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FINANCIAL RESULTS

REVENUE

In 2019 the Company's revenue fell by 3.2%, to USD6,960 million, due to a divergence in prices for products from the steel and mining segments, and changes in the product mix and sales pattern:

— During the year, global prices for iron ore demonstrated growth trends (+16% y-o-y), despite a decline in global prices for pig iron (-12% y-o-y) and steel products (-17% y-o-y).

— In the reporting period Steel Segment product shipments fell (-8.8% y-o-y), mainly owing to a decline in pig iron shipments, primarily driven by greater domestic consumption of pig iron following the introduction of FMF steel production technology at Ural Steel. Conversely, Mining Segment product shipments grew by 3.5%

In the reporting period revenues from iron-ore products rose by 11.4%, to USD3,544 million, where the share of high value-added iron-ore products (pellets and HBI) accounted for 82.3%. At the same time, revenues from steel products went down by 15.2%, to USD3,242 million.

In 2019 domestic sales made up 40.7% of the Company's total revenue. The share of sales in Europe, the Middle East, and the CIS was virtually the same, making up 21.2%,11.5%, and 4.6% of total revenue respectively, while in Asia this figure rose to 13.9% (from 5.9% in 2018), chiefly due to an increase in pellets and HBI exports to China.

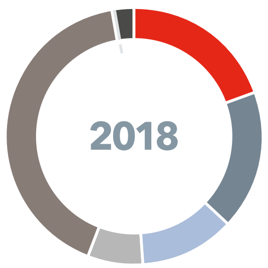
COST OF SALES, DISTRIBUTION, AND GENERAL AND ADMINISTRATIVE EXPENSES

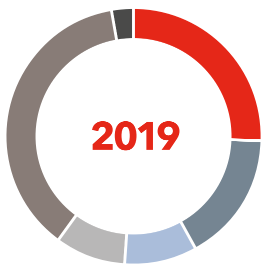
In 2019 the Company's cost of sales amounted to USD3,195 million, a decline of 2.2% y-o-y. Thus cost of sales as a share of the Company's total revenue stood at 45.9%, with no significant change on 2018.

Distribution expenses rose by 26.6%, to USD1,084 million, as a result of greater transportation expenses (due to increased maritime freight volumes, tariff indexation, higher rolling stock leasing costs, and a depreciation of the RUB).
In 2019 the share of distribution expenses in the Company's total revenue was 15.6%.

General and administrative expenses declined by 5.7% y-o-y, to USD328 million, which was 4.7% of the Company's total revenue.

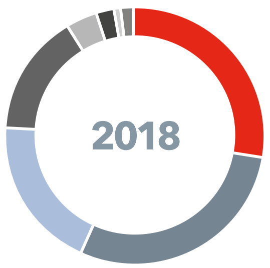
Revenue by product, USD million

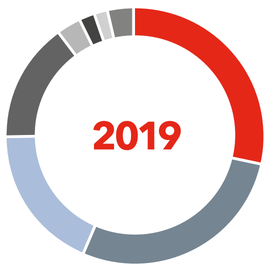




	2018	2019
Iron,ore,	505.3	627.3
Iron,ore,pellets,	1,413.6	1,770.3
Hot-briquetted,iron,	1,262.8	1,146.8
Pig,iron,	851.8	630.5
Steel,and rolled,steel,	2,969.7	2,612.5
Ferrous,scrap,	11.1	11.8
Other,revenue,	172.7	161.2

Cost of sales, USD million





	2018	2019
Raw,materials,and consumables,	1,679.8	1,534.4
Electricity,	436.9	474.6
Labour,costs,	464.9	464.3
Natural,gas,	305.9	304.7
Depreciation,of fixed,and intangible,assets,	243.0	247.3
Land,,property,,and other,taxes	61.5	53.6
Amortisation,of mineral,rights,	33.3	32.4
Maintenance,and repairs,	14.4	23.6
Other,	28.1	59.6

FINANCIAL RESULTS

EBITDA

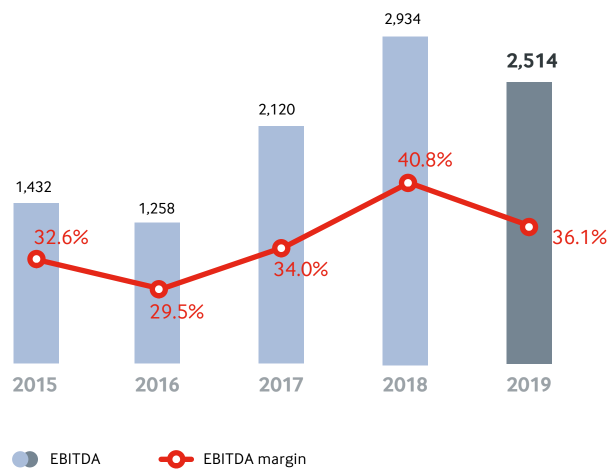
In 2019 the Company's EBITDA fell by 14.3% y-o-y, amounting to USD2,514 million. The decline was more due to a reduction in average prices for finished steel than to a rise in raw materials prices. The EBITDA margin was 36.1%, vs. 40.8% in 2018, a decrease of 4.7 p.p.

Mining Segment EBITDA amounted to USD2,426 million, a 7% rise y-o-y. This was driven by a general price surge for iron-ore products and an increase in the share of high value-added products in the Company's product mix. The Mining Segment accounted for 96% of consolidated EBITDA.

Steel Segment EBITDA declined to USD118 million, down from USD654 million in 2018. This drop was due to negative dynamics in global prices for Steel Segment products and higher raw materials costs, due to rising global prices. Thus in 2019 the average market price for steel fell to USD407 per tonne, vs. USD489 per tonne in 2018, while the average market price for high-quality iron ore rose to USD104 per tonne, up from USD90 per tonne in 2018.

Net income in 2019 rose to USD1,731 million, a 5.1% rise y-o-y, primarily due to net foreign exchange gains from financing activities

EBITDA and EBITDA margin, USD million



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Metalloinvest's generated and distributed value, 2016-2019

USD million

NAME	STAKEHOLDER	2016*	2017	2018	2019
Direct economic value generated		**4,496**	**6,294**	**7,257**	**6,974**
Revenue	Wide range of stakeholders	4,281	6,231	7,187	6,960
Income from financial investments		235	63	70	14
Income from the sale of tangible assets		0	0	0	0
Economic value distribute		**-6,283**	**-5,995**	**-5,463**	**-5,512**
Operating expenses	Employees, suppliers, and contractors	-2,910	-3,960	-4,102	-4,263
Including salary	Employees	-596	-719	-670	-691
Other employee payments and benefits	Employees	-10	-6	-7	-13
Charitable donations	Local communities	-52	-89	-80	-91
Payments to capital providers	Shareholders and investors	-3,719	-1,505	-752	-587
Including dividends paid		-3,404	-1,180	-436	-303
Including financial expenditures		-315	-325	-316	-284
Budget contributions	Authorities	-132	-430	-522	-557
Including profit tax		-83	-372	-460	-504
Economic value retained		**-2,327**	**302**	**1,794**	**1,462**

* Dividends in the amount of USD 3,382.1 million that were paid as part of the consolidation and transfer of the Company's shares into Russian jurisdiction are not included in the total amount for the year since the funds were returned to the Company to repay previously issued intragroup loans.

FINANCIAL RESULTS

FINANCIAL POSITION AND DEBT MANAGEMENT

As at 31 December 2019 the Company's total assets stood at USD8,425.9 million, compared to USD6,808.5 million as at 31 December 2018. Cash and cash equivalents stood at USD304 million as at 31 December 2019. In addition, as at the reporting date the Company had undrawn credit lines available in RUB, USD, and EUR, totalling around 604 million in the USD equivalent, that does not include the amount of available sample limits on loan agreements concluded for financing investment projects and guaranteed by export credit agencies.

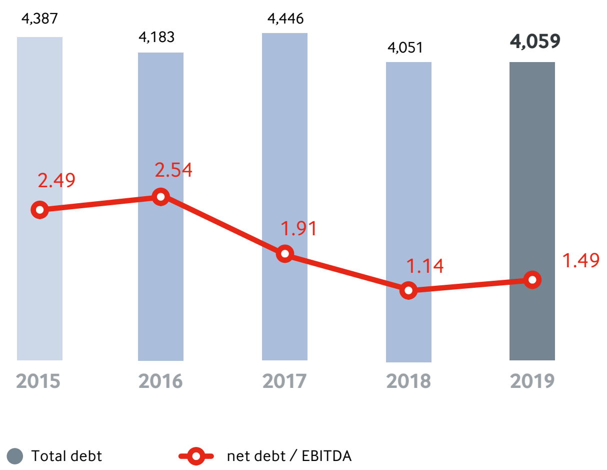
Long-term debts remained prevalent in the loan portfolio structure (98% as at 31 December 2018, vs. 94.6% in the previous year). As at the reporting date the Company's short-term debt amounted to USD70 million.

As at 31 December 2019 the Company's total debt was at almost the same level as at 31 December 2018, and totalled USD4,059 million, which is explained by the implementation of the new IFRS 16 standard, effective for annual reporting periods starting on or after 1 January 2019 (as at 31 December 2019 the Company's lease liabilities were USD115 million) and RUB appreciation (RUB/USD = 61.9 as at 31 December 2019, vs. 69.5 as at 31 December 2018). In 2019 net repayments stood at USD252 million.

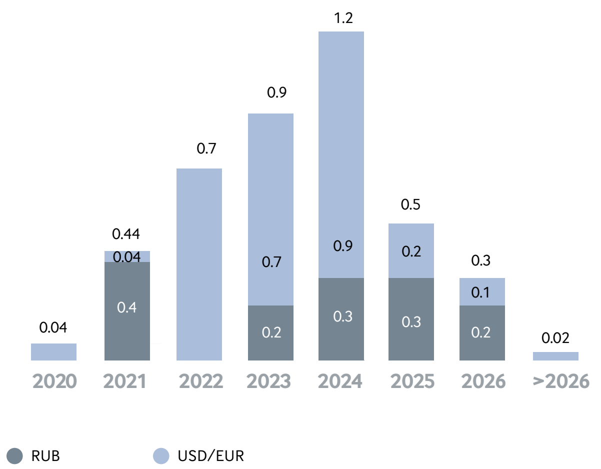
In 2019 Metalloinvest continued to improve the repayment schedule and optimise its loan portfolio:

- Partially refinanced its loan portfolio by signing a new RUB8.33 billion loan agreement with Gazprombank, with a six-year tenor.
- Placed BO-09 series exchange RUB-denominated bonds for a total amount of RUB5 billion, with a 10-year maturity and a call option in four years; it also contained a put option at nominal value in seven years.
- Opened a sustainable finance credit line with ING Bank of up to USD100 million until 30 November 2020.
- Redeemed in full Eurobonds-2020, with a nominal value of USD332.7 million.
- Signed a framework agreement with 12 banking partners on ECA-backed financing to optimise the financing process related to the Company's annual investment programmes, including the acquisition of imported equipment. The first deal, worth EUR9.9 million, was closed in October 2019.
- Opened with a syndicate of international and Russian banks a new EUR300 million credit line for pre-export financing (PXF-2019/1).
- Placed a through a public offering BO-03 series exchange RUB-denominated bonds for a total amount of RUB10 billion; the proceeds were used to refinance BO-01 series bonds for the same amount within a call option.
- Opened with a syndicate of international banks a new EUR200 million credit line for pre-export financing (PXF-2019/2).
- Improved the commercial terms for tranche B by USD250 million, as part of its pre-export finance facility (PXF-2017) signed in 2017 and repayable in 2022–2024. The additional agreement constitutes a significant reduction in the interest rate margin linked to LIBOR.

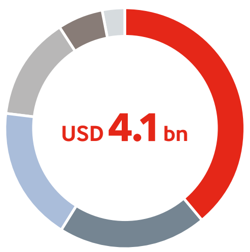
Total debt and net debt to EBITDA ratio, USD million



Repayment schedule as at 31 December 2019, USD billion*



Debt portfolio as at 31 December 2019



	2019
PXF	39%
Eurobonds	20%
RUB bonds	18%
RUB bank loans	14%
ECA	6%
Leasing obligations	3%

* The chart provides information on contractual cash flows in accordance with the existing financial obligations of the Company. The amounts shown on the graph differ from the total debt of the Company, calculated according to the IFRS reporting of the Company, and represent undiscounted cash flows for the concluded contracts. The indicated amounts do not include information on repayment of the lease obligation, as well as the number of expected interest payments on loan agreements.