were capitalized as part of property, plant and equipment, capitalization rate was 8% (2023: USD 3 million, capitalization rate was 8%).
As at 31 December 2024, USD 72 million of property, plant and equipment were pledged as collateral for loans and borrowings (31 December 2023: USD 58 million).

11. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The Group has assessed the nature of its joint arrangements and determined them to be joint ventures during the reporting periods presented in these consolidated financial statements.

The Group's investment in joint ventures and associates were as follows as at 31 December 2024 and 2023:

			31 December 2024		31 December 2023	
Name	Type of relationship	Segment	% of ownership	Carrying value	% of ownership	Carrying value
Zaporizhstal Group	Joint venture	Metallurgical	49.99%	647	49.99%	556
PrJSC Yuzkoks	Associate	Metallurgical	23.71%	-	23.71%	2
PJSC Southern Iron Ore Enrichment Works	Joint venture	Mining	45.87%	450	45.87%	358
Total				**1,097**		**916**

All Group's associates and joint ventures are accounted for using the equity method.

None of the joint ventures and associates are traded on active markets and there are no reliable market prices available.

Southern Iron Ore Enrichment Works Group

Southern Iron Ore Enrichment Works Group is a large Ukrainian iron ore mining plant, which produces iron ore concentrate and sinter. Its products are used by the Group's integrated steel plants and are also sold to the third parties (mostly in China, Ukraine and Europe) primarily through the Group's trading company.

Zaporizhstal Group

The investment in the Zaporizhstal Group is represented by a number of interests in the steel and mining businesses, the most significant being:

- 49.99% effective interest in JSC Zaporizhstal Integrated Iron & Steel Works ("Zaporizhstal"), a large Ukrainian integrated steel plant which sources majority of its iron ore and coke consumption from the Group and sells majority of its finished products through the Group's trading companies;
- 24.27% effective interest in PrJSC Zaporizhya Iron Ore Plant, large iron ore mining enterprise in Ukraine; and
- 42.77% effective interest in PrJSC Zaporizhcoke and a 49.21% effective interest in PrJSC Zaporizhvohnetryv which are Group's subsidiaries.

As at 31 December 2024 and 2023, Metinvest's investments in Zaporizhstal Group and Southern Iron Ore Enrichment Works Group were classified as joint ventures due to the fact that decisions on the key relevant activities require participation of and unanimous consents both from Metinvest and from the other shareholders of Southern Iron Ore Enrichment Works Group and the Zaporizhstal Group. In making this assessment management duly considered the effect of the sanctions imposed by Ukraine against certain other shareholders of Zaporizhstal holding 48% shares in Zaporizhstal in May 2023. Management has concluded that the Group's practical ability to exercise control over Zaporizhstal depends on further actions of the Ukrainian authorities regarding the sanctioned shares and until any substantial relevant developments shall take place the Group continues to exercise joint control over Zaporizhstal.

All tabular amounts in millions of US Dollars

11. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

Movements in the carrying amount of the Group investments in associates and joint ventures are presented below:

	31 December 2024		31 December 2023	
	Joint ventures	Associates	Joint ventures	Associates
Carrying amount at 1 January	**914**	**2**	**1,165**	**21**
Share of after-tax results of associates and joint venture	57	(1)	(213)	(19)
Share of other comprehensive income of joint ventures and associates	214	-	-	-
Share of other equity movements of associates and joint venture	-	-	-	-
Dividends declared	-	-	-	-
Currency translation differences	(88)	(1)	(38)	-
Other movements	-	-	-	-
Carrying amount at 31 December	**1,097**	**-**	**914**	**2**

As at 31 December 2024, share of other comprehensive income of joint ventures includes revaluation of property, plant and equipment of USD 216 million, which is netted with effect from remeasurement of retirement benefit obligation.

The summarized financial information of the Group's material joint ventures and associates is presented below.

	Zaporizhstal Group		PJSC Southern Iron Ore Enrichment Works	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Balance sheet:				
Non-current assets	**847**	**617**	**931**	**757**
Cash and cash equivalents	26	31	4	4
Other current assets	1,430	1,423	258	161
Total current assets	**1,456**	**1,454**	**262**	**165**
Other non-current liabilities	122	55	56	26
Other non-current financial liabilities	-	-	-	-
Total non-current liabilities	**122**	**55**	**56**	**26**
Trade and other payables and provisions	949	976	157	115
Other current financial liabilities	56	58	-	-
Total current liabilities	**1,005**	**1,034**	**157**	**115**
Net assets	**1,176**	**982**	**980**	**781**

All tabular amounts in millions of US Dollars

11. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

As at 31 December 2024, the temporary differences associated with interests in joint ventures for which deferred tax liabilities have not been recognized amounted to 41 million (2023: USD 40 million).

	Zaporizhstal Group		PJSC Southern Iron Ore Enrichment Works	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Profit or loss for the year ended (selected items):				
Revenue	1,751	1,543	500	164
Depreciation and amortisation	(60)	(65)	(60)	(60)
Finance income	-	-	-	1
Finance costs	(21)	(16)	(5)	(6)
Income tax benefit / (expense)	(5)	6	(7)	87
Profit or loss	**47**	**(107)**	**74**	**(347)**
Statement of comprehensive income for the year ended:				
Other comprehensive income	147	(47)	125	(31)
Total comprehensive income	194	(154)	199	(378)
Dividends received by the Group during the year ended	-	-	-	-

The information above reflects the amounts presented in the financial statements of the joint ventures and the impact of fair value adjustments made on acquisition of these joint ventures and associates, if any.

The reconciliation of the net assets of the Group's principal joint ventures presented above to the carrying amounts of the respective investments is presented below:

	Zaporizhstal Group		PJSC Southern Iron Ore Enrichment Works	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Net assets	**1,176**	**982**	**954**	**781**
Group's ownership, %	49.99%	49.99%	45.87%	45.87%
Group's interest in net assets	588	491	450	358
Goodwill	59	65	-	-
Carrying value	**647**	**556**	**450**	**358**

All tabular amounts in millions of US Dollars

11. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

Impairment assessment of investments in joint ventures

Southern Iron Ore Enrichment Works Group

As at 31 December 2024, the Group performed an impairment assessment of its investment in the Southern Iron Ore Enrichment Works Group. The Southern Iron Ore Enrichment Works Group's recoverable amount was determined based on fair value less cost to sell estimations. Based on the results of the assessment, no impairment was recognized.

The following table summarizes key assumptions on which management has based its cash flow projections to undertake the impairment testing of the investment:

	31 December 2024	31 December 2023
Post-tax discount rate (USD)	17.97%	23.42%
Selling prices	Forecasted benchmark iron prices for Fe 62% fines (CFR North China) are USD 90 per tonne for 2025 decreasing to USD 88-89 per tonne in 2026-2027 based on the consensus forecast mediana and grow at 2% p.a. on average thereafter. Other iron ore products and prices at other markets were determined based on respective discounts or premiums for Fe content, pelletizing premiums, applicable transportation costs and historic discounts or premiums usual for those markets.	Forecasted iron ore prices shall be gradually recovering in 2024-2025 from the actual observed in 2023 to the forecasted benchmark iron prices for Fe 62% fines (CFR North China) of USD 88-89 per tonne in 2026-2027 based on the consensus forecast median and are expected to grow at 2% p.a. on average thereafter. Other iron ore products and prices at other markets were determined based on respective discounts or premiums for Fe content, pelletizing premiums, applicable transportation costs and historic discounts or pre-miums usual for those markets.
Growth rate in perpetual period	3%	3%

Management assumed that forecasted production volumes of the Southern Iron Ore Enrichment Works Group will gradually return to their full operating capacity within 2 years from the assessment date assuming the termination of the "active" stage of war in Ukraine and permanent deblocking of seaports, and the increase of export sales due to gradual ramp up of seaborne throughput.

The table below summarises the impact of changes in the main assumptions with all other variables held constant to the impairment of investment in the Southern Iron Ore Enrichment Works Group:

	31 December 2024	31 December 2023
Volumes of production / sales		
Decrease in all the periods by 8.8%	-	Recoverable amount equals carry-ing amount of investment
Decrease in all the periods by 20.0%	-	Impairment of USD 68 million required
Decrease in all the periods by 32.8%	Recoverable amount equals carrying amount of investment	-
Decrease in all the periods by 45.0%	Impairment of USD 129 million required	-
Iron ore prices		
Decrease in all the periods by 4.6%	-	Recoverable amount equals carrying amount of investment
Decrease in all the periods by 15.0%	-	Impairment of USD 119 million required
Decrease in all the periods by 18.95%	Recoverable amount equals carrying amount of investment	-
Decrease in all the periods by 25.0%	Impairment of USD 109 million required	-
Discount rates		
Increase in all the periods by 2.7 pp.	-	Recoverable amount equals carrying amount of investment
Increase in all the periods by 15.0 pp.	-	Impairment of USD 142 million required
Increase in all the periods by 27.2 pp.	Recoverable amount equals carrying amount of investment	-
Increase in all the periods by 40 pp.	Impairment of USD 43 million required	-
Growth rate in perpetual period	No reasonable changes would lead to impairment	No reasonable changes would lead to impairment

All tabular amounts in millions of US Dollars

11. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

Zaporizhstal Group

As at 31 December 2024, the Group has performed an impairment assessment of the investment in the Zaporizhstal Group. The Zaporizhstal Group's recoverable amount is determined based on fair value less cost to sell estimations. Based on the results of the assessment, no impairment was recognized.

The following table summarises key assumptions on which management has based its cash flow projections to undertake the impairment testing of the investment:

	31 December 2024	31 December 2023
Post-tax discount rate (USD)	18.76%	20.0%
Selling prices	Forecasted prices for steel products used in the impairment test were estimated based on the benchmark HRC EXW Italy. Forecasted benchmark is expected to reach USD 694 per tonne for 2025 with a further decrease to USD 684 per tonne in 2026, USD 696-720 per tonne in 2027-2028 respectively with further increase by 2% per year. Forecasted prices for other steel products are based on historic spreads between the prices for different products to HRC, logistics adjustments, specific discounts or premiums, related to the products quality and other specific characteristics.	Forecasted prices for steel products used in the impairment test were estimated based on the benchmark HRC EXW Italy. Forecasted benchmark is expected to reach USD 732 per tonne in 2024 with a further decrease to USD 722 per tonne in 2025, USD 706 in 2026 and USD 710 per tonne in 2027 with further increase by 2% per year. Forecasted prices for other steel products are based on historic spreads between the prices for different prod-ucts to HRC, logistics adjustments, specific discounts or premiums, relat-ed to the products quality and other specific characteristics.
Growth rate in perpetual period	3%	3%

Coke and coal prices were determined based on the same benchmarks as disclosed in "Property, plant and equipment" Note.

Management assumed that forecasted production volumes of Zaporizhstal Group will gradually return to their full operating capacity within 2 years from the assessment date assuming the termination of "active" stage of war in Ukraine and permanent deblocking of seaports and increase of export sales due to gradual ramp up of seaborne throughput.

The table below summarises the impact of changes in the main assumptions with all other variables held constant to the impairment of investment in the Zaporizhstal Group:

	31 December 2024	31 December 2023
Volumes of production / sales		
Decrease in all the periods by 3.0%	-	Recoverable amount equals carrying amount of investment
Decrease in all the periods by 20.0%	-	Impairment of USD 148 million required
Decrease in all the periods by 23.45%	Recoverable amount equals carrying amount of investment	-
Decrease in all the periods by 30%	Impairment of USD 73 million required	-
Steel prices		
Decrease in all the periods by 0.5%	-	Recoverable amount equals carrying amount of investment
Decrease in all the periods by 4.67%	Recoverable amount equals carrying amount of investment	-
Decrease in all the periods by 5.0%	Impairment of USD 19 million required	Impairment of USD 236 million required
Decrease in all the periods by 10%	Impairment of USD 301 million required	-
Coke and coal prices		
Increase in all the periods by 1.5%	-	Recoverable amount equals carrying amount of investment
Increase in all the periods by 14.2%	Recoverable amount equals carrying amount of investment	-
Increase in all the periods by 20.0%	Impairment of USD 107 million required	Impairment of USD 325 million required
Discount rates		
Increase in all the periods by 1.3 pp	-	Recoverable amount equals carrying amount of investment
Increase in all the periods by 10.0 pp.		Impairment of USD 116 million required
Increase in all the periods by 11.86 pp.	Recoverable amount equals carrying amount of investment	-
Increase in all the periods by 20 pp.	Impairment of USD 89 million required	-
Growth rate in perpetual period	No reasonable changes would lead to impairment	No reasonable changes would lead to impairment

All tabular amounts in millions of US Dollars

12. INVENTORIES

Accounting policy

Cost of inventory is determined on the weighted average principle.

	31 December 2024	31 December 2023
Raw materials	262	269
Finished goods and work in progress	250	355
Goods for resale	103	79
Ancillary materials, spare parts and consumables	61	88
Total inventories	**676**	**791**

As at 31 December 2024, the Group recognised USD 18 million of impairment for inventories and replaceable equipment related to Pokrovske coal business (Note 2) and other regular write-downs / reversal of write-downs of inventories to net realizable value, with a net effect of approximately zero.

As at 31 December 2023 the Group recognized reversal of write-downs of inventories to net realizable value in the amount of USD 31 million.

As at 31 December 2024, inventories totalling USD 49 million (31 December 2023: USD 105 million) have been pledged as collateral for borrowings (Note 17).

All tabular amounts in millions of US Dollars

13. TRADE AND OTHER RECEIVABLES

Accounting policy

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized at the time of the initial recognition of the receivables (Stage 2 of ECL model). For loans issued the Group applies general model for impairment based on changes in credit quality since initial recognition.

The Group uses different approaches for analysis of expected credit losses arisen on the financial assets from related parties, significant customers and other customers.

For all significant debtors and related parties, the calculation of expected credit losses is carried out on an individual basis taking into account agreement terms, expected repayment period, internally assessed credit risks for significant debtors based on the financial performance and taking into account external credit rating, if available. ECL rate is calculated based on credit spread implicit in the average yield on bonds of similar credit risk companies and adjusted for maturity, risk free rate and liquidity premium or based on corporate bonds ratings of the international rating agencies.

For individually insignificant debtors the Group calculates expected credit losses using a provision matrix by grouping customers by country of location. This matrix is based on the Group's historical default rates over the expected life of the financial receivables and is adjusted for forward-looking estimates.

	31 December 2024	31 December 2023
Non-current trade and other receivables		
Loans issued to SMART (UAH denominated)	-	10
Other non-current financial assets	261	261
Other non-current non-financial assets	17	18
Recoverable value added tax	64	69
Total non-current trade and other receivables	**342**	**358**
Current financial assets		
Trade receivables and receivables on commission sales	1,494	1,579
Loans issued to related party SCM (USD denom-inated, 7% effective interest rate (2023: 8%))	210	197
Loans issued to related party SCM and SMART (UAH denominated)	15	17
Loans issued to joint venture (USD denominated, 11% effective interest rate (2023: 11%))	56	58
Covered letters of credit related to inventory purchases and restricted cash	62	57
Other receivables	85	63
Total current financial assets	**1,922**	**1,971**
Current non-financial assets		
Recoverable value added tax	251	250
Prepayments made	253	110
Prepaid expenses and other non-financial receivables	89	84
Total current non-financial assets	**593**	**444**
Total current assets	**2,515**	**2,415**
Total trade and other receivables (including non-current assets)	**2,857**	**2,773**

Other non-current financial assets include the balance due from a related party. This balance was initially represented by the trade receivables from the joint venture, which was reassigned during 2023 to another related party, related to SCM, being in substantial part overdue as at time of reassignment. This was recognized at fair value of USD 337 million, being a discounted value of future contractual cash flows till 31 December 2023 at assumed market rate for similar instruments. Considering some changes in expectations regarding the terms of settlement, the balance was classified as the non-current financial assets as of 31 December 2023. Credit risks on this instrument approximate the average risks of Ukrainian companies of SCM Group and therefore estimated expected credit loss of the outstanding balance was determined with the reference to Fitch credit rating set for companies of SCM Group exposed to Ukrainian risks and respective recovery ratings/weighted average loss default rates and amounted to USD 99 million as of 31 December 2023.

Considering the changes in recovery ratings / weighted average loss default rates during 2024 as well as foreign exchange impact, the total expected credit loss attributable to the balance amounts to USD 90 million as at 31 December 2024.

Recoverable VAT mainly relates to Ukrainian subsidiaries of the Group. During 2024, VAT refunds of USD 259 million were received by the Group (2023: USD 250 million).

The Group has legal right to request settlement of the current loans issued to related parties within a twelve-month period after the reporting date. The decision on whether to call for repayment or extend the term of the loan is subject to future developments and yet to be done.

All tabular amounts in millions of US Dollars

13. TRADE AND OTHER RECEIVABLES (CONTINUED)

Analysis by credit quality of financial trade and other receivables and expected credit loss allowance as at 31 December 2024 is as follows:

	Loss rate	Gross carrying amount	Lifetime ECL	Carrying amount	Basis
Loans issue to related parties	13.87%	369	(88)	281	Corporate bonds ratings of the international rating agencies
Total loans issued		**369**	**(88)**	**281**	
Trade and other receivables from key customers including credit impaired		459	(409)	50	
Trade and other receivables from related parties including credit impaired		1,764	(133)	1,631	
Total trade and other receivables for which individual approach for ECL is used		**2,223**	**(542)**	**1,681**	
Ukraine - less than 30 days overdue	0.5%	28	-	28	Historical payment discipline
Ukraine - overdue more than 30 days	20%	-	-	-	Historical payment discipline
Ukraine - credit impaired		32	(32)	-	
Other countries - less than 30 days overdue	0.09%	190	-	190	Historical payment discipline
Other countries - overdue more than 30 days	8%	3	-	3	Historical payment discipline
Other countries - credit impaired		6	(6)	-	
Total trade and other receivables for which provisional matrix is used		**259**	**(38)**	**221**	
Total		**2,851**	**(668)**	**2,183**	

Loss rate for trade and other receivables from key customers approximated 15.07% (2023: 14.87%) and determined based on corporate bonds ratings of the international rating agencies, for credit impaired balances from key customers loss rate is 100%.

Loss rate for trade and other receivables from related parties approximated 13.87% (2023: 13.67%) and determined based on corporate bonds ratings of the international rating agencies, for credit impaired balances from related parties loss rate is within the range 10%-100%.

The loss rates presented in the table above for unimpaired receivables are 12-month loss rates, which are adjusted to reflect the maturity of individual balances.

All tabular amounts in millions of US Dollars

13. TRADE AND OTHER RECEIVABLES (CONTINUED)

Analysis by credit quality of financial trade and other receivables as at 31 December 2023 is as follows:

	Loss rate	Gross carrying amount	Lifetime ECL	Carrying amount	Basis
Loans issue to related parties	13.67%	360	(78)	282	Corporate bonds ratings of the international rating agencies
Total loans issued		**360**	**(78)**	**282**	
Trade and other receivables from key customers including credit impaired		475	(436)	39	
Trade and other receivables from related parties including credit impaired		1,710	(133)	1,577	
Total trade and other receivables for which individual approach for ECL is used		**2,185**	**(569)**	**1,616**	
Ukraine - less than 30 days overdue	0.5%	21	-	21	Historical payment discipline
Ukraine - overdue more than 30 days	20%	-	-	-	Historical payment discipline
Ukraine - credit impaired		33	(33)	-	
Other countries - less than 30 days overdue	0.09%	261	-	261	Historical payment discipline
Other countries - overdue more than 30 days	8%	5	-	5	Historical payment discipline
Other countries - credit impaired		7	(7)	-	
Total trade and other receivables for which provisional matrix is used		**327**	**(40)**	**287**	
Total		**2,872**	**(687)**	**2,185**	

The following table explains the changes in the credit loss allowance for trade and other receivables under simplified ECL model and loans issued accounted for at stage 2 of ECL model the beginning and the end of the annual period:

	Trade and other receivables	Loans issued	Trade and other receivables - credit impaired	Total
Balance at 1 January 2023	**13**	**73**	**495**	**581**
Net new originated / (derecognised) during the period	102	2	(4)	**100**
Changes in estimates and assumptions	20	3	-	**23**
Write-offs	-	-	(2)	**(2)**
Forex movements	(1)	-	(14)	**(15)**
Balance at 31 December 2023	**134**	**78**	**475**	**687**
Net new originated / (derecognised) during the period	(3)	-	6	**3**
Changes in estimates and assumptions	(16)	9	27	**20**
Write-offs	-	-	-	**-**
Forex movements	(5)	-	(37)	**(42)**
Balance at 31 December 2024	**110**	**87**	**471**	**668**

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(CONTINUED)

All tabular amounts in millions of US Dollars

13. TRADE AND OTHER RECEIVABLES (CONTINUED)

As at 31 December 2024, amount of sold trade receivables which were still unsettled to the third party was USD 234 million (31 December 2023: USD 322 million). The carrying amount of the assets and liabilities that represent the entity's continuing involvement in the derecognised assets is USD 9 million (31 December 2023: USD 13 million). The fair value of the assets and liabilities that represent the entity's continuing involvement in the derecognised assets approximates the carrying value. The maximum exposure to loss from such receivables relates to customer default only and is pre-agreed with the third party purchasing the receivables as the percentage of their nominal amount sold. Such percentage is determined with reference to the historical loss ratio and the statistical model of the respective markets of the Group.

The Group's subsidiaries entered into factoring transactions for trade receivables through securitization vehicle. The Group receives up to 83% of the face value of the receivable less a premium that covers the cost of financing. The Group maintains the customer relationship and collects the amounts due from customers on behalf of parties of the contract. The Group continues to recognize the transferred asset in amount of USD 26 million as part of trade and other receivables and financial liability for the consideration received in amount of USD 22 million.

As at 31 December 2024, trade and other receivables totalling USD 119 million (31 December 2023: USD 172 million) have been pledged as collateral for borrowings (Note 17).

14. CASH AND CASH EQUIVALENTS

Accounting policy

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Restricted balances are excluded from cash and cash equivalents for the purposes of the cash flow statement. Balances restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date are included in other non-current assets.

The Group does not recognize the expected credit loss allowance on cash and cash equivalents if it was determined that the effect of such loss allowance is not material as at the reporting date.

	31 December 2024	31 December 2023
Current accounts in banks	657	646
Total cash and cash equivalents	**657**	**646**

The bank balances and term deposits are neither past due nor impaired. Analysis by credit quality of bank balances and term deposits is as follows:

	31 December 2024	31 December 2023
As rated by Moody's:		
- A1	294	178
- Aa2	11	-
- Baa1	27	59
- Baa2	1	-
- Baa3	47	82
- Ba1	34	32
- Ba2	-	70
Not rated – FUIB	171	164
Not rated – US and European banks	54	46
Not rated – Other Ukrainian banks	18	15
Total cash and cash equivalents	**657**	**646**

As at 31 December 2024 and 2023, amounts in category "Not rated – FUIB" relate to First Ukrainian International Bank (a related party which is under common control of SCM).

As at 31 December 2024, included into line "Not rated – US and European banks" USD 54 million of cash and cash equivalents placed in European banks (31 December 2023: USD 46 million). As of the reporting date, these banks display no signs of insolvency.

As at 31 December 2024, included in Ba1 rating are USD 34 million and in A1 rating USD 0 million related to balances in Switzerland subsidiaries of two international banks (2023: included in Ba2 rating are USD 70 million and in A1 rating USD 15 million), which do not have own credit rating and for which rating was based on their parents' rating.

As at 31 December 2024, cash and cash equivalents totaling USD 17 million (31 December 2023: USD 8 million) have been pledged as collateral for borrowings (Note 17).

All tabular amounts in millions of US Dollars

15. SHARE CAPITAL AND SHARE PREMIUM

Name	Number of outstanding shares			Total par value of shares	Share premium	Total
	Class A	Class B	Class C			
At 31 December 2024	6,750	2,251	474	0	6,225	6,225
At 31 December 2023	6,750	2,251	474	0	6,225	6,225

As at 31 December 2024 and 2023, the issued share capital comprised 6,750 ordinary Class A shares, 2,251 ordinary Class B shares and 474 ordinary Class C shares with a par value of EUR 10. Each ordinary share carries one vote and is fully paid.

In 2014, the Company changed its Articles of Association and created three classes of shares (A, B and C). Ownership interests of SCM were transferred to new Class A shares. Ownership interests of SMART were transferred to new Class B shares. Ownership interests of the previous Class B shares were transferred to new Class C shares. Additional rights of these new classes of shares were established, the most significant of which were:

- Class C shareholders have the right to a portion of net assets of the Company and are represented at shareholders' meetings;
- the establishment of a Supervisory Board of ten members, where seven are appointed by the majority of Class A and Class C shareholders and three are appointed by the Class B shareholder;
- a number of decisions with respect to acquisitions and financing decisions above a specified amount require effectively consent of Class A and B shareholder; and
- Class C shares are not entitled to receive dividends.

16. OTHER RESERVES AND NON-CONTROLLING INTEREST

Other reserves

	Share in other comprehensive income of joint venture and associates	Revaluation of property, plant and equipment and share in revaluation reserve of PPE of JV's and associates	Merger reserve	Cumulative currency translation reserve	Total
Balance as at 1 January 2023	**121**	**1,288**	**(3,038)**	**(11,535)**	**(13,164)**
Total comprehensive income / (loss) for the period	-	-	-	(55)	**(55)**
Depreciation transfer, net of tax	-	(123)	-	-	**(123)**
Balance as at 31 December 2023	**121**	**1,165**	**(3,038)**	**(11,590)**	**(13,342)**
Total comprehensive income / (loss) for the period	220	574	-	(250)	**544**
Depreciation transfer, net of tax	-	(134)	-	-	**(134)**
Balance as at 31 December 2024	**341**	**1,605**	**(3,038)**	**(11,840)**	**(12,932)**

Revaluation reserve for property, plant and equipment is transferred to retained earnings when realised through depreciation, sale or other disposal. This is a legal reserve according to art. 2:363.3 DCC, and it is non-distributable.

Currency translation reserve is transferred to profit or loss when realised through disposal of a subsidiary by sale, liquidation, repayment of share capital or abandonment of all, or part of, that subsidiary.

Retained earnings of the Group represent the earnings of the Group entities from the date they have been established or acquired by the entities under common control. The Group's subsidiaries distribute profits as dividends or transfer them to reserves on the basis of their statutory financial statements prepared in accordance with local GAAP or IFRS as appropriate. For Ukrainian subsidiaries Ukrainian legislation identifies the basis of distribution as retained earnings only, however this legislation and other statutory laws and regulations are open to legal interpretation.

The ability of the Group to pay dividends has been limited by certain requirements included in the terms and conditions of the Group's agreements with its lenders and bondholders (Notes 17, 5).

Non-controlling interest

Subsidiaries that have non-controlling interest that is material to the Group have been determined by management based on combination of the following factors: (i) the percentage of shares held by non-controlling shareholders; (ii) accumulated amount of non-controlling interest ("NCI") in the subsidiary; and (iii) total assets, revenues, profit or loss and OCI of the respective subsidiaries.

All tabular amounts in millions of US Dollars

16. OTHER RESERVES AND NON-CONTROLLING INTEREST (CONTINUED)

The following table provides information about subsidiaries that have non-controlling interest that is material to the Group:

	Proportion of NCI (same as voting rights held by NCI)	Profit or loss attributable to NCI	OCI attributable to NCI	Amount of NCI in the subsidiary
As at 31 December 2024				
PrJSC Zaporizhcoke	42.8%	18	3	67
Other subsidiaries with NCI	n/a	1	1	(20)
Total		**19**	**4**	**47**

The summarised financial information of these subsidiaries (including the impact of consolidation fair value adjustments, but before intercompany eliminations), was as follows at 31 December 2024:

	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Net assets
As at 31 December 2024					
PrJSC Zaporizhcoke	1,014	83	544	397	156

	Revenue	Profit / (loss)	Total comprehensive (loss) / income
Year ended 31 December 2024			
PrJSC Zaporizhcoke	716	42	48

The Group's centralised treasury monitors the cash flows of the Group's subsidiaries and adjusts the subsidiaries' operating cash flows (e.g. by means of changing intragroup trading balances) to provide sufficient funds for the approved investing activities or payment of taxes, interest and dividends.

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All tabular amounts in millions of US Dollars

17. LOANS AND BORROWINGS

Accounting policy

Loans and borrowings are recognized initially at fair value, net of transaction costs incurred and subsequently carried at amortized cost using the effective interest method.

Cash flows related to receipt and repayment of trade finance borrowings are presented within the statement of cash flows on a net basis.

	31 December 2024	31 December 2023
Non-current		
Bonds issued	1,264	1,645
Bank loans	71	105
Lease liability	16	18
Non-bank borrowings	-	-
	1,351	**1,768**
Current		
Bonds issued	186	17
Bank loans	49	51
Trade finance	90	116
Lease liability	11	11
Non-bank borrowings	18	18
	354	**213**
Total loans and borrowings	**1,705**	**1,981**

During the reporting period, Metinvest successfully repurchased and promptly cancelled bonds via both open market tender offers and private buyouts for the amount USD 144 million for its 2025 bonds and USD 56 million for its 2026 bonds. Total gain on extinguishment amounted to USD 28 million and was recognized in the income statement as part of finance income.

The Group is subject to certain financial and non-financial covenants reflected in its loans and bonds documentation. These covenants are consistent with industry-standard practices generally applied to the respective types of financial instruments. The principal financial covenants for key bank loans include the Debt Cover Ratio, Interest Cover, Gearing Ratio, Net Worth, and Current Ratio. Both bank loans and the terms of the issued bonds, always subject to the agreed carve-outs and exceptions, impose some restrictions on specific types of transactions, such as incurring indebtedness by Metinvest or some of its subsidiaries, paying dividends or making other distributions with respect to its share capital, making investments and entering into transactions with affiliates. These also include various events of default standard for this type of financing instrument. Such events of default, subject to the applicable grace period, thresholds, and other carve-outs, include non-payment default, cross-default, insolvency, and winding-up of the Company and certain of its subsidiaries (as applicable), including guarantors under the bonds issued, illegality as well as nationalization and expropriation.

In addition, all outstanding bonds benefited from suretyships typical for such instruments. As of the date of these financial statements, they were granted by four entities (PrJSC Ingulets Iron Ore Enrichment Works, PrJSC Central Iron Ore Enrichment Works, PrJSC Northern Iron Ore Enrichment Works and Private Joint-Stock Company "Colliery Group "Pokrovs'ke"). In case any change in the guarantors list is required, the Group will do so in accordance with the requirements set out in the respective Terms and Conditions of the bonds.

Non-compliance with covenants may result in negative consequences for the Group including increase in the cost of borrowings and declaration of event of default. During the reporting periods represented in these consolidated financial statements and as of the date of these financial statements, the Group was in compliance with the covenants except for the disclosure below.

As at 31 December 2023 the Group was in negotiation with one of the Ukrainian lenders, under which the outstanding balance as of the end of the financial year ended 31 December 2023 was less than 1% of the Group's total debt, in order to obtain a waiver related to certain nonfinancial covenants which were not in compliance. During the reporting period ended 31 December 2024, the Group had successfully completed the negotiations and cured this non-compliance.

As at 31 December 2024, the Group's bonds were traded on open markets. Fair value of bonds and discount / premium are based on Level 1 of fair value hierarchy and are as follows:

	31 December 2024		31 December 2023	
	Fair value	Premium / (Discount)	Fair value	Premium / (Discount)
Bonds due in 2025	154	-8.9%	261	-20.8%
Bonds due in 2026	360	-19.0%	355	-29.3%
Bonds due in 2027	250	-26.8%	221	-35.3%
Bonds due in 2029	359	-28.8%	307	-39.1%
Total	**1,123**		**1,144**	

All tabular amounts in millions of US Dollars

17. LOANS AND BORROWINGS (CONTINUED)

Fair value of bank loans as at 31 December 2024 amounted to USD 110 million (2023: 132 million). The fair values are based on cash flows discounted using a rate based on the borrowing rate of 17% (2023: 19%) and are within level 3 of the fair value hierarchy.

The majority of the Group's Bank loans and trade finance have floating interest rates, which are mainly linked to EURIBOR. The weighted average effective interest rates and currency denomination of loans and borrowings as at the balance sheet dates are as follows:

	31 December 2024				31 December 2023			
In % per annum	USD	EUR	UAH	GBP	USD	EUR	UAH	GBP
Bank loans	4%	7%	-	-	5%	6%	-	-
Bonds issued	9%	6%	-	-	9%	6%	-	-
Trade finance	7%	5%	-	-	8%	6%	-	-
Lease liability	6%	11%	15%	10%	6%	9%	14%	5%
Carrying amount of loans and borrowings	**1,382**	**312**	**9**	**2**	**1,500**	**471**	**9**	**1**

The table below sets out an analysis of liabilities from financing activities and the movements in the Group's liabilities from financing activities for each of the periods presented. The items of these liabilities are those that are reported as financing in the consolidated statement of cash flows:

	Bank borrowings	Bonds issued	Trade finance	Lease liability	Non-bank borrowings	Dividends payable	Total
Liabilities from financing activities as at 1 January 2023	**(182)**	**(1,793)**	**(45)**	**(39)**	**(18)**	**(476)**	**(2,553)**
Interest paid	8	131	5	2	-	-	**146**
Other cash flows	34	143	(70)	8	-	-	**115**
Interest accrued	(11)	(131)	(5)	(2)	-	-	**(149)**
Gain from financial instrument repurchase	-	2	-	-	-	-	**2**
Currency translation differences	(5)	(14)	(1)	4	-	2	**(14)**
Equipment received as lease asset	-	-	-	(2)	-	-	**(2)**
Dividends declared	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-
Liabilities from financing activities as at 31 December 2023	**(156)**	**(1,662)**	**(116)**	**(29)**	**(18)**	**(474)**	**(2,455)**

	Bank borrowings	Bonds issued	Trade finance	Lease liability	Non-bank borrowings	Dividends payable	Total
Liabilities from financing activities as at 1 January 2024	**(156)**	**(1,662)**	**(116)**	**(29)**	**(18)**	**(474)**	**(2,455)**
Interest paid	9	117	6	2	-	-	**134**
Other cash flows	31	173	25	12	-	-	**241**
Interest accrued	(11)	(120)	(7)	(3)	-	-	**(141)**
Gain from financial instrument repurchase	-	28	-	-	-	-	**28**
Currency translation differences	7	14	2	2	-	5	**30**
Equipment received as lease asset	-	-	-	(9)	-	-	**(9)**
Dividends declared	-	-	-	-	-	-	**-**
Other movements	-	-	-	(2)	-	(3)	**(5)**
Liabilities from financing activities as at 31 December 2024	**(120)**	**(1,450)**	**(90)**	**(27)**	**(18)**	**(472)**	**(2,177)**

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18. RETIREMENT BENEFIT OBLIGATIONS

Accounting policy

Certain Ukrainian entities within the Group participate in a mandatory State defined retirement benefit plan, which provides for early pension benefits for employees working in certain workplaces with hazardous and unhealthy working conditions. Certain Ukrainian entities also provide lump sum benefits upon retirement subject to certain conditions, as well as some other long-term employee benefits. The liability recognized in the balance sheet in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date. The defined benefit obligation is calculated annually by professional actuaries using the Projected Unit Credit Method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds (if there is no deep market for high quality corporate bonds) that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related liability. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. Past service costs are recognized immediately in profit or loss.

The Group's defined benefit obligations relate to:

	31 December 2024	31 December 2023
State-defined early pensions for employees working in hazardous and unhealthy working conditions	268	231
Long-term employee benefits under collective bargaining agreements	19	16
Total defined benefit obligations	**287**	**250**

Nature and the risks and uncertainties associated with the Group's defined benefit obligations are further disclosed in the Note 4.

Changes in the present value of the defined benefit obligation were as follows:

	2024	2023
Defined benefit obligation as at 1 January	**250**	**239**
Acquisition of subsidiary	-	1
Current service cost	6	8
Remeasurements of the defined benefit liability resulting from:		
- changes in financial assumptions	37	(7)
- changes in demographic assumptions	-	2
- experience adjustments	10	3
Past service cost	(2)	-
Interest cost	45	49
Benefits paid / invoices received	(36)	(36)
Currency translation difference	(23)	(9)
Defined benefit obligation as at 31 December	**287**	**250**

As at 31 December 2024 the outstanding balance payable to the pension fund amounted to USD 34 million (2023: USD 24 million).

The amounts recognized in the consolidated income statement were as follows:

	2024	2023
Current service cost	6	8
Past service cost	(2)	-
Interest cost	45	49
Total	**49**	**57**

All tabular amounts in millions of US Dollars

18. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

The principal actuarial assumptions used were as follows:

	31 December 2024	31 December 2023
Nominal discount rate	18.40%	21.00%
Nominal salary increase	0%-25% in 2025, 9.5%-15% in 2026, 10% in 2027, 5% in 2027 and further	0% in 2024, 10% in 2025–2026, 6% in 2027 and further
Nominal pension entitlement increase (indexation)	12.6% in 2025-2027, 10.8% in 2028, 7.5% in 2029, 5.8% in 2030, 5.0% in 2031 and further	8.5% in 2024, 5.5% in 2025–2028, 6.6% in 2029 and further
Long-term inflation	9.0% in 2025, 7.0% in 2026 5.0% in 2027 and further	5.9% in 2024, 4.4% in 2025, 5% in 2026, 4.9% in 2027-2028, 7.4% in 2029-2031 6.0% in 2032 and further

Assumptions about mortality are based on the publicly available mortality tables for city population of the respective regions of Ukraine (depending on the location of the Group's subsidiaries) and are consistent with the prior year.

The sensitivity of the defined benefit obligation to changes in the principal assumptions is presented below:

	31 December 2024	31 December 2023
Nominal discount rate increase / decrease by 1 pp	(16.7) / 18.5	(11.5) / 13.4
Nominal salary increase / decrease by 1 pp	6.5 / (6.3)	5.4 / (4.6)
Inflation increase / decrease by 1 pp	2.7 / (3.6)	0.8 / (1.1)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. The methods and types of assumptions used in preparing the sensitivity analysis did not change significantly compared to the previous period.

As at 31 December 2024, the weighted average maturity of the Group's defined benefit obligations is 6.3 years and it varies across different Group's subsidiaries from 4.7 to 7.5 years (31 December 2023: 5.9 years, varying from 4.5 to 8.2 years). Payments in respect of defined benefit obligations expected to be made during the year ending 31 December 2025 are USD 31 million (2024: USD 31 million).

19. OTHER NON-CURRENT LIABILITIES

	31 December 2024	31 December 2023
Asset retirement obligations	45	49
Tax liabilities under moratorium (Note 25)	4	5
Other non-current liabilities	47	58
Total other non-current liabilities	**96**	**112**

All tabular amounts in millions of US Dollars

20. TRADE AND OTHER PAYABLES

	31 December 2024	31 December 2023
Trade payables and payables on sales made on commission	2,604	2,681
Dividends payable to shareholders of Metinvest B.V.	417	417
Dividends payable to non-controlling shareholders of Company subsidiaries	55	57
Payable for acquired property, plant and equipment and other intangible assets	79	87
Other financial liabilities	224	121
Total financial liabilities	**3,379**	**3,363**
Prepayments received	134	110
Accruals for employees' unused vacations and other payments to employees	75	81
Other taxes payable, including VAT	187	247
Wages and salaries payable	13	17
Other allowances and provisions	159	132
Total trade and other payables	**3,947**	**3,950**

21. NET OPERATING COSTS (EXCLUDING ITEMS SHOWN SEPARATELY)

	2024	2023
Goods and services for resale, excluding related transportation	2,288	1,772
Raw materials including change in finished goods and work in progress	1,647	1,803
Transportation services	1,168	757
Energy materials including gas, electricity and fuel	749	683
Wages and salaries	497	506
Depreciation and amortization	390	403
Services and other costs	310	364
Repairs and maintenance expenses	130	157
Operating foreign exchange losses, net	117	56
Taxes and duties	114	109
Pension and social security costs	85	85
Charity and expenses on social activities	78	71
Maintenance of social infrastructure	22	18
Impairment of property, plant and equipment and intangible assets	6	6
VAT on sales below cost and VAT write-off	5	5
Pension costs – defined benefit obligations (Note 18)	4	8
Change in the fair value of financial instruments	-	(10)
Write-off of trade and other payables	-	(4)
Loss / Gain on disposal of property, plant and equipment, net	(2)	(5)
Other operating expenses / (income)	40	33
Total net operating costs (excluding items shown separately)	**7,648**	**6,817**

Raw materials include externally purchased coke and coal, iron ore, scrap metal, ferroalloys, ancillary and other materials and cost of their transportation.

All tabular amounts in millions of US Dollars

Auditor's fees. The following fees were expensed in the consolidated income statement in the reporting period:

	2024	2023
Audit of the financial statements (including audit fee of PricewaterhouseCoopers Accountants N.V. of USD 0.2 million in 2024 and USD 0.2 million in 2023)	1.82	1.80
Other audit services	0.24	0.22
Tax services	0.12	0.17
Other non-audit services	0.02	0.01
Total	**2.20**	**2.20**

Tax, other audit and non-audit services as disclosed above include USD 0 million of fees of signing firm during 2024 (USD 0 million during 2023).

22. FINANCE INCOME AND FINANCE COSTS

Finance income for the year ended 31 December was as follows:

	2024	2023
Interest income:		
- loans issued	22	19
- bank deposits	5	6
- imputed interest on other financial instruments	18	2
Other finance income	29	4
Total finance income	**74**	**31**

During 2024 other finance income includes USD 28 million of gain on extinguishment (2023: USD 2 million) resulting from bonds repurchase (Note 17). Imputed interest on other financial instruments represents income on discounting of trade payables from related parties.

Finance costs for the year ended 31 December were as follows:

	2024	2023
Net foreign exchange loss	82	57
Interest expense		
- borrowings	21	18
- bonds	116	128
Interest cost on retirement benefit obligations	45	49
Other finance costs	145	27
Total finance costs	**409**	**279**

In 2024 financial year, the Group recognized non-cash losses of USD 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 recognized losses (shown in Other Finance Costs), which arose due to a substantial discount embedded in the transaction, given the nature of the transferred balances.

During 2024 and 2023, other finance costs mainly include factoring fees, interest on letters of credit, forfaiting interest expenses.

Net foreign exchange loss arises on intragroup and bank loans, bonds issued and financial leasing among the entities with different functional currencies.

All tabular amounts in millions of US Dollars

23. INCOME TAX

Income tax for the year ended 31 December was as follows:

	2024	2023
Current tax	124	101
Deferred tax	(189)	58
Income tax (benefit) / expense	**(65)**	**159**

The Group is subject to taxation in several tax jurisdictions, depending on the residence of its subsidiaries. In 2024 and 2023, Ukrainian corporate income tax was levied on taxable income less allowable expenses at the rate of 18%. The tax rate for Swiss operations was 8.5% federal tax and 3.3% cantonal tax and for European companies' tax rate varied from 10% to 28%. The tax rate for US operations was 21% federal tax and 5% state tax.

Reconciliation between the expected and the actual taxation charge is provided below.

	2024	2023
IFRS (loss) / profit before tax	**(1,218)**	**(35)**
Tax calculated at domestic tax rates applicable to profits in the respective countries	(246)	(42)
Tax effect of items not deductible or assessable for taxation purposes:		
- other non-deductible expenses	-	54
- non-taxable income	(5)	-
Under / (over) provision of current tax in prior years	5	(6)
Tax effect related to the change in legislations	-	2
Write-down of deferred tax assets, net	181	151
Income tax expense	**(65)**	**159**

Other non-deductible expenses and non-taxable income are mainly represented by the share of loss / income of associates and joint ventures, which is not taxable according to the Dutch legislation.

Differences between IFRS and Ukrainian and other countries' statutory taxation regulations give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases.

All tabular amounts in millions of US Dollars

23. INCOME TAX (CONTINUED)

	1 January 2024	Credited / (charged) to income statement	Credited / (charged) to other comprehensive income	Currency translation difference	31 December 2024
Tax effect of deductible temporary differences					
Property, plant and equipment and intangible assets	15	(4)	(3)	(1)	7
Long-term receivables	18	(2)	-	-	16
Inventory valuation	13	1	-	-	14
Trade and other accounts receivable	83	(46)	-	(9)	28
Accrued expenses	1	(1)	-	-	-
Tax losses carried forward	23	2	-	(3)	22
Retirement benefit obligations	20	(2)	8	(2)	24
Other	55	11	-	(7)	59
Gross deferred tax asset	**228**	**(41)**	**5**	**(22)**	**170**
Less offsetting with deferred tax liabilities	(119)	27	(10)	8	(94)
Recognised deferred tax asset	**109**	**(14)**	**(5)**	**(14)**	**76**
Tax effect of taxable temporary differences					
Property, plant and equipment and intangible assets	(225)	184	(122)	26	(137)
Inventory tax differences	(10)	3	-	1	(6)
Other	(83)	42	-	4	(37)
Gross deferred tax liability	**(318)**	**230**	**(122)**	**31**	**(179)**
Less offsetting with deferred tax assets	119	(27)	10	(8)	94
Recognised deferred tax liability	**(199)**	**203**	**(112)**	**23**	**(85)**

All tabular amounts in millions of US Dollars

23. INCOME TAX (CONTINUED)

Deferred tax asset on unused tax losses and temporary differences not recognised as at 31 December 2024 comprised USD 683 million (31 December 2023: USD 588 million) and mainly relates to the Ukrainian subsidiaries, whose physical assets are located on the temporarily occupied territory of Ukraine and UCC. The Group does not recognise this deferred tax asset as it does not expect profits / sufficient profits to be generated by these entities in the foreseeable future. There are no expiry dates on tax losses carried forward in Ukraine and Italy. Starting from 2021, there are no expiry dates on the tax losses carried forward in the Netherlands. Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable; future taxable profits are estimated using the cash flow forecasts consistent with those used for impairment testing of non-current assets.

	1 January 2023	Credited / (charged) to income statement	Credited / (charged) to other comprehensive income	Currency translation difference	31 December 2023
Tax effect of deductible temporary differences					
Property, plant and equipment and intangible assets	22	(1)	(6)	-	15
Long-term receivables	-	18	-	-	18
Inventory valuation	18	(5)	-	-	13
Trade and other accounts receivable	84	2	-	(3)	83
Accrued expenses	1	-	-	-	1
Tax losses carried forward	90	(65)	-	(2)	23
Retirement benefit obligations	24	(3)	-	(1)	20
Other	49	5	-	1	55
Gross deferred tax asset	**288**	**(49)**	**(6)**	**(5)**	**228**
Less offsetting with deferred tax liabilities	(121)	8	(7)	1	(119)
Recognised deferred tax asset	**167**	**(41)**	**(13)**	**(4)**	**109**
Tax effect of taxable temporary differences					
Property, plant and equipment and intangible assets	(249)	11	6	7	(225)
Inventory tax differences	(10)	-	-	-	(10)
Other	(62)	(20)	-	(1)	(83)
Gross deferred tax liability	**(321)**	**(9)**	**6**	**6**	**(318)**
Less offsetting with deferred tax assets	121	(8)	7	(1)	119
Recognised deferred tax liability	**(200)**	**(17)**	**13**	**5**	**(199)**

The tax charge relating to components of other comprehensive income is as follows:

	2024			2023		
	Before tax	Deferred tax charge	After tax	Before tax	Deferred tax charge	After tax
Revaluation surplus of property, plant and equipment (Note 10)	711	(125)	586	-	-	-
Remeasurement of retirement benefit obligation	(47)	8	(39)	2	-	2
Other comprehensive income	**664**	**(117)**	**547**	**2**	**-**	**2**

All tabular amounts in millions of US Dollars

23. INCOME TAX (CONTINUED)

In the context of the Group's current structure, tax losses and current tax assets of different Group companies may not be offset against current tax liabilities and taxable profits of other Group companies and, accordingly, taxes may accrue even where there is a consolidated tax loss. Deferred tax assets and liabilities are offset only when they relate to the same taxable entity and the entity has a legally enforceable right to set off current tax assets against current tax liabilities.

Pillar Two preliminary impact assessment

The Group is within the scope of the OECD Pillar Two model rules. The key Group's operations are located in the EU, the UK, the US and Ukraine. Pillar Two legislation was adopted in the EU via European Union Minimum Taxation Directive (2022/2523) with respective provisions to be further incorporated by EU member states into local legislation. The UK has also introduced Pillar Two legislation, the US has not joined Pillar Two initiative, while Ukraine has committed to join the Pillar Two framework, however, as of now no legislation has been introduced yet.

SCM (System Capital Management) Limited is considered as the Ultimate Parent Entity for Pillar 2 purposes of the Group ("UPE"). The UPE considers application of the safe harbor rules with country-by-country reporting for the first years of the Pillar 2 implementation. The tax exposure should be calculated at the level of the UPE for each separate jurisdiction with the first Pillar 2 tax reporting to be carried out in 2026 year. The exact tax exposure due to specifics of the Pillar 2 hardly possible can be calculated immediately after the year end of the reporting year, such calculation may be provided only when all subsidiaries of the UPE have at hand 2024 financial statements, which are prepared in a nonsimultaneous manner due to different requirements in a number of jurisdictions and various release dates of each subholding. As a result, preparation and calculation of the exact Pillar 2 top-up tax is planned to take place in the second half of 2025.

Generally, under the Pillar 2 rules, the Group is liable to pay a top-up tax for the difference between GloBE effective tax rate per jurisdiction and the 15% minimum rate. Most of the jurisdictions where the Group operates have an effective tax rate greater than 15%. Though, among all jurisdiction, where the Group has its assets, statutory tax rates are lower than 15% in Switzerland with appx. 14% tax rate, Bulgaria with 10% tax rate and Cyprus with 12.5% tax rate. As a result, expected top-up taxation may appear in these jurisdictions in relation to the following companies: Metinvest International S.A. (Switzerland), Promet Steel JSC (Bulgaria) and Barlenco Limited (Cyprus).

Based on 2024 financial results, only Metinvest International S.A. and Promet Steel JSC are profitable in 2024. Hence, the top-up taxation may be applied to these companies:

	Metinvest International S.A. operating in Switzerland USD million
Tax expense for year ending 31 December 2024	30,3
Profit before tax for year ending 31 December 2024	213,2
Effective tax rate for year ending 31 December 2024	14.2%
Top-Up tax	1,7

	Promet Steel JSC operating in Bulgaria USD million
Tax expense for year ending 31 December 2024	1,4
Profit before tax for year ending 31 December 2024	14,1
Effective tax rate for year ending 31 December 2024	10%
Top-Up tax	0,8

Management does not expect any material impacts from Pillar 2 legislation as mentioned above. However, due to the impact of the specific adjustments envisaged in the Pillar Two legislation which give rise to different effective tax rates compared to those calculated in accordance with paragraph 86 of IAS 12 and that the ultimate assessment of taxes shall be made at the parent entity level, the impacts may vary from the above.

All tabular amounts in millions of US Dollars

24. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

For the purposes of these consolidated financial statements, parties are considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

As at 31 December 2024 and 2023, significant balances outstanding with related parties are detailed below:

	31 December 2024					31 December 2023				
	SCM	Associates	Joint ventures	Entities related to SCM	SMART	SCM	Associates	Joint ventures	Entities related to SCM	SMART
ASSETS										
Advances issued for property, plant and equipment	-	-	**-**	**-**	-	-	-	-	**4**	-
Non-current trade and other receivables, including:	**-**	**-**	**-**	**247**	**-**	**-**	**-**	**-**	**261**	**10**
Long-term loans issued	-	-	-	-	-	-	-	-	-	10
Other non-current financial assets	-	-	-	247	-	-	-	-	256	-
Other non-current non-financial assets	-	-	-	-	-	-	-	-	5	-
Current trade and other receivables, including:	**154**	**541**	**1,018**	**170**	**1**	**145**	**418**	**934**	**158**	**1**
Trade receivables and receivables on commission sales	-	529	745	21	1	-	399	825	39	1
Prepayments made	-	2	152	68	-	-	7	50	5	-
Loans issued	151	1	56	73	-	142	1	58	72	-
Other financial receivables (short-term, non-interest bearing)	3	9	65	8	-	3	11	1	42	-
Cash and cash equivalents	**-**	**-**	**-**	**171**	-	**-**	**-**	**-**	**164**	**-**

	31 December 2024					31 December 2023				
	SCM	Associates	Joint ventures	Entities related to SCM	SMART	SCM	Associates	Joint ventures	Entities related to SCM	SMART
LIABILITIES										
Trade and other payables, including:	**345**	**530**	**1,814**	**152**	**73**	**345**	**364**	**1,912**	**235**	**73**
Dividends payable to shareholders of Metinvest B.V.	344	**-**	**-**	**-**	73	344	**-**	**-**	**-**	73
Dividends payable to non-controlling shareholders of Company's subsidiaries	-	-	45	10	-	-	-	46	11	-
Trade payables and payables on sales made on commission	-	509	1,632	105	-	-	341	1,736	214	-
Prepayments received	-	16	-	34	-	-	18	1	7	-
Other allowances	-	-	126	-	-	**-**	**-**	106	1	**-**
Other financial liabilities	**1**	**5**	**11**	**3**	**-**	**1**	**5**	**23**	**2**	**-**

All tabular amounts in millions of US Dollars

24. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Significant transactions (excluding purchases) with related parties during 2024 and 2023 are detailed below:

2024	SCM	Associates	Joint ventures	Entities related to SCM	SMART	Total
Sales, including:	**-**	**90**	**1,621**	**63**	**-**	**1,774**
Steel	-	-	47	49	-	96
Scrap metal	-	-	11	-	-	11
Coke and coking coal	-	80	617	-	-	697
Iron ore	-	-	772	1	-	773
Other	-	10	174	13	-	197
Other operating income / (expenses), net	**-**	**-**	**(1)**	**2**	**-**	**1**
(Impairment) / Reversal of impairment of financial assets	-	16	(2)	(24)	(10)	(20)
Finance income	**9**	**4**	**19**	**7**	**1**	**40**
Finance costs	**-**	**-**	**-**	**(2)**	**-**	**(2)**

2023	SCM	Associates	Joint ventures	Entities related to SCM	SMART	Total
Sales, including:	**-**	173	1,019	90	**-**	**1,282**
Steel	-	1	26	78	-	**105**
Scrap metal	-	-	11	-	-	**11**
Coke and coking coal	-	167	490	-	-	**657**
Iron ore	-	-	346	1	-	**347**
Other	-	5	146	11	-	**162**
Other operating income / (expenses), net	**-**	**-**	**-**	**(33)**	**-**	**(33)**
(Impairment) / Reversal of impairment of financial assets	-	(21)	2	(98)	(4)	**(121)**
Finance income	**9**	**2**	**5**	**9**	**1**	**26**
Finance costs	**-**	**-**	**-**	**(1)**	**-**	**(1)**

The following is a summary of purchases from related parties in 2024 and 2023:

2024	Associates	Joint ventures	Entities related to SCM	Total
Purchases, including:	**230**	**2,255**	**801**	**3,286**
Steel	-	1,682	-	1,682
Scrap	-	4	5	9
Coke and coking coal	214	19	122	355
Iron ore	-	490	-	490
Raw materials and spare parts	-	-	14	14
Electricity	**-**	2	461	463
Gas	**-**	1	78	79
Fuel	-	-	2	2
Services	1	31	110	142
Other	15	26	9	50

All tabular amounts in millions of US Dollars

24. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

2023	Associates	Joint ventures	Entities related to SCM	Total
Purchases, including:	**204**	**1,722**	**717**	**2,643**
Steel	-	1,470	3	**1,473**
Scrap	-	5	6	**11**
Coke and coking coal	198	13	162	**373**
Iron ore	-	181	-	**181**
Raw materials and spare parts	-	1	16	**17**
Electricity	**-**	1	348	**349**
Gas	**-**	1	109	**110**
Fuel	-	-	1	**1**
Services	1	21	59	**81**
Other	5	29	13	**47**

In 2024, the remuneration of key management personnel of the Group comprised current salaries and related bonuses accrued totalling USD 15 million (in 2023: USD 10 million).

As at 31 December 2024 and 2023, key management held the Group's bonds in the total amount of less than USD 1 million. Rights of these bondholders are not different from the rights of other bondholders.

25. CONTINGENCIES, COMMITMENTS AND OPERATING RISKS

Tax legislation. Ukrainian tax, currency and customs legislation is subject to varying interpretations and changes, which can occur frequently. As a result, there is significant uncertainty as to the implementation or interpretation of the new legislation and unclear or non-existent implementing regulations. Management's interpretation of such legislation as applied to the transactions and activity of the Group may be challenged by the relevant regional and State authorities. It is possible that transactions and activities that have not been challenged in the past may be challenged. As a result, significant additional taxes, penalties and interest may be assessed. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods.

The Group's operations are vertically integrated and a significant portion of the Group's iron ore, coke and coal production is used in the subsequent production operations. Because of non-explicit requirements of the applicable tax legislation, intercompany transactions may be assessed by the Ukrainian tax authorities as non-market. Such transactions could be challenged by the tax authorities.

The tax legislation had been expanded with the new transfer pricing rules in Ukraine effective from 1 September 2013 that are much more detailed than previous legislation and, to a certain extent, better aligned with the international transfer pricing principles. The new legislation allows the tax authorities to make transfer pricing adjustments and impose additional tax liabilities in respect of controlled transactions (transactions with related parties and some types of transactions with unrelated parties), if the transaction price is not arm's length and is not supported by relevant documentation. Since 1 January 2015, the transfer pricing rules were amended so that transactions between Ukrainian companies (irrespective whether they are related parties or not) ceased to be treated as controlled transactions.

Management believes it is taking appropriate measures to ensure compliance with the new transfer pricing legislation.

Contingencies regarding tax legislation

There are potential obligations from exposure to possible tax risks of USD 14 million (31 December 2023: USD 13 million) which relate to tax treatment of foreign currency exchange differences on dividends. Management is certain in its correct treatment of the respective legislation and will vigorously defend the Group's positions and interpretations that were applied in determining taxes recognised in these consolidated financial statements.

Bankruptcy proceedings. During 2006, bankruptcy proceedings were initiated against the Group's subsidiary PrJSC Krasnodonugol. The majority of the creditors' claims summarised by the external manager relate to the Group thus are eliminated on consolidation. As at 31 December 2024, the amount of financial and tax liabilities related to the bankruptcy proceedings recorded in these consolidated financial statements is USD 6 million (31 December 2023: USD 7 million), out of which USD 4 million (31 December 2023: USD 5 million) are presented as non-current tax liabilities under moratorium (Note 19).

In July 2019, the bankruptcy proceedings were initiated in respect of one of the Group's subsidiaries, PrJSC Yenakiieve Iron and Steel Works. Creditor's claims were assessed by the court-appointed manager and the Group's subsidiaries formed majority in the creditor's committee in January 2020. Management of the Group does not expect that the bankruptcy proceedings will result in liquidation of the entity.

25. CONTINGENCIES, COMMITMENTS AND OPERATING RISKS (CONTINUED)

During 2022-early 2023 the bankruptcy proceedings were initiated in respect of the Group's subsidiaries, whose production operations are located on the temporarily occupied territories - PrJSC Azovstal Iron and Steel Works, PrJSC Ilyich Iron and Steel Works, LLC Metinvest Mariupol Machining and Repair plant. As at the date of issue of these consolidated financial statements the creditor's claims as part of all three cases are in the process of summarization.

Legal proceedings. From time to time and in the normal course of business, claims against the Group are received. On the basis of its own estimates and both internal and external professional advice management is of the opinion that no material losses will be incurred in respect of claims in excess of provisions that have been made in these consolidated financial statements.

On 26 February 2019, a pre-judgment conservation order under Dutch law (the "Order") was issued by the court with respect to Metinvest B.V.'s shareholdings in its two subsidiaries registered and existing under the laws of the Netherlands (the "Dutch Subsidiaries). The Order was issued on the basis of a claim for damages for the amount of USD 47 million allegedly caused by Metinvest B.V. Except that the Group may not dispose of its shareholdings in the Dutch Subsidiaries, the Order does not affect the legal capacity of any Group entities to incur debt, create security or give guarantees, enter into commercial and trade contracts or otherwise affect in any way the ordinary course of business and operational activities of the Group. If Metinvest B.V. were to give sufficient security for the asserted claim, this would be a ground for lifting the Order. The Group continues to challenge the main claim.

In early 2023, Metinvest has received a writ of summons issued by four parties claiming to be holders of its bonds to the District Court of Amsterdam seeking injunctive relief against the Group and its directors to restrain the Group from making any distributions to its shareholders for a period of one year after the date of the judgment in these proceedings. Hearing on the merits of the claim took place on 18 April 2023. On 3 May 2023, the District Court of Amsterdam rendered its judgement and rejected the claimants' claims in full. On 30 May 2023, the claimants filed an appeal writ of summons. The oral hearing took place on 11 September 2024. The court of appeal made its decision on 26 November 2024. By its decision the court of appeal upheld the decision of the court of first instance and rejected the appellants' claims in full.

Environmental matters. The enforcement of environmental regulation in Ukraine and globally is evolving and the enforcement posture of government authorities is continually being reconsidered. The Group periodically evaluates its obligations (including asset retirement obligations) under environmental regulations of the countries it operates in. As obligations are determined, they are recognized immediately. Potential liabilities, which might arise as a result of changes in existing regulations, civil litigation or legislation, cannot be estimated, but could be material. In the current enforcement climate under existing legislation, management believes that there are no significant liabilities for environmental damage.

Capital expenditure commitments. As at 31 December 2024, the Group has contractual capital expenditure commitments in respect of property, plant and equipment totaling USD 75 million (31 December 2023: USD 200 million). Management of the Group believes that future net income and funding will be sufficient to cover these and any similar commitments.

Compliance with covenants. The Group is subject to financial and non-financial covenants related primarily to its borrowings. Non-compliance with such covenants may result in negative consequences for the Group including increase in the cost of borrowings and declaration of default. During the reporting periods represented in these consolidated financial statements, the Group was in compliance with the covenants considering the waivers obtained and except for disclosure in Note 17.

Insurance. Metinvest maintains mandatory insurance policies against certain types of risk in accordance with Ukrainian law, including accident insurance; third party liability insurance on hazardous industrial assets, liability insurance in respect of hazardous cargo shipments and motor vehicles liability insurance; voluntary insurance cover for most of its production facilities and in respect of cargo and motor vehicles; property damage (including cover for 4 Ukrainian entities, which are guarantors under bonds) and business interruption policies in respect of its European and US assets.

26. FINANCIAL RISK MANAGEMENT

The Group activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Reference is made to Note 2 describing the most recent developments in the operating environment of the Group, which might have an impact on the Group's financial risks.

Financial risk management is carried out jointly by the internal control and risk management department and the central treasury department. These departments identify, evaluate and mitigate financial risks in close co-operation with the Group's operating units.

(a) Market risk.

(i) Foreign exchange risk.

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations as well as on intercompany balances between subsidiaries with different functional currencies.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed through (i) borrowings denominated in the relevant foreign currencies; (ii) different treasury operations like forward, swap and other.

All tabular amounts in millions of US Dollars

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

The table below summarizes the Group's exposure to foreign currency exchange rate risk at the end of the reporting period:

	31 December 2024			31 December 2023		
	Monetary financial assets	Monetary financial liabilities	Net position	Monetary financial assets	Monetary financial liabilities	Net position
EUR	984	(910)	74	1,044	(1,301)	(257)
USD	1,436	(3,169)	(1,733)	991	(2,628)	(1,637)
CHF	2	(1)	1	1	(1)	-
UAH	245	(14)	231	530	(16)	514
PLN	-	-	-	11	(0)	11
Other	7	(4)	3	14	(4)	10
Total	**2,674**	**(4,098)**	**(1,424)**	**2,591**	**(3,950)**	**(1,359)**

At 31 December 2024, if the UAH had strengthened / weakened by 25% against the US dollar with all other variables held constant, post-tax loss for the year would have been USD 309 million lower / higher (2023: if the UAH had strengthened / weakened by 25% against the US dollar with all other variables held constant, post-tax loss for the year would have been USD 231 million lower / higher), mainly as a result of foreign exchange losses/gains on translation of US dollar denominated trade receivables and foreign exchange gains / losses on translation of US dollar denominated intragroup borrowings and dividends payable.

At 31 December 2024, if the UAH had strengthened / weakened by 25% against the EUR with all other variables held constant, post-tax loss for the year would have been EUR 15 million higher / lower (2023: if the UAH had strengthened / weakened by 25% against the EUR with all other variables held constant, post-tax loss for the year would have been EUR 53 million lower / higher). Impact of other currency changes on the post-tax loss is not material.

(II) Price risk.

The Group's revenue is exposed to the market risk from price fluctuations related to the sale of its steel, iron ore and coal products. The prices of the steel and iron ore products sold both within Ukraine and abroad are generally determined by market forces. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global economic growth. The prices of the products that the Group sells to third parties are also affected by supply/demand and global/Ukrainian economic growth. Adverse changes in respect of any of these factors may reduce the revenue that the Group receives from the sale of its steel or mined products.

The Group's exposure to commodity price risk associated with the purchases is limited as the Group is vertically integrated and is self-sufficient for iron ore and certain portion of coking coal requirements.

No financial instruments are exposed to price risk.

(III) Cash flow and fair value interest rate risk.

The Group's income and operating cash flows are dependent on changes in market interest rates.

The Group's interest rate risk arises from long-term and short-term borrowings. Borrowings attracted at floating rates expose the Group to cash flow interest rate risk. Borrowings attracted at fixed rates expose the Group to fair value interest rate risk. The Group's policy is to maintain a balanced borrowings portfolio of fixed and floating rate instruments. As at 31 December 2024, 89% of the total borrowings were provided to the Group at fixed rates (31 December 2023: 88%). During 2024 and 2023, the Group's borrowings at floating rate were denominated in USD, EUR and GBP.

Management does not have a formal policy of determining how much of the Group's exposure should be to fixed or floating rates. However, at the time of attracting new debt management uses its judgment to decide whether it believes that a fixed or floating rate would be more favorable to the Group over the expected period until maturity.

Refer to Note 15, 19 and below for information about maturity dates and effective interest rates of financial instruments.

At 31 December 2024, if interest rates on USD, EUR and GBP denominated floating rate borrowings had been by 1 pp higher / lower (2023: 1 pp) with all other variables held constant, post-tax loss for the year would have been USD 1 million higher / lower (2023: USD 2 million).

(b) Credit risk

Credit risk is managed centrally by the Group management. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions and financial guarantees issued. When wholesale customers are independently rated, these ratings are used for credit quality assessment. Otherwise, if there is no independent rating, the Group assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilization of credit limits is regularly monitored.

All tabular amounts in millions of US Dollars

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial assets, which potentially subject the Group to credit risk, consist principally of cash, loans, trade and other accounts receivable. Cash is placed with major Ukrainian and international reputable financial institutions, which are considered at time of deposit to have minimal risk of default.

The Group has policies in place to ensure that provision of loans and sales of products/services are made to customers with an appropriate credit history. The Group's credit risk exposure is monitored and analysed on a case-by-case basis. Credit evaluations are performed for all customers requiring credit over a certain amount. The carrying amount of loans, trade and other accounts receivable, net of provision for impairment, represents the maximum amount exposed to credit risk. Concentration of credit risk mainly relates to European countries and Ukraine where the major customers, associates and joint ventures are located.

The maximum exposure to credit risk as at 31 December 2024 is USD 2,840 million (2023: USD 2,888 million) being the carrying value of long and short-term loans issued, receivables and cash. In order to reduce credit risk on receivables, the Group uses letters of credit, guarantees and trade insurance, which cover up to 15% of the total receivables of the Group. The Group does not hold any collateral as security. Management believes that credit risk is appropriately reflected in impairment allowances recognised against assets, and management does not expect any additional significant losses from non-performance by these counterparties.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The Group treasury analyses the ageing of Group's assets and the maturity of Group's liabilities and plans their liquidity depending on the expected repayment of various instruments. In case of insufficient or excessive liquidity in individual entities, the Group relocates resources and funds among the entities of the Group to achieve optimal financing of the business needs of each entity.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the consolidated balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Cash flows from borrowings were calculated using spot foreign exchange rates.

Timing of dividends payable, which is part of the Financial trade and other payables in the table below will depend on the Group's liquidity position as mentioned in the Note 5 of these consolidated financial statements.

At 31 December 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Bank loans	55	26	36	18	**135**
Trade finance	90	-	-	-	**90**
Bonds issued	274	520	973	-	**1,767**
Lease liability	14	9	4	-	**27**
Non-bank borrowings	18	-	-	-	**18**
Financial trade and other payables	3,379	4	-	-	**3,383**
Total	**3,830**	**559**	**1,013**	**18**	**5,420**

At 31 December 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Bank loans	60	37	62	23	**182**
Trade finance	116	-	-	-	**116**
Bonds issued	125	448	1,016	536	**2,125**
Lease liability	14	9	7	-	**30**
Non-bank borrowings	18	-	-	-	**18**
Financial trade and other payables	3,363	5	1	3	**3,372**
Total	**3,696**	**499**	**1,086**	**562**	**5,843**

METINVEST B.V.

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONTINUED)

All tabular amounts in millions of US Dollars

27. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Group monitors capital on the basis of a gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total loans and borrowings less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

The Group has yet to determine its optimum gearing ratio. Presently, the majority of debt is due within the range 2-5 years and the Group is actively pursuing mechanisms to extend the credit terms to match its long-term investment strategy.

	31 December 2024	31 December 2023
Total loans and borrowings (Note 17)	1,705	1,981
Less: cash and cash equivalents (Note 14)	(657)	(646)
Net debt	**1,048**	**1,335**
Total equity	1,975	2,623
Total capital	**3,023**	**3,958**
Gearing ratio	**35%**	**34%**

28. FAIR VALUES OF FINANCIAL INSTRUMENTS

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date, which is Level 1 of fair valuation hierarchy. The quoted market price used for financial assets held by the Group is the current bid price. This valuation technique is used for fair value disclosures of bonds issued.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date.

The carrying values less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The estimated fair values of financial instruments have been determined by the Group using available market information, where it exists, and appropriate valuation methodologies. However, judgement is required to interpret market data to determine the estimated fair value. Ukraine continues to display some characteristics of an emerging market and economic conditions continue to limit the volume of activity in the financial markets. Market quotations may be outdated or reflect distress sale transactions and therefore not represent fair values of financial instruments. Management has used all available market information in estimating the fair value of financial instruments.

Financial assets carried at amortised cost. The fair value of floating rate instruments is normally their carrying amount. The estimated fair value of fixed interest rate instruments is based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity. Discount rates used depend on credit risk of the counterparty. Carrying amounts of financial assets carried at amortised cost approximate their fair values.

Financial liabilities carried at amortised cost. The fair value is based on quoted market prices, if available. Except as discussed in the Note 17, the estimated fair value of fixed interest rate instruments with stated maturity, for which a quoted market price is not available, was estimated based on expected cash flows discounted at current interest rates for new instruments with similar credit risk and remaining maturity. The fair value of liabilities repayable on demand or after a notice period ("demandable liabilities") is estimated as the amount payable on demand, discounted from the first date that the amount could be required to be paid.

29. RECONCILIATION OF CLASSES OF FINANCIAL INSTRUMENTS WITH MEASUREMENT CATEGORIES

All of the Group's financial assets and financial liabilities are carried at amortized cost, except for trade receivables subject to factoring, which are accounted at fair value through profit and loss. As at 31 December 2024, the carrying amount of the balances subject to factoring amounted to USD 53 million (31 December 2023: USD 65 million).

30. EVENTS AFTER THE BALANCE SHEET DATE

In February - March 2025, the Group completed a number of bond repurchases for the total amount of USD 89 million of principal value.

There were no other events after the balance sheet date other than those already disclosed in other notes of these consolidated financial statements.