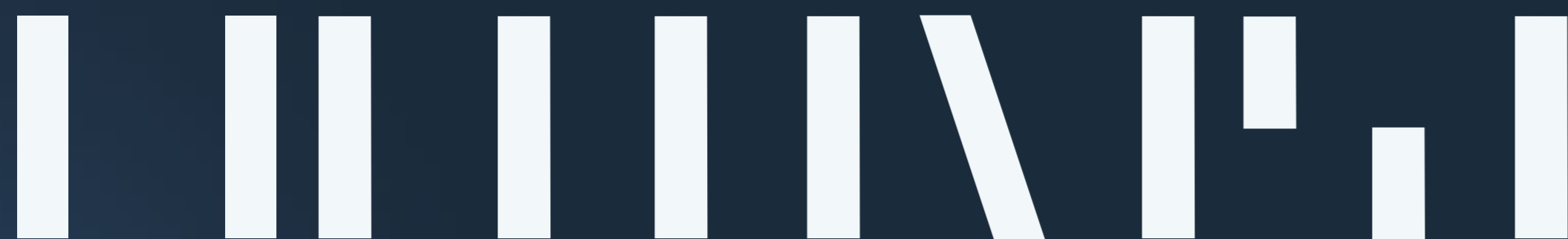




ANNUAL REPORT 2023

METINVEST

S T E A D F A S T



This combined annual report for 2023 illustrates Metinvest's perseverance and dedication amid the trials of living through a second year of the full-scale war in Ukraine. The title, "Steadfast", underscores the inherent endurance that made it possible for the Group to maintain and enhance its operations during the reporting period.

The narrative highlights Metinvest's approach: navigating with flexibility and cautious optimism. It describes the Group's focus on its people, communities, business continuity and the environment, showcasing its pursuit of sustainable practices. Each section of the report in 2023 represents a "Pillar" – Strategic, Sustainability, Governance, Information and Financial – encompassing Metinvest's resolute work.

Metinvest's journey through 2023 is embedded in the design of this report, grounded in the "Steadfast" theme. The Group's resilience is depicted through visual elements derived from its business activities, portraying an indomitable spirit against all obstacles, both physical and spiritual.

The concept engraves the nine capitalised letters in the "METINVEST" name as signposts for each of the pillars and case studies presented in this report. These letters appear structural, complementing and, at times, literally buttressing images of Metinvest-related objects. Resembling steel constructions, they act as a code conveying the idea of fortitude, withstanding hardship even without external support. These design aspects resonate with a year embodied by Metinvest's unflinching persistence and Ukraine's unyielding national soul.

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ABOUT THE REPORT

GENERAL APPROACH

In 2023, Metinvest maintained a combined format for its annual and sustainability reporting. This method of presenting the Group's various business activities is intended to enhance the effectiveness of communication with stakeholders.

Covering the period from 1 January 2023 to 31 December 2023, the report includes Metinvest's financial, operational, environmental, social and governance (ESG) performance and related metrics. It also discloses material information about events that occurred after the reporting period to 30 June 2024.

The report was developed following the Global Reporting Initiative (GRI) Standards and taking into account the guidelines from the Sustainability Accounting Standards Board (SASB).

Notably, it marks the Group's inaugural effort to align with the Task Force on Climate-related Financial Disclosures (TCFD) guidelines, underscoring Metinvest's commitment to transparency in climate-related data. In addition, the document includes information about the Group's efforts towards achieving the UN Sustainable Development Goals (SDGs).

Metinvest's IFRS consolidated financial statements for the 12 months ended 31 December 2023, which are part of the report, have been audited by PwC, an appointed independent auditor. For a better understanding of the Group's financial position and the results of operations, this document and summary financial statements should be read in conjunction with Metinvest's audited financial statements for the year ended 31 December 2023. They include all disclosures required by International Financial Reporting Standards, as adopted by the European Union, and the statutory provisions of Part 9, Book 2, of the Dutch Civil Code.

The Supervisory Board reviewed and approved the report's contents, including the Group's material topics.

To ensure the integrity of the information presented in the document, Metinvest strives to enhance its internal system for non-financial reporting. The internal audit function reviewed numerical data provided by the business units responsible for sustainable development to verify its accuracy before incorporating them.

Because of rounding, numbers presented in this report may not add up precisely to the totals provided and percentages may not exactly reflect absolute figures.

REPORT BOUNDARIES

The report provides information on the performance of Metinvest's assets included in the consolidated financial statements. The principal subsidiaries of the Group's parent entity Metinvest B.V. are presented on page 107.

In 2023, the report's boundaries changed compared with 2022. Notably, in March 2023, Metinvest consolidated Zaporizhia Casting and Mechanical Works to further enhance its maintenance and repair operations.

Zaporizhstal and Southern Iron Ore are classified as joint ventures and not subsidiaries of Metinvest. The results of their financial, operational and other activities are not consolidated in the Group's overall performance, unless stated otherwise. In addition, they are disclosed selectively and on a standalone basis.

STAKEHOLDERS

Metinvest recognises that efficient engagement with its diverse stakeholder groups is crucial for its business development. In 2023, these efforts continued to be shaped by Russia's full-scale military invasion of Ukraine (here and further "the Russian Aggression").

The Group defines the following groups of key stakeholders: employees, customers, suppliers and contractors, local communities, equity and debt providers, government authorities and the media. For more details related to the engagement with the stakeholders of Metinvest, please refer to page 31.



MATERIALITY ASSESSMENT

Metinvest conducts an annual review and assessment of the issues that are most material for its business and stakeholders in terms of their actual and potential impacts. This shapes the Group's sustainability approach and helps to identify the reporting content.

Metinvest was guided in the materiality assessment by the GRI's recommendations. This process entailed identifying sustainability issues that present a significant actual or potential impact on society or the environment, as well as a material impact on the Group's business performance.

STEPS OF MATERIALITY ASSESSMENT

Step 1. Understanding of the Group's context

This step included a comprehensive review of Metinvest's values, core priorities, strategic goals and operations, as well as its business relationships and the broader sustainability context.

In addition, it involved analysing key stakeholder groups, monitoring peers' developments and studying the media environment. The Group also assessed industry trends and reviewed regulatory and sustainability reporting frameworks (GRI, IFRS, CSRD and UN SDGs) that outline requirements and standards in this area.

Step 2. Identifying actual and potential impacts

To understand the likely impact of the material issues on its business, Metinvest focused on continuous dialogue and engagement with internal and external stakeholders. Assessing the impact of the ongoing full-scale war in Ukraine on the Group's business and its stakeholders remained paramount in the reporting period.

A special emphasis was placed on investor and employee feedback, executive team discussions and the input of experts from various functions within the Group. Metinvest also analysed the results of its ESG ratings to gauge its exposure to associated risks and its ability to manage them.

Step 3. Prioritising material topics for reporting

The Group prioritised its impacts on sustainability matters based on their significance and compiled a list of material topics.

In 2023, the war had widespread effects on the material topics, which remained largely consistent with those identified in 2022.

For better presentation in the report, the material topics were grouped into relevant categories: environment, governance, social and economic.

MATERIAL TOPICS 2023

- Climate change
- Emissions
- Water management
- Waste generation
- Biodiversity

ENVIRONMENT

- Corporate governance
- Business ethics and anti-corruption
- Product quality
- Supply chain

GOVERNANCE

- Human rights
- Workplace health and safety
- Employment practices
- Local communities

SOCIAL

- Economic impact and performance

ECONOMIC

WAR IN UKRAINE



M E T I N V E S T

STRATEGIC PILLAR

In 2023, Metinvest's strategic adaptability shone through as it maintained production in Ukraine and upheld its pivotal role in supporting the country's economy and defence. Assets in other countries helped to strengthen the business model, contributing to the Group's overall resilience.

The establishment of a Black Sea corridor for all goods in the second half of the year extended export opportunities and operational possibilities for Metinvest and Ukraine.

The synergies of the Group's global presence, diversified operational profile and international trading business contributed to its financial stability, enabling Metinvest to continue to diligently service its external debt.



Metinvest demonstrated its resilience and flexibility with its performance in 2023.



CHAIRPERSON'S STATEMENT

UNYIELDING

In a year of profound sacrifices, Metinvest's resolve in supporting Ukraine was unwavering. The Group made significant contributions to national defence, humanitarian aid, assistance to employees and communities, and the pursuit of a sustainable future.

**STEADFAST TOGETHER**

For Metinvest and all of Ukraine, 2023 marked the second year of the full-scale war. From the Group's shareholders to the Supervisory Board and downwards, the dedication to Ukraine's victory is unflinching.

The war continues to take a heavy toll on Ukraine: in lives, civilian infrastructure and every way imaginable. Metinvest and its people bear their share of the countless sacrifices. We grieve for the hundreds of our colleagues who have tragically lost their lives or have been injured in combat. Honouring their courage, we offer our support to the loved ones of those who have died in service to the nation and to those who have survived their wounds.

We also extend our heartfelt gratitude to the thousands of our employees who continue to serve on the front lines, demonstrating extraordinary bravery and devotion.

We are steadfast in our solidarity with Ukraine, allocating resources to support its defenders, helping employees to cope with the hardships of war, providing humanitarian aid, and supplying vital medical goods and equipment to local hospitals. Overall, in the two-and-a-half years since the start of the full-scale invasion, Metinvest, its joint ventures and associated companies have allocated around US\$212 million for these uses.

The Group makes significant contributions to the defence efforts. It is engaged in the construction of defensive fortifications. Also, we offer robust support to Ukrainian defenders by supplying essential gear, equipment and steel products for frontline use, demonstrating our commitment to national resilience and recovery.

Metinvest's realigned social priorities aim to meet the needs of Ukrainians, primarily through the Saving Lives initiative, supported globally by various foundations, NGOs and over 250 donor companies.

UPHOLDING OUR SUSTAINABILITY AGENDA

The tenacity and adaptability inherent in Metinvest's business model proved itself in 2023. It allowed the Group to navigate various obstacles while remaining aligned with its sustainability agenda.

Throughout this time, the governance system and corporate culture consistently integrated the Ten Principles of the UN Global Compact, covering human rights, labour, environment and anti-corruption.

In 2023, the Group made its first significant step to align with the Task Force on Climate-related Financial Disclosures guidelines, initiating an important transition towards responsible climate reporting.

We are also working to embed climate-related aspects into Metinvest's governance structure and risk management approach. These changes were adopted in 2024, after the reporting period, and are currently being implemented.

ENHANCING OUR GOVERNANCE

Grounded in international best practices, our governance system helped to ensure effective oversight throughout the year. We built on the robust foundation laid out in our Code of Ethics and Code of Business Partnership with our new Human Rights Policy, which solidifies our dedication to upholding and advancing human rights throughout our operations and with all stakeholders.

MANIFESTING VICTORY

This past year has been testament to the indomitable spirit of the Ukrainian people and the predominant goodwill of the international community in its support for the nation. On behalf of the Supervisory Board, I remain eternally grateful to Metinvest's partners for their ongoing assistance to the humanitarian efforts with which the Group is involved.

Metinvest's commitment to Ukraine is unbreakable. We will continue to work tirelessly on behalf of the country through the resilience and agility of our business, paving the way to a brighter future.

OLEG POPOV

Chairperson of the Supervisory Board



CEO'S STATEMENT

STEADFAST

In 2023, Metinvest's commitment to resilience, innovation and the well-being of its people only intensified. Amid the challenges faced and the tragic loss of lives within its team, the Group worked diligently to uphold its core values throughout its operations.



RESILIENCE AND DEDICATION

This past year has tested us with significant hurdles, yet we have emerged stronger. We adapted to the trials of 2023 with agility, ensuring a steady performance in the new reality.

Amid the profound impact of the war, it is with deep regret that I report an increase in fatal incidents at the Group's operational facilities in 2023. This loss of life is intolerable and contrary to our core values. Metinvest conducted a comprehensive root cause analysis of these incidents. We are committed to prioritising the safety and wellbeing of our workforce, aiming to keep our long-term trend of improvements in this crucial area.

The establishment of Black Sea navigation by the Ukrainian military in the latter half of the year has been pivotal, enabling us to ensure more efficient access to distant markets. This logistical advance, combined with material operational improvements, has enhanced our production capabilities.

These developments have been paralleled by material financial improvements during the reporting period. We managed our debt obligations strategically, redeeming bonds due and reducing total indebtedness.

Concurrently, we continued to apply a cautious approach to capital expenditure by prioritising essential maintenance. This aligns with our need to uphold operational stability while preparing for a future recovery in Ukraine and overall growth in our business.

Also, the Group's international subsidiaries remained a significant pillar of our robust business model.

At the same time, we are evaluating the creation of a green steel mill in Italy as a part of a strategic initiative aimed at eventually integrating low-carbon emissions technology across our operations.

SUPPORTING UKRAINE'S FUTURE

We remain unyielding in our devotion to Ukraine's victory and are allocating significant resources to help win the war. In partnership with the Steel Front initiative, we continue to provide substantial support for Ukraine's defence forces.

In 2023, we also began to build a comprehensive support ecosystem for physical and psychological rehabilitation, retraining and adaptation programmes. This initiative is aimed at effectively reintegrating military veterans and helping them to transition smoothly back into civilian life and work.

Our adherence to sustainability principles underpins our engagement with initiatives led by the Ukrainian government to forge a coalition of partners that will rebuild a more robust economy after the war. We support the national platform for the local steel sector's recovery. We are developing plans for a new green industry to supply metal products for large-scale reconstruction projects.

Another demonstration of our fundamental belief in Ukraine is Metinvest Polytechnic, the private metals and mining university that the Group founded before the outbreak of the full-scale war. In 2023, Metinvest Polytechnic advanced technical education in Ukraine by expanding its academic offerings.

It achieved higher educational rankings and enhanced its research output, thereby contributing to the nation's socio-economic development.

STRENGTHENING OUR LEADERSHIP

During the year, Metinvest made changes to the executive team, appointing Tetiana Petruk as Chief Sustainability Officer. Her expertise adds to our strength, helping to guide our business through uncertain times.

In addition, we realigned the delineation of responsibilities among business functions covering key areas such as logistics, procurement, health, safety and the environment, reinforcing both governance and operational flexibility.

MOVING FORWARD TOGETHER

As we look ahead, Metinvest remains committed to safeguarding its people, adapting its operations and contributing to Ukraine's recovery.

Despite the obstacles in our path, we will emerge stronger through our collective tenacity, innovation and perseverance.

I extend my heartfelt gratitude to our stakeholders for your ongoing support. Together, we will continue to build a future marked by resilience and sustainability for Ukraine and beyond.

YURIY RYZHENKOV
Chief Executive Officer



2023 AT A GLANCE

In 2023, Metinvest conducted business in a landscape shaped by the second year of the full-scale war in Ukraine. The Group's strategic adaptability and resilience, reinforced by its core values and the dedication of its personnel, provided a sturdy foundation as it navigated the ongoing challenges.

During the reporting period, the full-scale military invasion of Ukraine continued to impact all aspects of Metinvest's business in the country. The Group was steadfast in the face of countless obstacles. While maintaining production at its active facilities, it sought to balance the imperatives of safety, operational continuity and other business needs with a strategic eye towards future recovery and growth.

The reopening of commercial navigation from Ukrainian Black Sea ports late in the year was a pivotal moment for Metinvest, enabling enhanced capacity utilisation of the Group's iron ore assets. This also significantly improved the efficiency of logistics, making it economically feasible to return to key markets.

Operationally, Metinvest managed to deliver increases in output of iron ore concentrate, merchant iron ore products and coking coal concentrate. Production at Kamet Steel rose compared with the previous year, as did total annualised figures for the Group's steelmaking operations, excluding the high-base effect from the contribution of the Mariupol steelmakers in early 2022.

Financially, the developments mentioned earlier had a direct impact on Metinvest's performance, underscoring a renewed focus on operational improvements, flexibility and strategic planning. The Group has remained committed to servicing its debt obligations, having redeemed the remaining principal amount of its bonds due in 2023 on time and in full, while continuing to adopt a proactive approach to deleveraging.

Amid these operational and financial efforts, the importance of Metinvest's people has never been more evident. The dedication and support of the Group's employees have been crucial in maintaining stability and driving its progress through these turbulent times.

Since the outbreak of the war, the Group has concentrated its efforts on helping Ukraine and Ukrainians in cooperation with its partners, being recognised as the largest donor to the army among private Ukrainian businesses.

OUTPUT

Crude steel
2,025 kt

Merchant pig iron and steel products
3,123 kt

Iron ore concentrate
11,092 kt

Merchant iron ore products
9,354 kt

Coking coal concentrate
5,455 kt

Metallurgical coke
1,241 kt

FINANCES

Total revenues
US\$7,397 mn

Adjusted EBITDA
US\$861 mn

EBITDA margin
12%

Total debt
US\$1,981 mn

Net debt to EBITDA
1.6x

Capital expenditures
US\$284 mn

SUSTAINABILITY

Total employee headcount
70,134

Aid to Ukraine since outbreak of war
US\$212 mn

LTIFR performance
0.956

Taxes paid globally
US\$447 mn

People received support under Saving Lives
c.500,000

CO₂ emissions (Scope 1)
5.4 mt



PRIORITIES IN 2023

In 2023, Metinvest concentrated on navigating the dynamic environment while ensuring operational sustainability.

The Group's primary focus was to uphold business continuity amid the ongoing war in Ukraine. This entailed strategic adjustments and optimisations to support sales and enhance market presence.

Significantly, towards the year-end, Metinvest also worked to reopen export channels through Ukraine's Black Sea ports, bolstering economic resilience and restoring access to key markets.

Metinvest also prioritised employee safety and well-being, as well as staff retention, development and the reintegration of veterans.

The Group's unwavering commitment to supporting Ukraine and its defenders further reinforced its integral role in the national context.

The Group's core values remained unchanged, serving as the bedrock of its corporate ethos and guiding the pursuit of its strategic goals throughout the year.

STRATEGIC GOALS

SUSTAIN COMPETITIVE ADVANTAGES IN STEELMAKING THROUGH VERTICAL INTEGRATION

STRENGTHEN POSITIONS IN STRATEGIC MARKETS

ACHIEVE BUSINESS EXCELLENCE THROUGH BEST PRACTICE

VALUES

LIFE, HEALTH AND ENVIRONMENT

Human life as a priority in seeking to achieve business goals

PROFESSIONALISM

Professionalism in every endeavour

CUSTOMER FOCUS

Ensure best value for customers through cooperation by offering the best ways of meeting their needs

LEADERSHIP

Demonstrate leadership regardless of position and occupation

TEAMWORK

Work as one team, sharing common goals and acting for the benefit of the Group



MARKET REVIEW: GLOBAL

MULTIDIRECTIONAL TRENDS

In 2023, prices for raw materials were supported by stable demand from steel producers and, in the case of coal, production constraints. However, the world's overall steel use was reduced as a result of China's property crisis and the tight monetary policies maintained by the world's major central banks. As a result, steel prices were weak and steelmaking margins were squeezed.

GLOBAL STEEL MARKET

For the global steel market, 2023 was a dynamic year marked by disruptions to demand, shifting supply trade flows and steady overall production volumes.

In the majority of large markets worldwide, the industry faced mostly depressed prices and declining consumption, with the exception of

India and some other countries. Global crude steel production totalled 1,892 million tonnes, up 0.1% year-on-year, while global apparent consumption of finished steel products dropped by 1.1% year-on-year to 1,763 million tonnes.

Against a challenging macroeconomic background, world steel demand was subdued overall. Although consumer inflation started to

decrease in developed economies, major central banks refused to cut rates, which restrained economic activity.

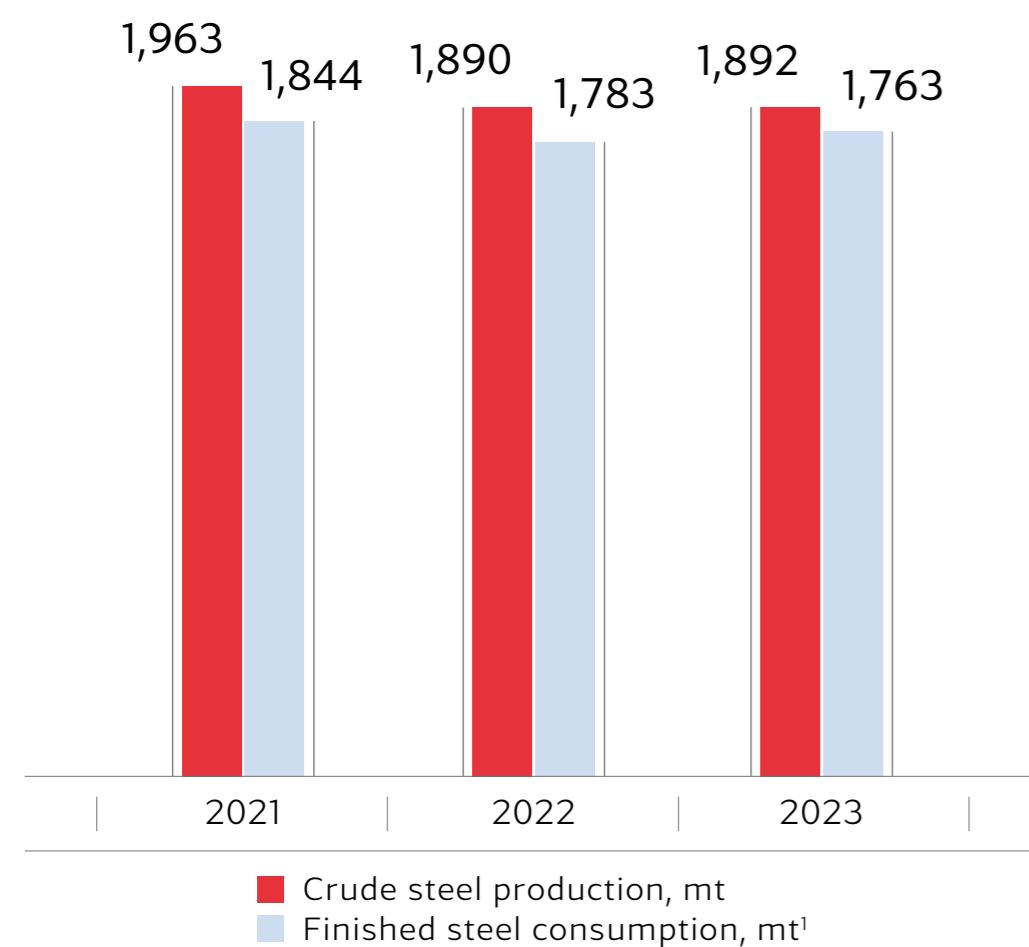
Further, the weakness in China's property sector and concerns about its broader economy were another factor that dragged on the global steel market. China's total crude steel production was 1,019 million tonnes, flat year-on-year, while its apparent consumption of finished steel products was 896 million tonnes, down 3.3% year-on-year. As a result, Chinese producers increased exports, which rose 38% year-on-year to 94.3 million tonnes, the highest volume since 2016, which depressed prices on other markets worldwide.

Disruptions from the full-scale military invasion of Ukraine resonated far beyond the war zone and impacted the steel market. The EU expanded its sanctions against Russian steel products by introducing new and phased restrictions on imports of pig iron, ferroalloys and DRI/HBI. These measures feature product-specific quotas that will remain in place for several years before outright bans come into force. However, the decision on banning slab imports from Russia was delayed for another four years, leaving the current quota system in place until 2028.

Overall, outside of China, there was a slight increase in crude steel production of 0.2% year-on-year to 873 million tonnes, while apparent consumption of finished steel products increased by 1.3% year-on-year to 867 million tonnes. However, the dynamics varied substantially between regions. In the EU, there was a 7.4% year-on-year drop in steel production to 126 million tonnes because of high energy prices and competition with imports, and a 10.5% decrease in consumption to 128 million tonnes amid general economic weakness. In Türkiye, following the earthquake in early 2023, steel production dropped 4.0% year-on-year to 34 million tonnes, while consumption jumped 17.2% year-on-year to 38 million tonnes. South Korea increased both production (1.3% to 67 million tonnes) and consumption (6.7% to 55 million tonnes). For its part, India saw rapid year-on-year growth in both steel production (12.2% to 141 million tonnes) and demand (14.8% to 133 million tonnes).

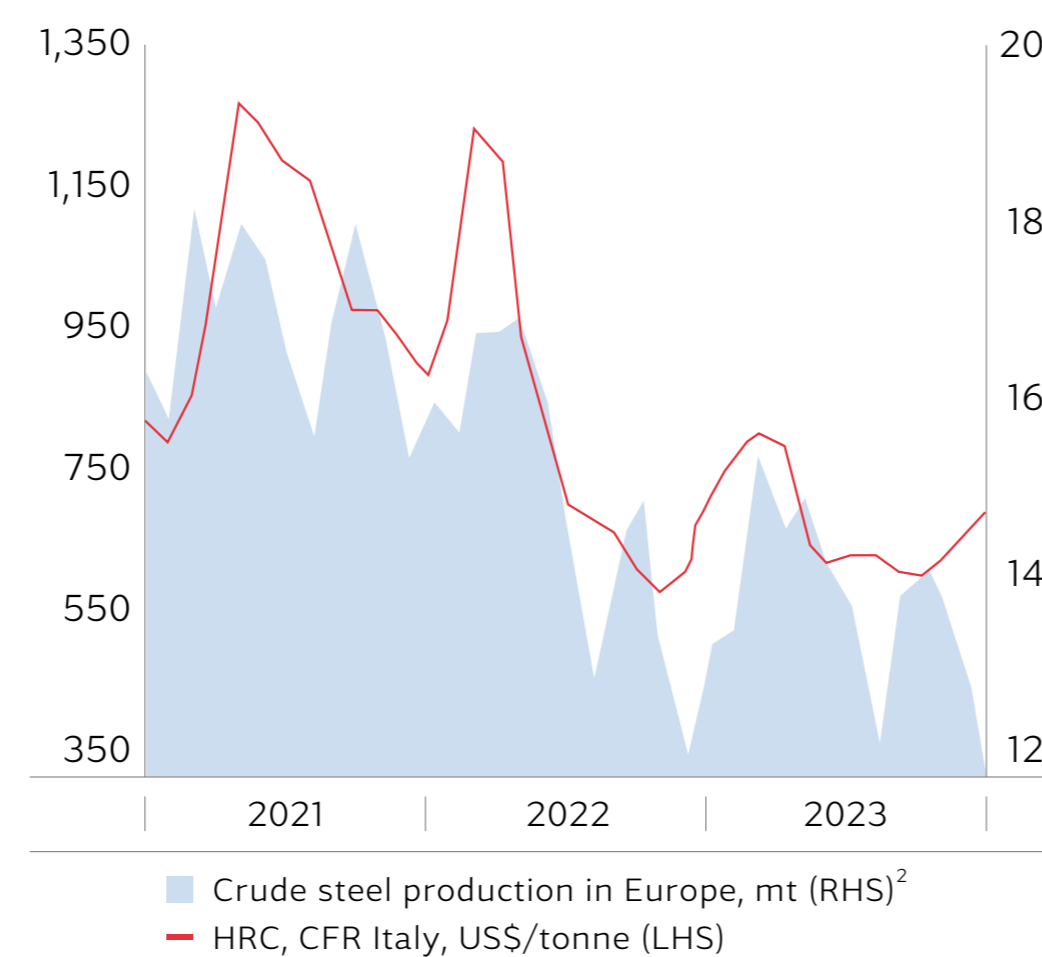
Global steel prices reflected these complex trends throughout 2023. Following the surge in the first half of 2022, there was mainly a downward pullback in the hot-rolled coil (HRC) CFR Italy benchmark as a result of adjustments to the geopolitical situation. The annual average HRC CFR Italy benchmark was US\$703 per tonne in 2023, down 17% year-on-year.

GLOBAL STEEL INDUSTRY



Source: WSA

STEEL PRICE IN EUROPE



Source: Bloomberg, WSA, Metal Expert

¹ Apparent consumption of finished steel products.
² On a monthly basis. Europe includes the current EU-27 members and the UK, Bosnia and Herzegovina, North Macedonia, Norway, Serbia and Türkiye.



The monthly average reached a peak of US\$827 per tonne in March 2023 and a low of US\$631 per tonne in October, ending the year at US\$702 per tonne in December.

GLOBAL RAW MATERIALS MARKET

On the global raw materials market, China's iron ore imports were strong in 2023, while coking coal prices retreated from record highs but remained elevated because of supply constraints and strong demand from India.

Demand for iron ore in China, especially in the fourth quarter of the year to replenish port inventories, led to a rally in iron ore prices in late 2023. Meanwhile, there was a weaker market in Europe, where idled blast furnaces caused a decrease in demand for iron ore.

China's iron ore imports grew by 6.6% year-on-year to 1,180 million tonnes, accounting for 69.8% of global imports according to data from the World Steel Association (WSA). Global iron ore exports were dominated by Australia and Brazil, which accounted for 76.6% of the market; seaborne supplies from the former increased by 1.2% year on year to 898 million tonnes, while exports from the latter jumped by 17.8% year-on-year to 408 million tonnes, according to the WSA.

Global iron ore prices were driven by these trade volume trends and expectations of further economic stimulus from the Chinese government. The 62% Fe iron ore fines CFR China benchmark price hit a low of US\$105 per dry metric tonne (dmt) in May 2023 and ended the year at a peak of US\$137 per dmt in December. The annual average 62% Fe iron ore fines CFR China benchmark price was broadly unchanged year-on-year at US\$121 per dmt.

Pellet premiums dropped year-on-year because of weakened demand and low steelmaker profitability for both Europe (by 38% from a record high to US\$45 per tonne) and China (by 49% to US\$19 per tonne).

The drivers of global coking coal trade were China and India, where demand boosts from steel producers were seen. There was also a rebalancing of trade flows in the EU after its refusal to import coal from Russia. However, supply constraints in Australia and Canada depressed export volumes and supported seaborne coking coal prices globally.

Overall, coking coal prices remained relatively high as a consequence of limited supply and strong demand from India, where, as noted above, the steel industry saw sharp increases in production.

The hard coking coal spot price index (premium LV, FOB Australia) averaged US\$296 per tonne, down 19% year-on-year, peaking at US\$369 per tonne in February 2023, compared with a low of US\$231 per tonne in May and June. The average annual HCC LV FOB USEC benchmark price was US\$259 per tonne, down 25% year-on-year, with a monthly high of US\$327 per tonne in February 2023 and a low of US\$211 per tonne in June.

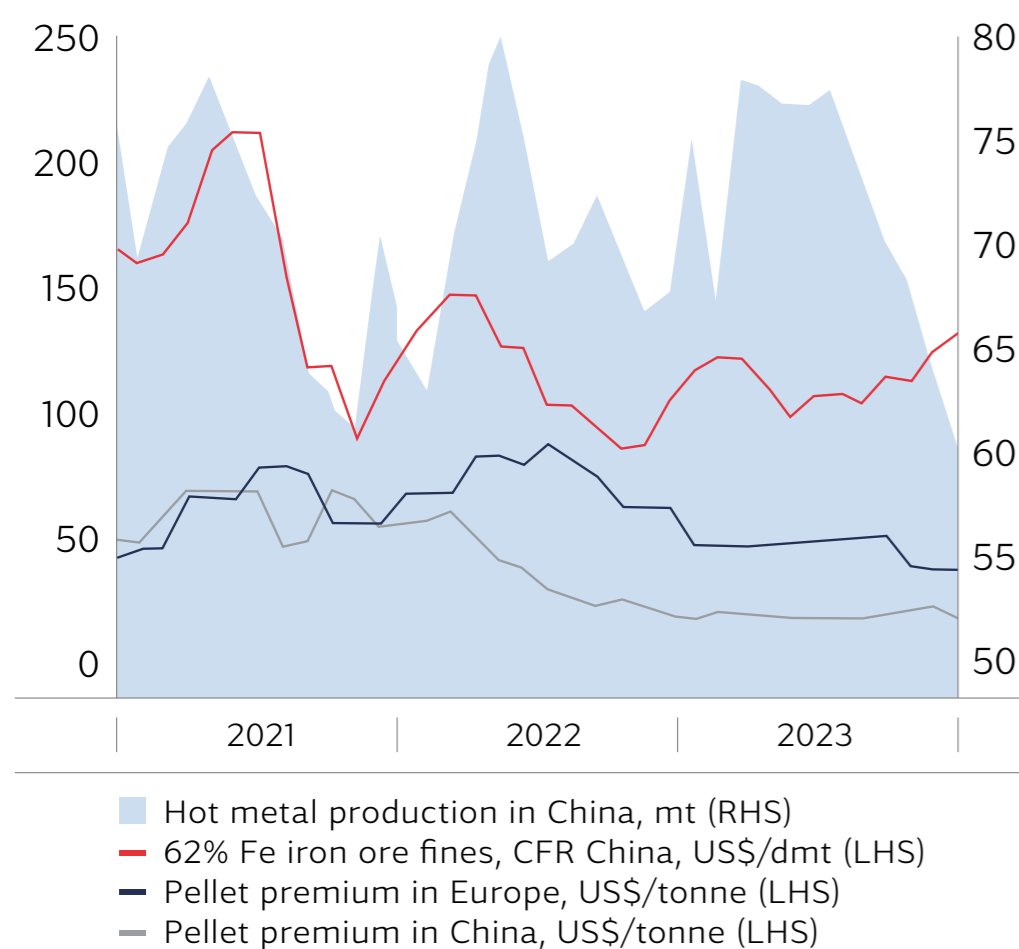
DEVELOPMENTS AFTER THE REPORTING PERIOD

In early 2024, global steel and iron ore markets continued to display marked volatility. Steel prices in Europe, which had increased in late 2023 and early 2024 because of production cuts, reversed by the end of the first quarter of 2024 as restarted steel production facilities in Europe faced uncertain demand and competitive imports.

The dynamic for iron ore prices was similar. In the first quarter, there was a drop after a strong rise in the end of 2023, as the port inventory restocking progressed in China and the expectations for steel demand declined.

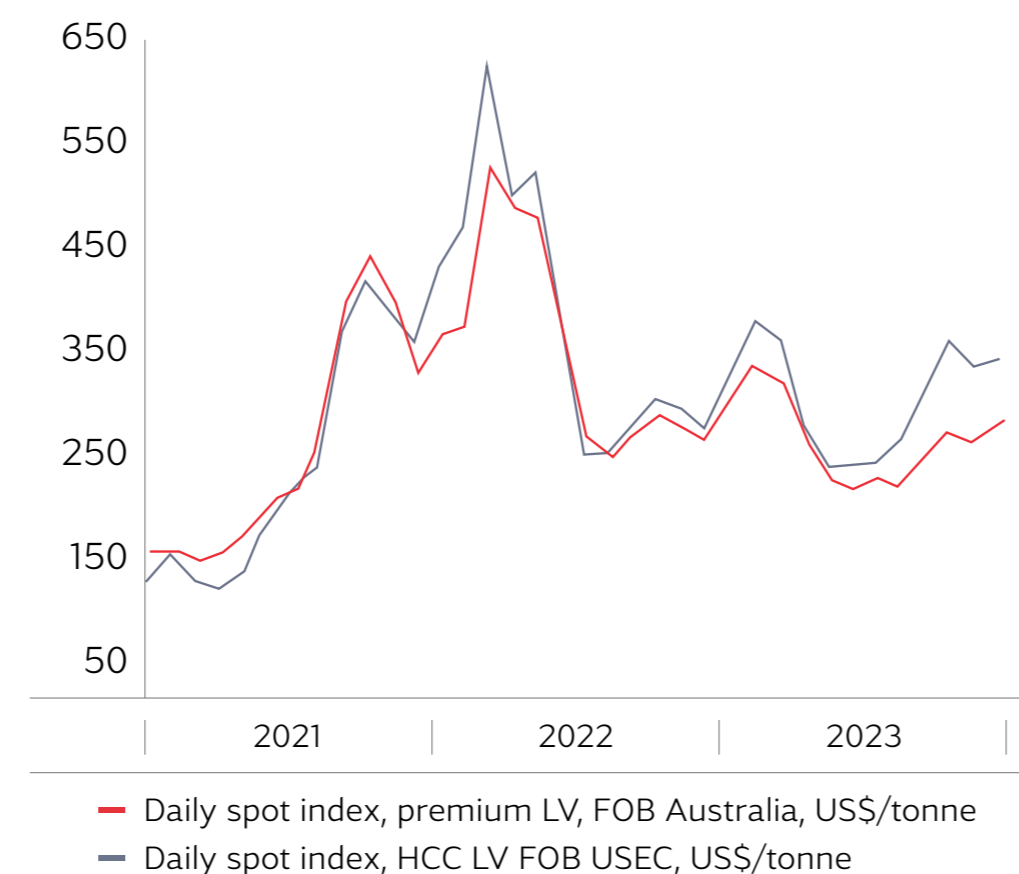
Metallurgical coal prices rallied in September-October 2023 and stayed strong through to the end of February 2024. However, in March-April 2024, these gains quickly dissipated. Nevertheless, coking coal prices found support at a relatively high level, reflecting cost pressures and constrained supply growth from Australia. Meanwhile, robust demand from India and Southeast Asia contributed to ongoing market tightness.

IRON ORE PRICE AND PREMIUMS



Source: Bloomberg, Platts, WSA

HARD COKING COAL PRICE



Source: Platts



MARKET REVIEW: UKRAINE

A NATION UNBOWED

In 2023, Ukraine's economy began to recover from the full-scale war's initial impact as the country found ways to adapt where possible, including a metals and mining industry that was adjusting to operate amid the prevailing constraints.

A NASCENT ECONOMIC RECOVERY

In 2023, Ukraine's economy delivered a significant rebound in GDP amid the ongoing full-scale war. The front lines remained relatively static during the year, with fighting concentrated in the southern and eastern regions of the country. Importantly, in the second half of the year, the country managed to achieve strategic successes, including

establishing a navigation corridor for broader exports and imports through the Black Sea and the continued support of Ukraine's allies for its defence efforts. These developments, along with stabilised international reserves and a substantial reduction in inflation, highlighted an economy adapting to wartime conditions, albeit with the understanding that circumstances could change quickly.

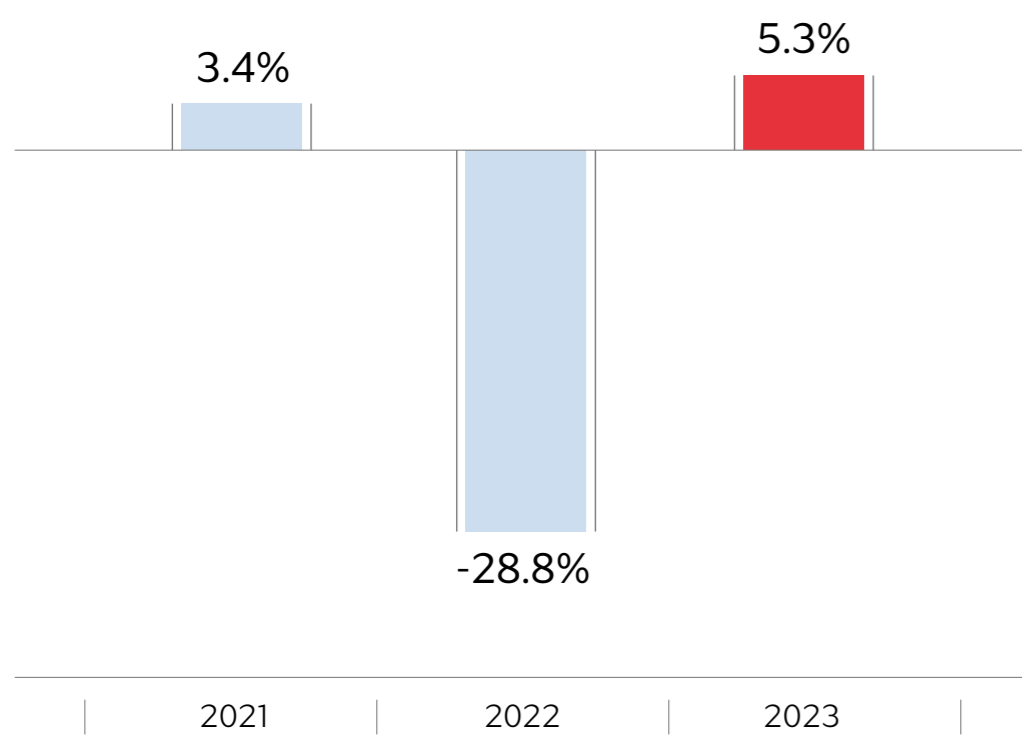
None of these achievements should obscure the challenges facing the country's economy. Millions of Ukrainians remained unable to return to their homes because of the war's impact. As of the year-end, an estimated 3.7 million people¹ continued to be internally displaced, while more than 6.5 million were still recorded as refugees in other countries².

Following Russia's withdrawal from the Grain Deal in July 2023, Ukraine's defence forces were able to push the aggressor's navy far enough away to establish a maritime corridor, opening the possibility for exports and imports without being restricted to grains. Despite the reopening of Ukraine's Black Sea navigation, its exports of goods fell further in 2023 because of a high base for comparison due to pre-war exports in 2022, drops in export product prices and logistical bottlenecks at the land border with Poland.

Overall, in 2023, real GDP rose by 5.3% year-on-year from the low base of 2022, when it fell by 28.8%. Nominal GDP rebounded to US\$179 billion³, up from US\$162 billion³ in 2022.

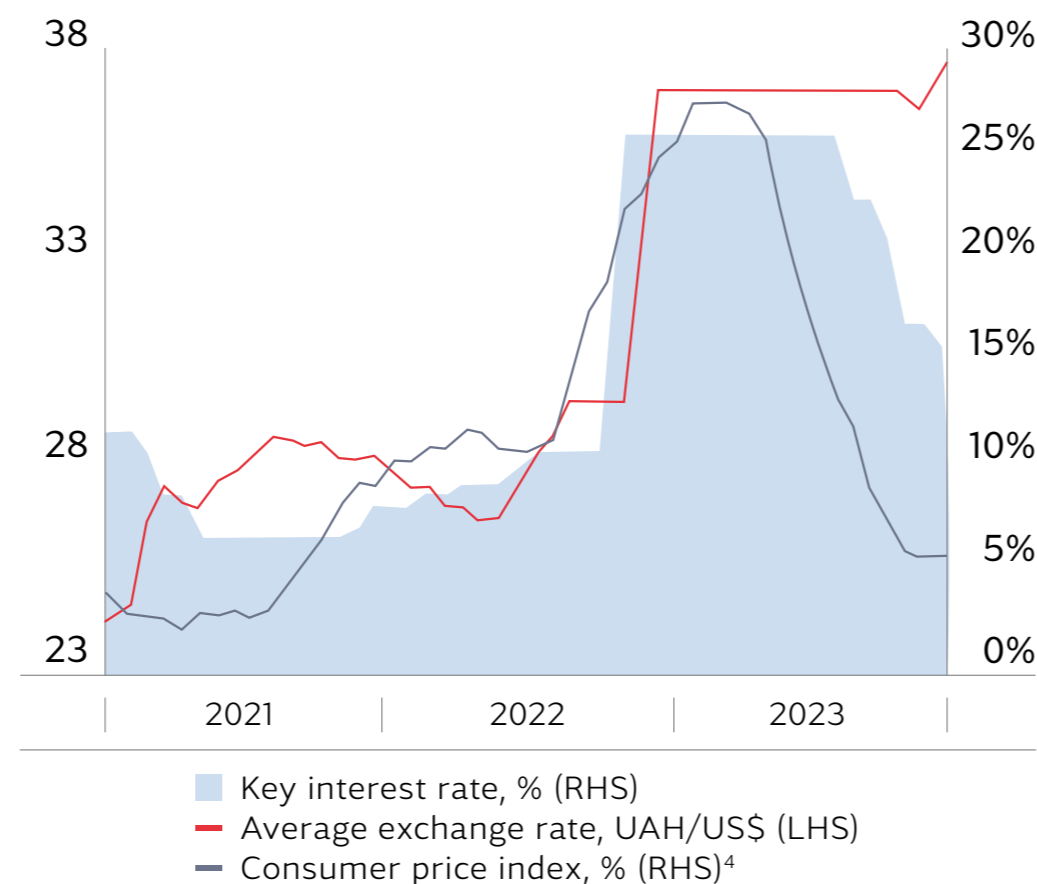
The expenditure components of GDP increased year-on-year for gross fixed investments by 52.9%³, for government consumption by 9.0%³, and for household consumption by 6.3%³, while exports decreased by 5.4%³ and imports increased by 8.5%³.

REAL GDP DYNAMICS



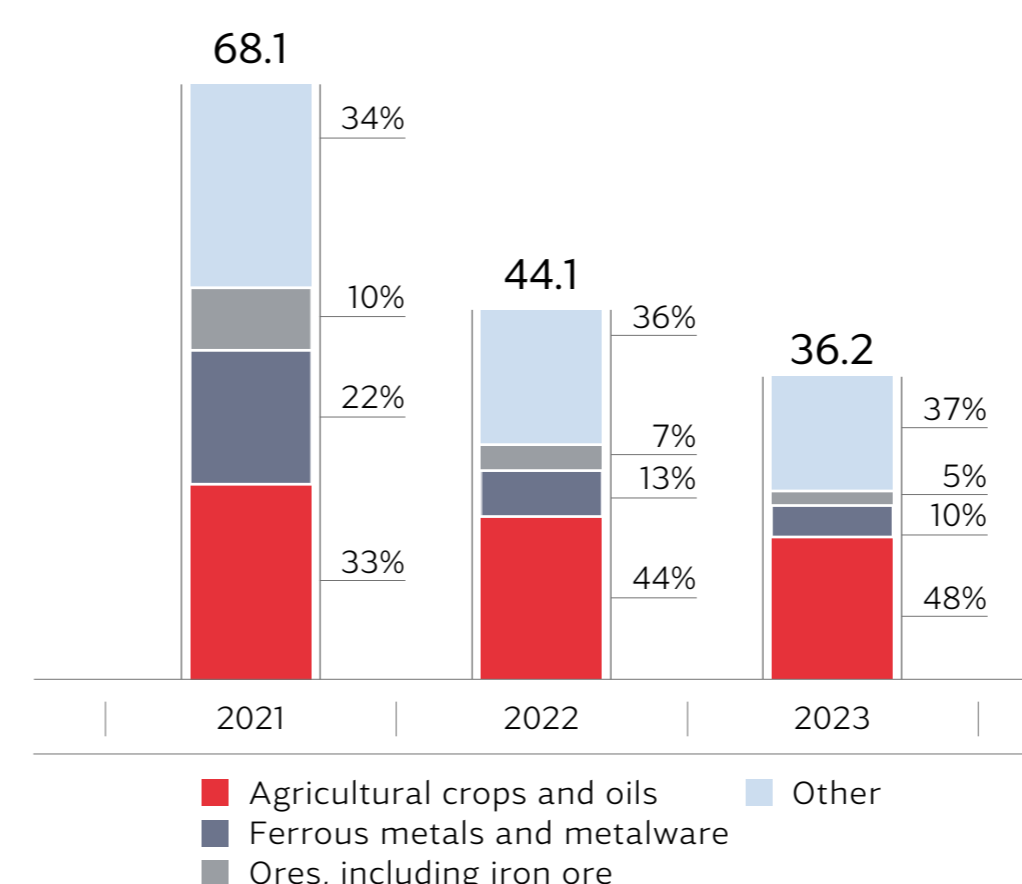
Source: State Statistics Service of Ukraine

MONETARY POLICY



Source: NBU, State Statistics Service of Ukraine

EXPORTS OF GOODS STRUCTURE, US\$ BN



Source: State Statistics Service of Ukraine

¹ The UN International Organisation for Migration.

² The UN High Commissioner for Refugees.

³ State Statistics Service of Ukraine.

⁴ For CPI, the year-on-year change is for the individual monthly periods.



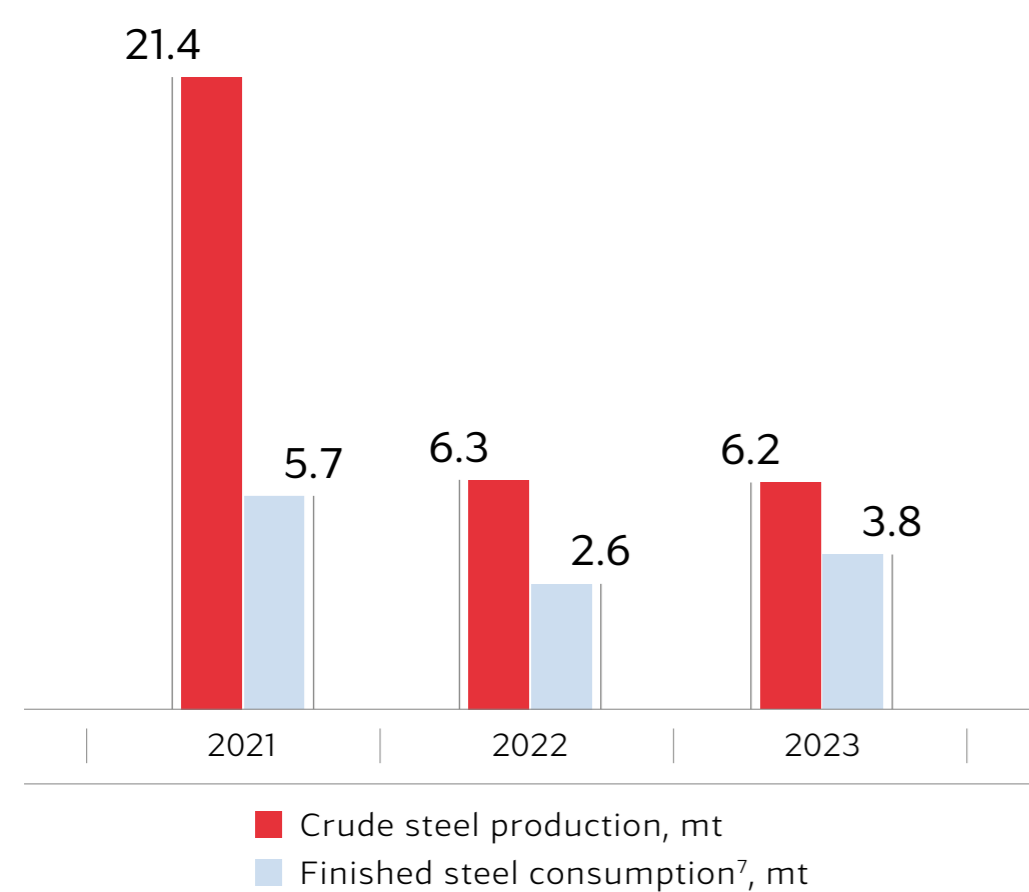
The increase in the production components of GDP was led by public administration (5.8%³), manufacturing (13.8%³), wholesale and retail trade (6.6%³) and agriculture (7.6%³).

Ukraine's industrial production rose by 6.8%³ year-on-year in 2023, whereas the output of iron, steel and ferroalloys edged down by 0.6%. Larger year-on-year declines were reported for 2023 in coal mining (3.0%) and metal ore mining (10.2%), as well as in coke production (13.5%). However, oil and natural gas extraction was unchanged year-on-year in the reporting period.

Economic stabilisation was also seen in the year's inflation trends. The annual CPI fell from 20.2%³ year-on-year in 2022 to 12.9%³ in 2023, while the end-of-period CPI shrank from 26.6% in December 2022 to just 5.1% in December 2023. The National Bank of Ukraine (NBU) also began to ease its monetary policy through several rounds of key policy rate reductions from a nearly seven-year high of 25% at the end of 2022, to 15% at the end of 2023.

As Ukraine's economy started to adapt to the realities of war, certain of the associated regulatory changes were relaxed, including some of the NBU's currency controls.

STEEL INDUSTRY



Source: WSA, Metal Expert

In October 2023, the NBU introduced managed flexibility of the official exchange rate of the Ukrainian hryvnia. This represented a significant change in policy, narrowing the gap between the official and cash market rates. While the official rate had been pegged against the US dollar at 36.57 since July 2022, it stood at 37.98 as of the end of 2023. In 2023, the hryvnia's average official exchange rate to the US dollar was 36.57, a 12% weakening, compared with a 16% decline in 2022.

Ukraine remains highly dependent on external financing to cover government expenditures and the substantial cost of funding the national defence effort, while defence and security spending equalled roughly 67% of total budget expenditures in 2023⁵. The state budget deficit reached a record high for the second consecutive year, up from US\$28.3 billion⁵ in 2022 to US\$36.4 billion⁵ in 2023. Ukraine's international partners provided an unprecedented level of monetary support during the year, helping to cover the cost of running and defending the country. In 2023, Ukraine received a total of US\$42.5 billion in financial assistance, including US\$19.5 billion from the EU, US\$11.0 billion from the US, US\$4.5 billion from the IMF and US\$1.8 billion from Canada⁵.

International aid remained the primary source of capital inflows and helped to boost the NBU's international reserves at the end of 2023 by 42.2% year-on-year to US\$40.5 billion, US\$11.4 billion above the pre-war level. At the end of 2023, Ukraine's public debt totalled US\$145 billion, compared with US\$111 billion at the end of 2022. As a result of the significant rise in debt, the ratio of public debt to GDP increased further from 78% in 2022 to 84% in 2023.

During the reporting period, S&P and Moody's made downward adjustments to their sovereign credit ratings for Ukraine. As of 31 December 2023, S&P had a rating of 'CCC', the outlook 'negative'; Moody's rating was 'Ca', the outlook 'stable'; and Fitch's assessment stood at 'CC'.

TOUGHENED THROUGH HARDSHIP

While Ukraine's steel industry faced significant challenges going into the year amid continued blackouts, the stabilisation of power supplies in the first quarter of 2023 partially enabled an increase in production. As the industry started to adapt to operating under wartime conditions, the capacity utilisation of steelmaking plants in operation located in territory under Ukrainian government control recovered to around 40% by the year-end from around 20% a year earlier⁶.

Throughout most of the year, the blockade of Ukraine's ports on the Black Sea left rail logistics as the key bottleneck constraining steel output. In autumn 2023, the Ukrainian military restored a corridor for maritime navigation, enabling the resumption of seaborne trade. However, this came too late in the year to have a material impact in the reporting period.

Overall, domestic steelmakers produced 6.2 million tonnes of crude steel in 2023, down 0.6% year-on-year. Metinvest's crude steel output decreased by 30.6% year-on-year to 2.0 million tonnes as a consequence of the temporary occupation of Mariupol and suspension of production at its steelmakers in that city. Increased production at Kamet Steel partly compensated for this loss in capacity. Ukraine's apparent steel consumption (excluding pipes) jumped by 45.8% year-on-year to 3.8 million tonnes.

During the reporting period, logistical and infrastructural constraints continued to limit iron ore production. Ukraine's merchant iron ore product output totalled 28.8 million tonnes in 2023, down 3.7% year-on-year, according to the Group's estimates based on Ukrainian Industry Expertise (UEX) data. Meanwhile, Metinvest's total iron ore concentrate output grew by 3.5% year-on-year to 11.1 million tonnes.

In 2023, Ukrainian mining companies exported 19.0 million tonnes of iron ore, down 9.6% year-on-year, with European countries being the main importers. Following the restoration of Black Sea navigation, China reemerged as a key destination for Ukrainian iron ore by the end of the year.

DEVELOPMENTS AFTER THE REPORTING PERIOD

In 2024, the Russian military maintained its offensives. Its aerial strikes have persistently targeted Ukraine's energy and civilian infrastructure beyond the front lines. Ukraine lost significant amounts of its thermoelectric and hydroelectric generating capacities because of the renewal of targeted attacks.

Amid these challenges, the US approved a new support package for Ukraine in April 2024. It offers critical relief and bolsters the capacity of the country's defence forces to counteract the enemy's offensives more effectively. US Congressional approval of this aid was a critical demonstration of international support for Ukraine. Regarding Ukraine's budget, the NBU estimates⁸ that Ukraine can count on US\$38 billion in external support in 2024.

After Ukraine secured US support and had received US\$10.6 billion of support in March-April from the EU, Canada, Japan, the UK and the IMF, the NBU eased some of its FOREX restrictions in early May 2024. Among other steps, the central bank allowed for repatriation of dividends earned from the beginning of 2024 (capped at EUR1 million per month).

The domestic steel industry has demonstrated resilience. In the first quarter of 2024, crude steel production in Ukraine totalled 1.7 million tonnes, up 37% year-on-year and 3% more quarter-on-quarter, according to WSA. Steel consumption in Ukraine amounted to 0.9 million tonnes in the first quarter of 2024, 25% more year-on-year, although it was down 11% quarter-on-quarter, according to Metal Expert. The reopening of Ukraine's Black Sea corridor for effectively unlimited commercial navigation boosted Ukraine's iron ore industry: in the first quarter of 2024, iron ore production rose 92% year-on-year to 11.8 million tonnes while exports increased 138% to 9.7 million tonnes, according to the Group's estimates based on UEX data.

⁵ Ministry of Finance of Ukraine.

⁶ WSA, Metal Expert, Ukrmetallurgprom, Metinvest estimates

⁷ Consumption in Ukraine includes flat, long and certain semi-finished products, but excludes pipes.

⁸ NBU's Inflation Report, April 2024.



OPERATIONAL REVIEW

ADAPT AND OVERCOME

In 2023, Metinvest continued to adapt its business to maintain operational continuity. The Group mitigated various challenges, making it possible to normalise its production, while the reopening of Black Sea navigation late in the year improved its performance.

OPERATIONAL AGILITY

Against the backdrop of the ongoing impacts of the full-scale war, Metinvest maintained a flexible operational approach during 2023.

The Group was unable to conduct business at the assets in Mariupol and Avdiivka throughout the year. Metinvest's other plants in Ukraine functioned at different capacity utilisation levels subject to security, electricity, personnel, logistics and economic factors.

The non-Ukrainian production assets and trading arms were an important pillar of the Group's business resilience. They continued to ensure additional geographical, product and revenue diversification.

In late 2022 and early 2023, Ukraine faced significant challenges with its electricity supply, primarily due to massive attacks on its power infrastructure. These disruptions impacted the operational performance of Metinvest's assets, notably Kamet Steel, which was under an emergency shutdown during part of late 2022.

The situation began to improve from January 2023 onwards, not only through the restoration of the national power system but also by gaining access to strategic imports of electricity from the EU. The stabilisation of the electricity supply helped to improve the operational performance of the Group's Ukrainian assets, including the gradual resumption of production at Kamet Steel and increased output across mining and processing plants.

A major development happened in August 2023, when the Ukrainian defence forces effectively reopened the country's Black Sea commercial navigation without limitations to any particular goods.

To adequately reflect Metinvest's operating environment, this section presents the Group's performance through a geographical lens. This approach allows for a more nuanced understanding of the way different production assets functioned during the reporting period.

A PIVOTAL ROLE

In the evolving landscape of global trade, Metinvest's trading arms, including Metinvest International, Metinvest-SMC and Metinvest Polska, act as a pillar of support for the Group by helping to optimise the sales strategy.

Metinvest International, headquartered in Switzerland, operates as the Group's global sales network. It offers a comprehensive suite of products ranging from iron ore and coking coal to semi-finished and finished steel products, as well as PCI coal.

Established in 1997, it has been instrumental in navigating international complexities, ensuring the Group's presence across key regional market segments. In response to the disruptions caused by the war in Ukraine since February 2022, Metinvest International expanded its role to include the procurement of third-party semi-finished steel products to maintain supply chain continuity.

Metinvest Polska, operational since 2015, serves as a crucial link within Central European markets, including Poland, Czechia, Hungary and Slovakia. Initially acting as an agent for Metinvest International, it has grown to encompass direct sales activities. It has also fostered relationships with local insurance providers to secure additional financing avenues.

Metinvest Polska has adapted to changing market dynamics, focusing on products from Zaporizhstal, Kamet Steel and Unisteel.

Similarly, Metinvest-SMC specialises in the distribution of rolled steel across Ukraine and Moldova. It also imports steel products that are not made locally. With a network of 14 metal centres and a partnership model with regional companies, Metinvest-SMC ensures the accessibility of steel products to its customers.



NAVIGATING NATIVE WATERS

Since the war's onset, Russia had effectively blocked or occupied Ukrainian seaports, ending maritime activities beyond the operation of the Grain Deal from July 2022 to July 2023.

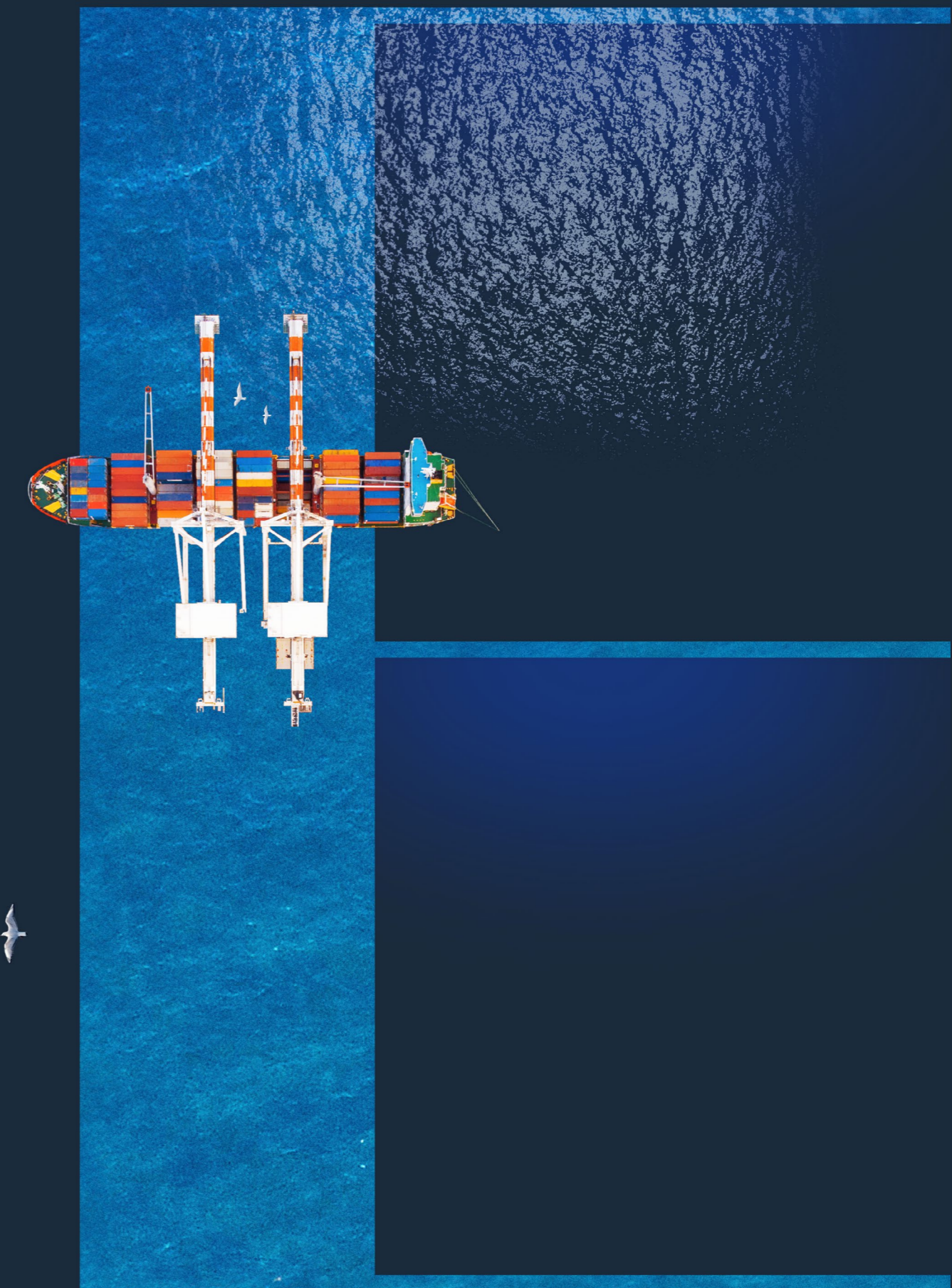
This affected Metinvest's operational and export abilities, although the Group continued working to adapt its logistics chain given limited capacity at western railway crossings.

A pivotal shift happened in August 2023, when the Ukrainian defence forces established a maritime route open to merchant ships for all types of products. September 2023 saw the departure of the first new vessel carrying Metinvest's products through the Black Sea to the Bosphorus since the start of the blockade. This milestone enabled the Group to resume seaborne exports of mining and metallurgical products, enhance capacity utilisation and unlock efficient access to distant markets.

For example, Metinvest's iron ore shipping volumes to Asia grew from one Panamax vessel in the third quarter of 2023 to six Capesize vessels by the end of the year, allowing for a spike in average quarterly exports of that product. Likewise, the Group's steel product shipping volumes to more distant markets grew from one vessel in October 2023 to five vessels in January 2024.

Despite these advances, considerable military threats to navigation and port operations persist.

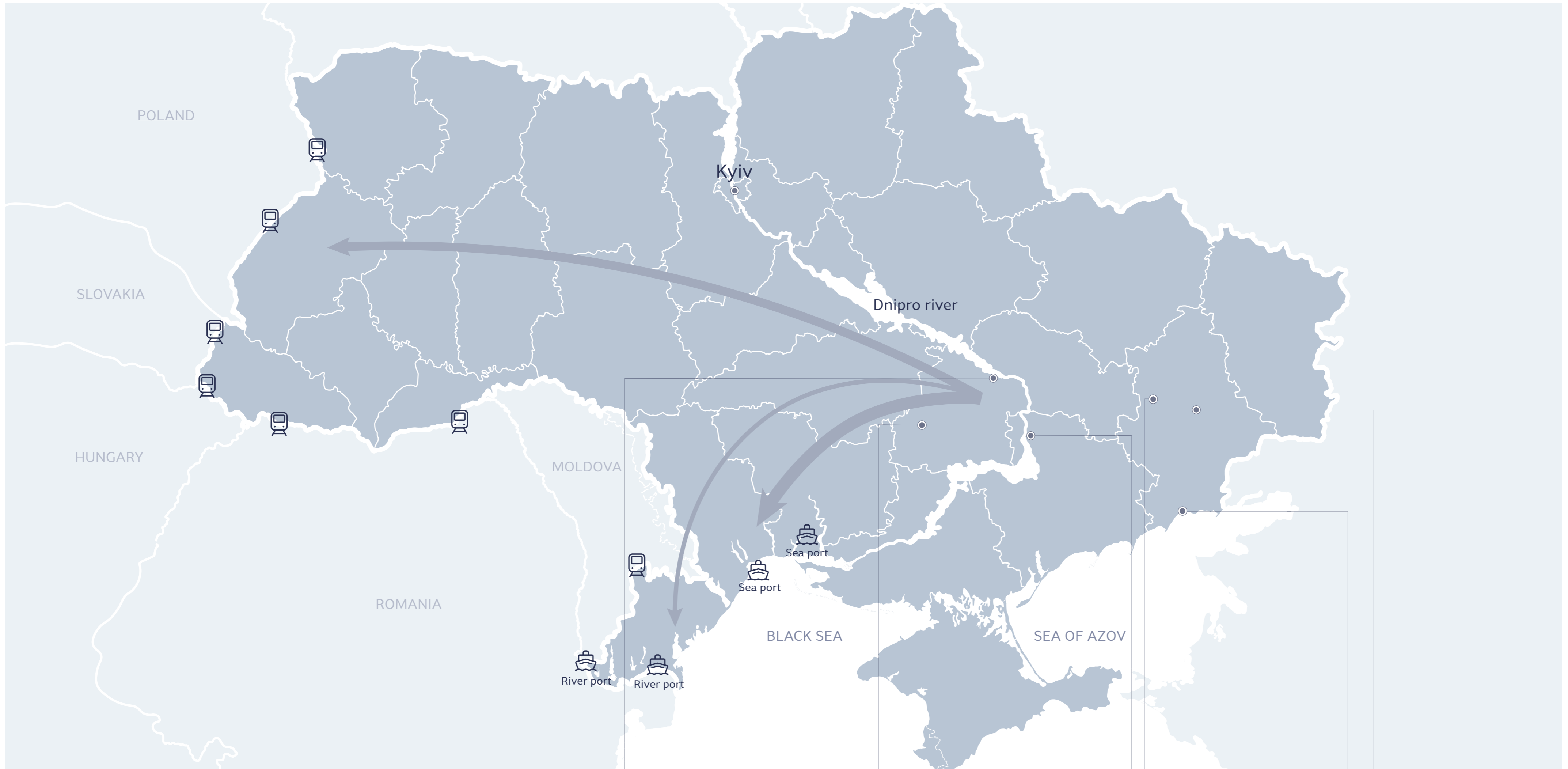
M E T I N V E S T



Metinvest resumed strategic maritime navigation amid the ongoing challenges of 2023.



UKRAINIAN OPERATIONS



MAP LEGEND

- Coking coal
- Coke
- Iron ore
- Integrated steel
- Re-roller
- Refractories
- JV or associate
- Key export routes
- Sea and river ports
- Railway routes
- Suspended operations

- Northern Iron Ore
- Central Iron Ore
- Zaporizhstal (JV)
- Zaporizhia Refractories
- Azovstal
- Kamet Steel
- Inhulets Iron Ore
- Zaporizhia Coke
- Ilyich Steel
- Southern Coke
- Southern Iron Ore (JV)
- Pokrovske Coal
- Unisteel
- Avdiivka Coke



OPERATIONS IN UKRAINE

MINING SEGMENT

Iron ore

Northern Iron Ore¹, Central Iron Ore¹ and Inhulets Iron Ore¹ are Metinvest's iron ore extraction and processing facilities. The concentrate they produce has an Fe content that ranges from 64.5% to 70.4%. All the Group's iron ore assets are located in the city of Kryvyi Rih.

As of 1 July 2021, the reporting date of Metinvest's most recent assessment of iron ore resources and reserves in accordance with the JORC Code, it had total Ore Reserves of 2,142 million tonnes grading 33.5% Fe_T (total iron) and 25.0% Fe_M (magnetic iron) and total Mineral Resources of 10,576 million tonnes grading 35.1% Fe_T and 26.0% Fe_M. Both are reported on an aggregated and not attributable basis. For more details, please refer to the respective announcement at [Euronext Dublin](#).

In 2023, the pelletising plants that Northern Iron Ore and Central Iron Ore operate had a total annual design production capacity of 8.6 million tonnes of pellets. The Fe content of their pellets ranges from 63.1% to 67.6%; the higher ones are suitable for use in DRI technology.

The Group holds a 45.9% stake in Southern Iron Ore¹, which is classified as a joint venture. The concentrate that it produces has an Fe content from 65.0% to 68.5%.

Although most of Southern Iron Ore's sales volumes in 2023 went to the domestic market prior to the reopening of Black Sea navigation, it also exported to third parties to the extent possible within existing logistics capacities, primarily through Metinvest's trading companies².

Throughout the year, the Group's iron ore output continued to be impacted by infrastructural and export logistics limitations caused by the war. The stabilisation of power supplies early in the year and resumption of Ukraine's Black Sea trade in the third quarter of 2023 helped to partly relieve some of these constraints.

Overall, in 2023, Metinvest's iron ore extraction was 26,621 thousand tonnes (almost flat year-on-year). Meanwhile, total output of iron ore concentrate rose by 4% to 11,092 thousand tonnes.

The Group began to gradually increase the capacity utilisation of its mining and processing plants following the restoration of seaborne exports from Ukraine via the Black Sea.

Additional support came from a demand recovery in the country's steel industry. These and other factors made it possible for Metinvest to ramp up production at Inhulets Iron Ore and Northern Iron Ore, as well as the use of iron ore from Southern Iron Ore to produce concentrate at Central Iron Ore.

Output of merchant iron ore products climbed by 18% to 9,354 thousand tonnes³. The iron ore product order book was re-oriented towards pellets, while concentrate output also favoured high-grade products.

The production of merchant pellets surged by 66% to 5,283 thousand tonnes and that of merchant iron ore concentrate fell by 14% to 4,071 thousand tonnes.

PRODUCT QUALITY MANAGEMENT

Metinvest's product quality management function is supervised by the Technology and Quality Directorate.

The core document that outlines the Group's internal processes and procedures in this area is the Product Quality Policy.

Officially approved in January 2024, after the reporting period and aligned with the ISO 9001 standard, it sets out the Group's quality goals and areas of focus. The document serves as a guide for the employees involved in these aspects of the business, promoting a unified approach to quality improvement. It is central to the continuous development and enhancement of Metinvest's quality management system.

The Product Quality Policy is also supported by the Regulation on Product Quality Management, which covers asset-level processes and procedures. In addition, production facilities have separate regulations in place. For example, during the reporting period, new asset-level regulations covering a variety of product quality issues were introduced at Zaporizhia Casting and Mechanical Works, which was consolidated in 2023.

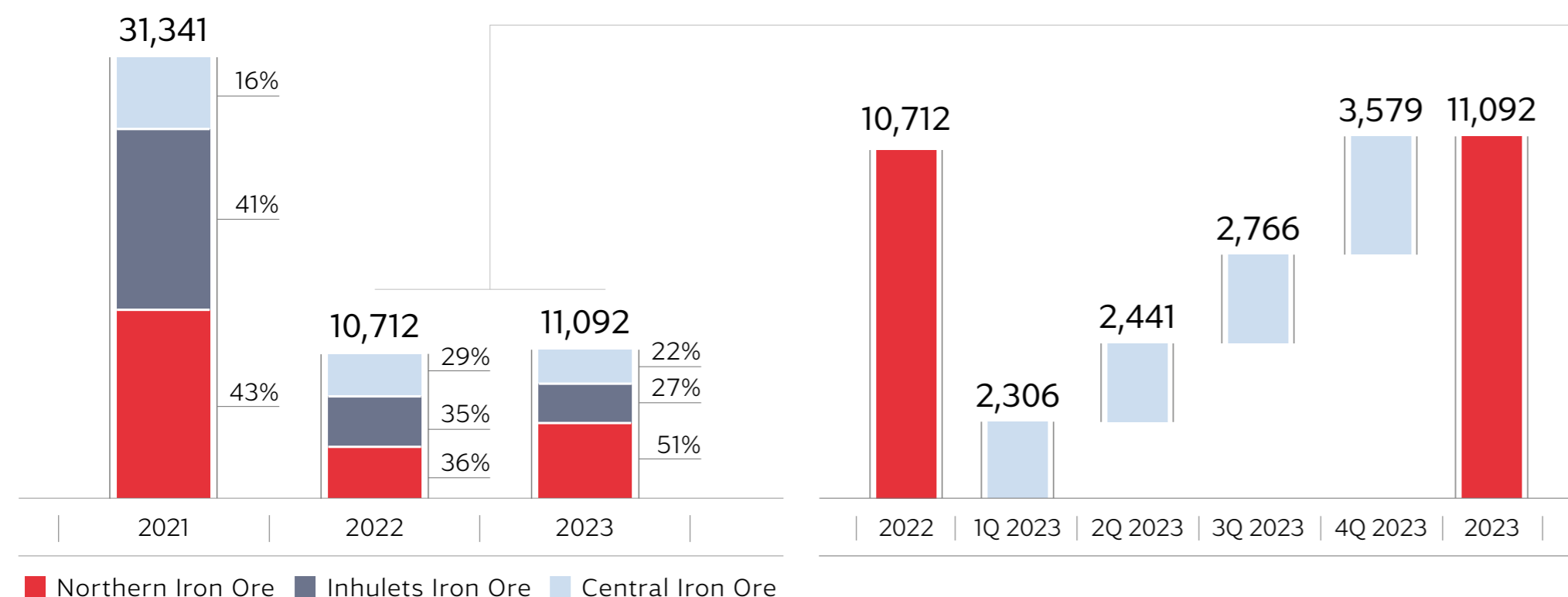
Following best market practices, Metinvest continues to apply ISO 9001 at its facilities. At the end of 2023, 14 of its operating production sites⁴ were certified under this standard.

The Group conducts regular dedicated trainings related to product quality initiatives. In 2023, around 3,500 employees involved in quality management activities participated in such trainings.

IRON ORE CONCENTRATE PRODUCTION

11,092 kt

^ 4%



¹ In this report, the names Northern Iron Ore, Central Iron Ore, Inhulets Iron Ore and Southern Iron Ore correspond to the legal names of Northern GOK, Central GOK, Ingulets GOK and Southern GOK, respectively.

² Under such resale transactions, Metinvest is acting as an agent and not as principal.

³ Merchant iron ore product output excludes intragroup sales and consumption.

⁴ Central Iron Ore, Ferriera Valsider, Inhulets Iron Ore, Kamet Steel, Kryvyi Rih Machining and Repair Plant, Metinvest-Promservice, Metinvest Trametel, Northern Iron Ore, Promet Steel, Spartan UK, Unisteel, Zaporizhia Casting and Mechanical Works, Zaporizhia Coke and Zaporizhia Refractories.



Coking coal

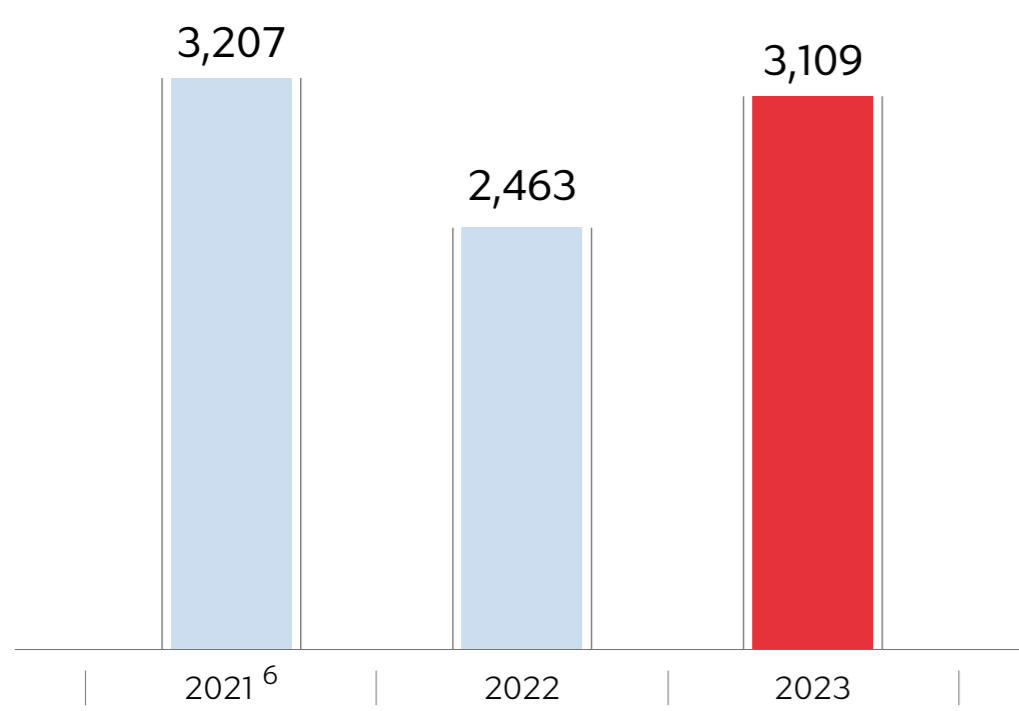
In Ukraine, Metinvest's Pokrovske Coal produces high-quality coking coal at facilities located on the border of the Dnipropetrovsk and Donetsk regions. The most significant of Pokrovske Coal's assets are Pokrovske Colliery and Sviato-Varvarynska Beneficiation Factory.

As of 1 July 2021, the reporting date of the Group's most recent assessment of metallurgical coal resources and reserves in accordance with the JORC Code, Pokrovske Coal had total Coal Reserves of 181 million tonnes and total Coal Resources of 224 million tonnes. Both are reported on an aggregated and not attributable basis. For more details, please refer to the respective announcement at [Euronext Dublin](#).

In 2023, Metinvest produced 3,109 thousand tonnes⁵ of coking coal concentrate in Ukraine, up 26% year-on-year. The increase was primarily due to a general improvement in the quality of coking coal compared with the previous year. Overall, throughout the reporting period, Pokrovske Coal was operating at around pre-war levels of capacity utilisation and accounted for 57% of the Group's coking coal concentrate production. Pokrovske Coal's shipments were distributed primarily in Ukraine, and, to a lesser extent, to Europe and Asia.

COKING COAL OUTPUT: POKROVSKE COAL

3,109 kt | ^ 26%



METALLURGICAL SEGMENT

Coke

In 2023, Metinvest's coke output⁷ declined by 25% year-on-year to 1,241 thousand tonnes. This was due to the stoppage in coke production at Azovstal and Avdiivka Coke from late February 2022. During the year, the Group continued to produce metallurgical coke at Zaporizhia Coke and the coke facilities of Kamet Steel.

In addition, Metinvest has a 23.71% interest in Southern Coke, a Ukrainian metallurgical coke producer classified as an associated company. In 2023, its annual dry blast furnace coke production totalled 618 thousand tonnes, up 8% year-on-year.

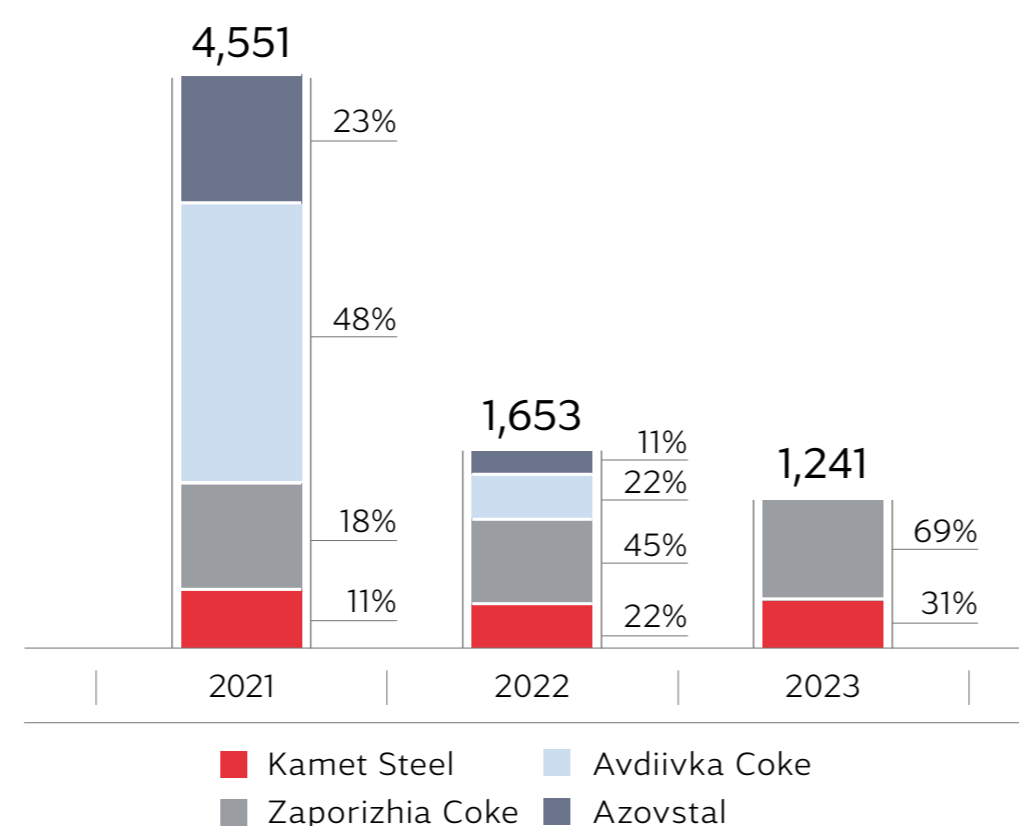
Steel

In 2023, Metinvest's steel production was buoyed by Kamet Steel, its sole operational and fully consolidated steelmaking asset. The plant's annual production capacity is 3.2 million tonnes of crude steel from three blast furnaces.

During the reporting period, the Group produced 1,765 thousand tonnes of hot metal and 2,025 thousand tonnes of crude steel, down 36% and 31% year-on-year, respectively.

COKE PRODUCTION

1,241 kt | v 25%



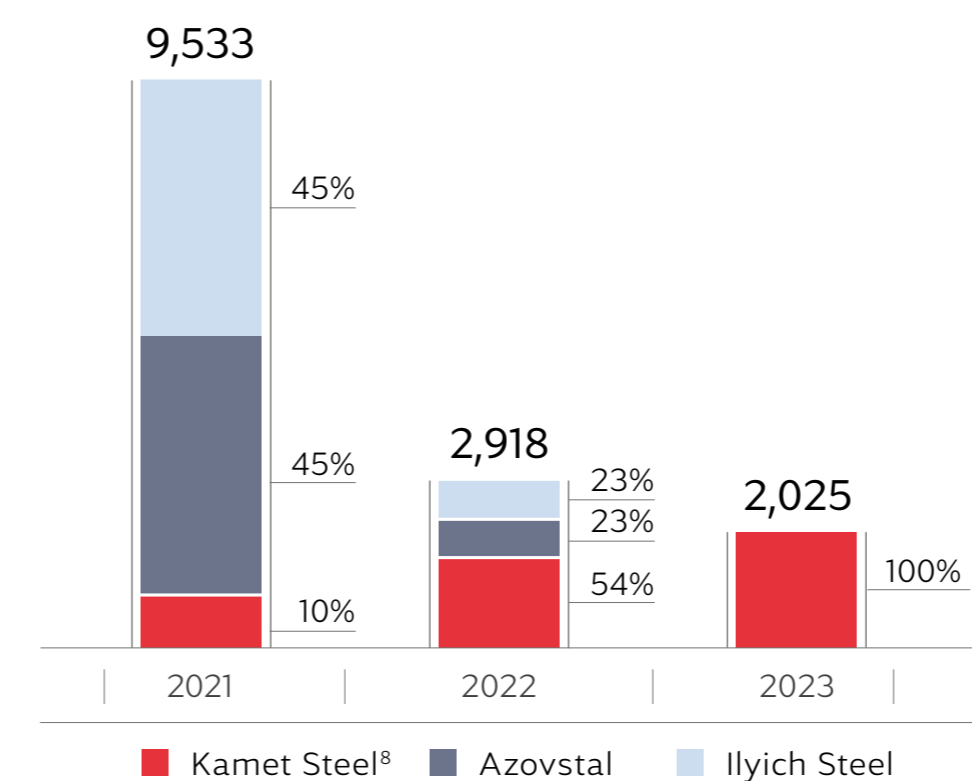
These figures reflected a high-base effect from the contributions of the Mariupol facilities early in 2022, which were subsequently halted because of the war.

Notably, Kamet Steel delivered an improvement in production, increasing its hot metal and crude steel output by 19% and 30% year-on-year, respectively. This uplift was attributed to stabilised power supplies and the efficient operation of two blast furnaces throughout the reporting period, subject to regular maintenance downtime. Kamet Steel supplied billets and long products to external customers, while also providing feedstock to the Group's Bulgarian re-roller and serving as an internal customer for its iron ore and coking coal.

Metinvest also has a 49.997% stake in Zaporizhzhia-based integrated steelmaker Zaporizhstal, which is classified as a joint venture and is the Group's largest iron ore and coke consumer. The plant's annual production capacity of hot metal is c.4.4 million tonnes from four blast furnaces and c.4 million tonnes of crude steel. Using its wide range of sales offices, Metinvest engages in the resale of Zaporizhstal's products to enhance its sales strategy.

CRUDE STEEL PRODUCTION

2,025 kt | v 31%



During the reporting period, Zaporizhstal's crude steel output rose by 65% year-on-year to 2,467 thousand tonnes. The increase in production was caused by greater blast furnace utilisation compared with the previous year, among other factors.

Importantly, in 2023, Metinvest was able to partly restore slab supplies from Ukraine to its re-rolling plants in Italy by producing at Zaporizhstal merchant slabs that meet their requirements. Also, during the year, Bureau Veritas and RINA certified Zaporizhstal for the production of merchant slabs for ship steel.

Metinvest's Zaporizhzhia-based Zaporizhia Refractories makes refractory products and materials for the Group. In 2023, its output of those products totalled 66 thousand tonnes (up 4% year-on-year), excluding un moulded refractories. Also, in the reporting period, the plant began producing lining and bricks that were previously imported.

In addition, in 2023, Metinvest's Kryvyi Rih-based Unisteel increased production of galvanised coils by 10% year-on-year to 70 thousand tonnes.

In 2023, Metinvest launched the production of 11 new steel offerings: two semi-finished products, two kinds of galvanised coils and seven types of rolled sections.

Key initiatives included expanding the range of structural rolled products for building and reconstructing Ukrainian infrastructure.

In addition, the Group continued to develop new solutions to cater to the needs of Ukraine's defence forces. For example, it launched production of steel underground fortifications to protect command teams on the front line. On top of this, Metinvest began producing mine trawls that the defence forces can use to demine Ukrainian territory.

⁵ The total coal concentrate production figure represents coal production converted to coal concentrate and excludes the processing of coal purchased from third parties.

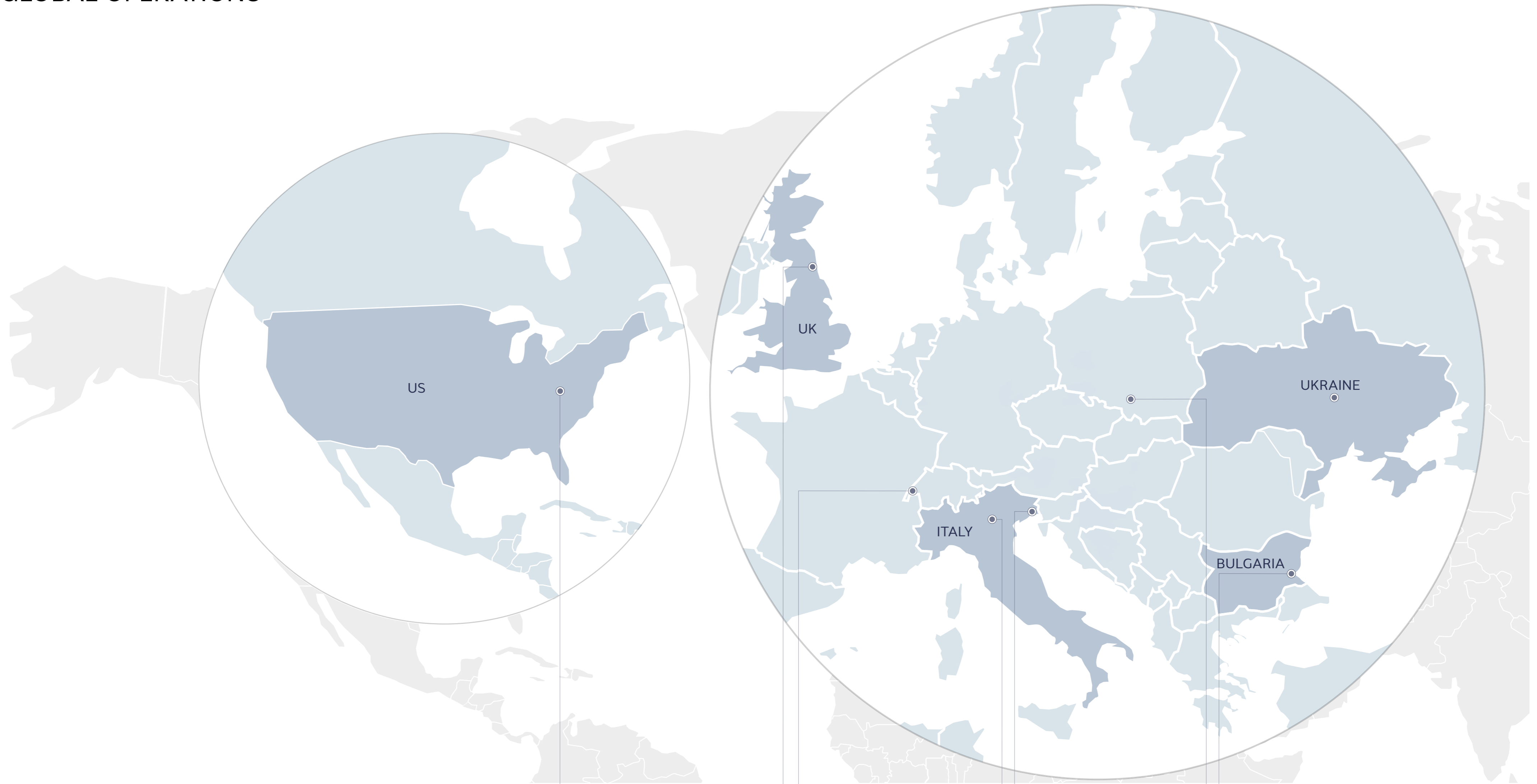
⁶ Full-year production, covering period prior to consolidation.

⁷ Dry blast furnace coke output.

⁸ Since the moment of consolidation



GLOBAL OPERATIONS



MAP LEGEND

- Coking coal
- Re-roller
- Trading companies

- United Coal
- Spartan UK
- Metinvest International
- Ferriera Valsider
- Metinvest Trametal
- Metinvest Polska
- Promet Steel



OPERATIONS IN THE US, UK, EU

MINING SEGMENT

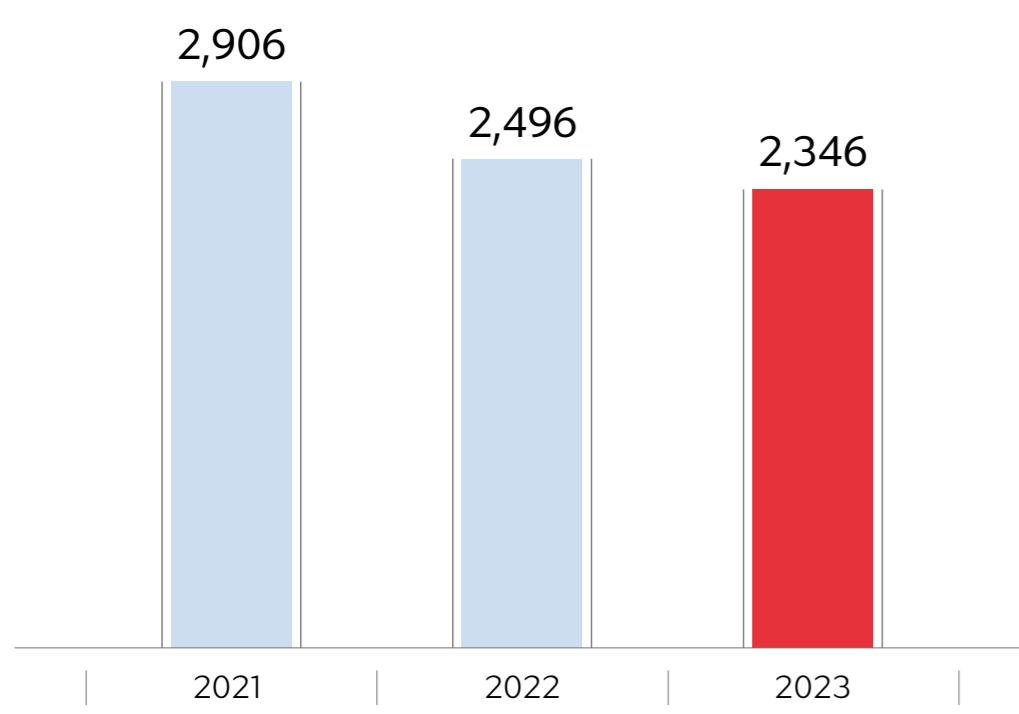
Coking coal

Metinvest produces coking coal at United Coal, in the central Appalachian region of the US. As of 1 July 2021, the reporting date of the Group's most recent assessment of metallurgical coal resources and reserves in accordance with the JORC Code, United Coal had total Coal Reserves of 126 million tonnes and total Coal Resources of 187 million tonnes. Both are reported on an aggregated and not attributable basis. For more details, please refer to the respective announcement at [Euronext Dublin](#).

In 2023, driven by a combination of market and internal factors, including cost and product quality, United Coal suspended operations or reduced production at some of its subsidiaries. This led to a decrease of coking coal concentrate output by 6% year-on-year to 2,346 thousand tonnes. It also supported the normalisation of inventory levels. In 2023, coal volumes were shipped to customers within and outside the US.

COKING COAL OUTPUT IN THE US

2,346 kt | ∨ 6%



METALLURGICAL SEGMENT

Re-rolling

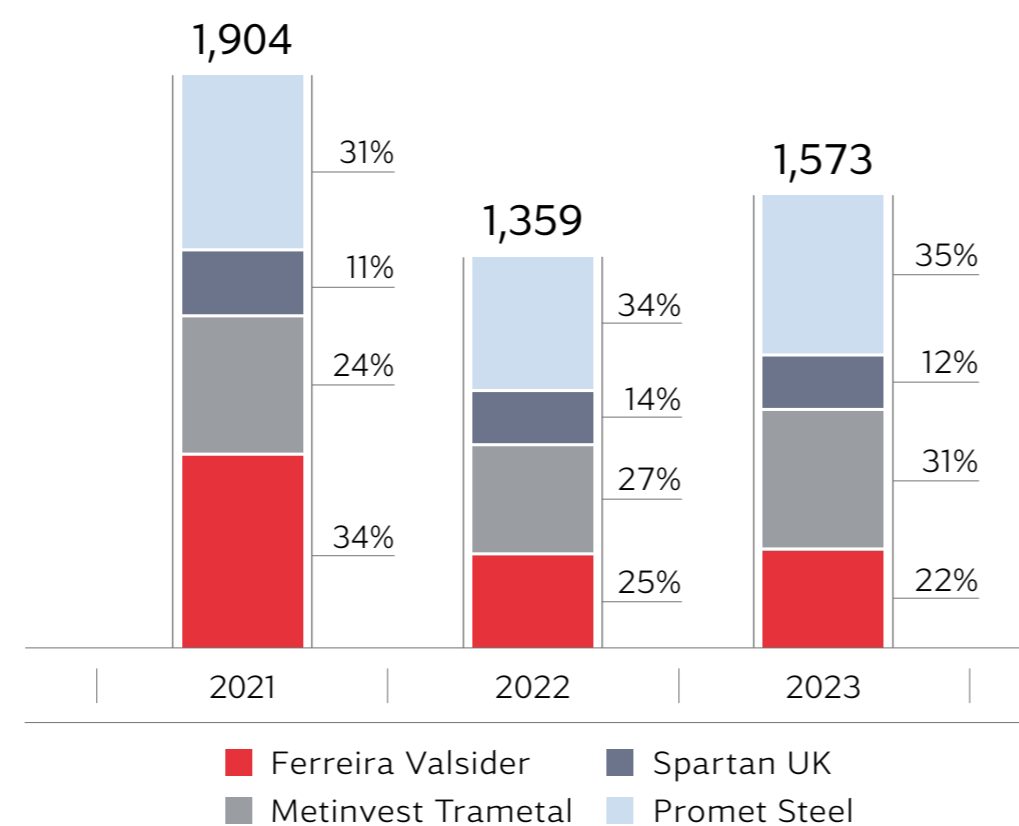
Outside Ukraine, Metinvest has four re-rolling mills: Italy-based Ferriera Valsider and Metinvest Trametel, Bulgaria-based Promet Steel and the UK-based Spartan UK. In these countries, the Group has a total re-rolling capacity of around 2.1 million tonnes a year.

In 2023, Metinvest Trametel and Ferriera Valsider made flat products, sourcing feedstock from EU, Zaporizhstal and seaborne suppliers. Spartan UK, a plate manufacturer, sourced slabs from local third parties. Promet Steel, a long product manufacturer, obtained feedstock from Kamet Steel and, to a lesser extent, from third-party suppliers.

Overall, these re-rolling plants produced a cumulative 1,573 thousand tonnes of steel products in 2023 (up 16% year-on-year). The output of flat products was 482 thousand tonnes at Trametel (up 30%), 344 thousand tonnes at Ferreira Valsider (up 3%) and 196 thousand tonnes at Spartan UK (up 5%). The output of long products was 551 thousand tonnes at Promet Steel (up 18%).

RE-ROLLERS OUTPUT IN THE UK AND EU

1,573 kt | ∧ 16%



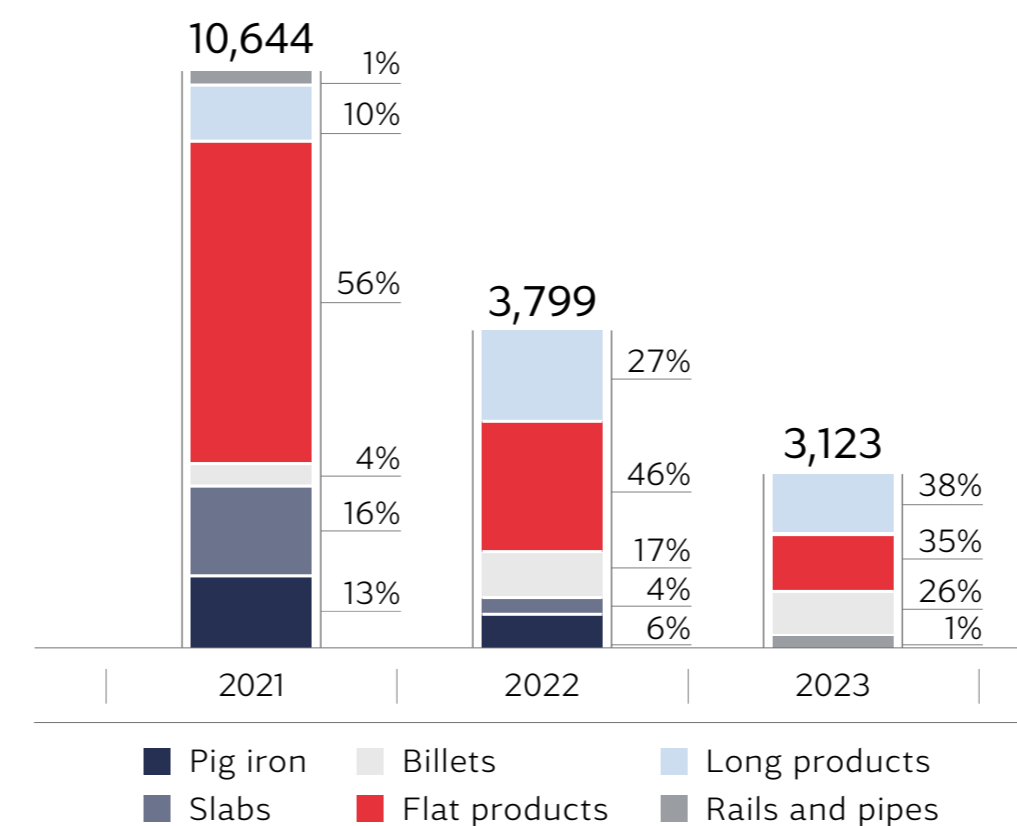
OVERALL OUTPUT OF SEMI-FINISHED AND FINISHED PRODUCTS

In 2023, Metinvest produced 3,123 thousand tonnes of merchant pig iron and steel products across all its assets⁹, down 18% year-on-year. This decline was mainly due to the lack of production at the Mariupol steelworks from the end of February 2022. Namely, no slabs, rail and tubular products were produced during the reporting period. Merchant pig iron output decreased by 90% year-on-year to 21 thousand tonnes, while flat product output declined by 36% to 1,100 thousand tonnes.

At the same time, Kamet Steel's improved performance led to greater output of merchant billets (up 25% to 811 thousand tonnes) and long products (up 17% to 1,191 thousand tonnes).

PIG IRON AND STEEL PRODUCT OUTPUT

3,123 kt | ∨ 18%



⁹Excludes intragroup sales and consumption.



FINANCIAL REVIEW

A TENACIOUS PERFORMANCE

In 2023, Metinvest showcased resilience in a year of challenge. The Group responded strategically to market shifts, managing war-related operational disruptions and associated impacts with unwavering determination.

REVENUES

Metinvest generates revenues primarily through the sale of its own steel, iron ore, coal and coke products. It also resells goods produced by joint ventures and other third parties. Unless otherwise stated, revenues are reported net of value added tax and discounts, and after eliminating sales within the Group.

In 2023, Metinvest's consolidated revenues amounted to US\$7,397 million, down 11% year-on-year. This reduction was mainly due to a decrease in the selling prices of steel, iron ore and coking coal products, which followed global benchmarks. Also, the full-scale war in Ukraine affected sales volumes of pig iron, slabs, flat and tubular products as a result of suspended production at the Mariupol steelmakers.

Metinvest increased shipments of certain other in-house goods in its portfolio (primarily billets by 6% year-on-year, long products by 28% year-on-year, pellets by 70% year-on-year and coking coal concentrate by 32% year-on-year), as well as steel and coke resales amid greater production levels at Zaporizhstal.

Overall, revenues from resales totalled US\$2,204 million in 2023, up 23% year-on-year. They accounted for 30% of the top line, up eight percentage points year-on-year. In the second half of 2023, the Group aligned its approach to present the Mining JV resales with the Metallurgical JV resales for the full-year 2023. In 2022, the results of the Mining JV resales were presented on a net basis in revenues.

20%) and coking coal concentrate (down 18%). There were no sales of slabs. At the same time, sales volumes of flat products rose by 19%. The region's share in overall revenues fell by one percentage point to 48%.

Revenues from the Middle East and North Africa (MENA) decreased by 80% year-on-year, mainly amid lower shipments of flat products (down 83%). This reduced the region's share in overall revenues by five percentage points to 2%.

Sales to Asia² rose by 53% year-on-year, mainly amid significant shipments of coking coal concentrate (1,163 thousand tonnes in 2023) and iron ore concentrate (2,014 thousand tonnes in 2023) after the Black Sea corridor resumed working in the second half of the year. The region's share in overall revenues increased by three percentage points to 7%.

Revenues from North America decreased by 7% year-on-year, mainly because of lower sales of pig iron and reduced selling prices for coking coal concentrate. The region's share in consolidated revenues remained flat year-on-year at 6%.

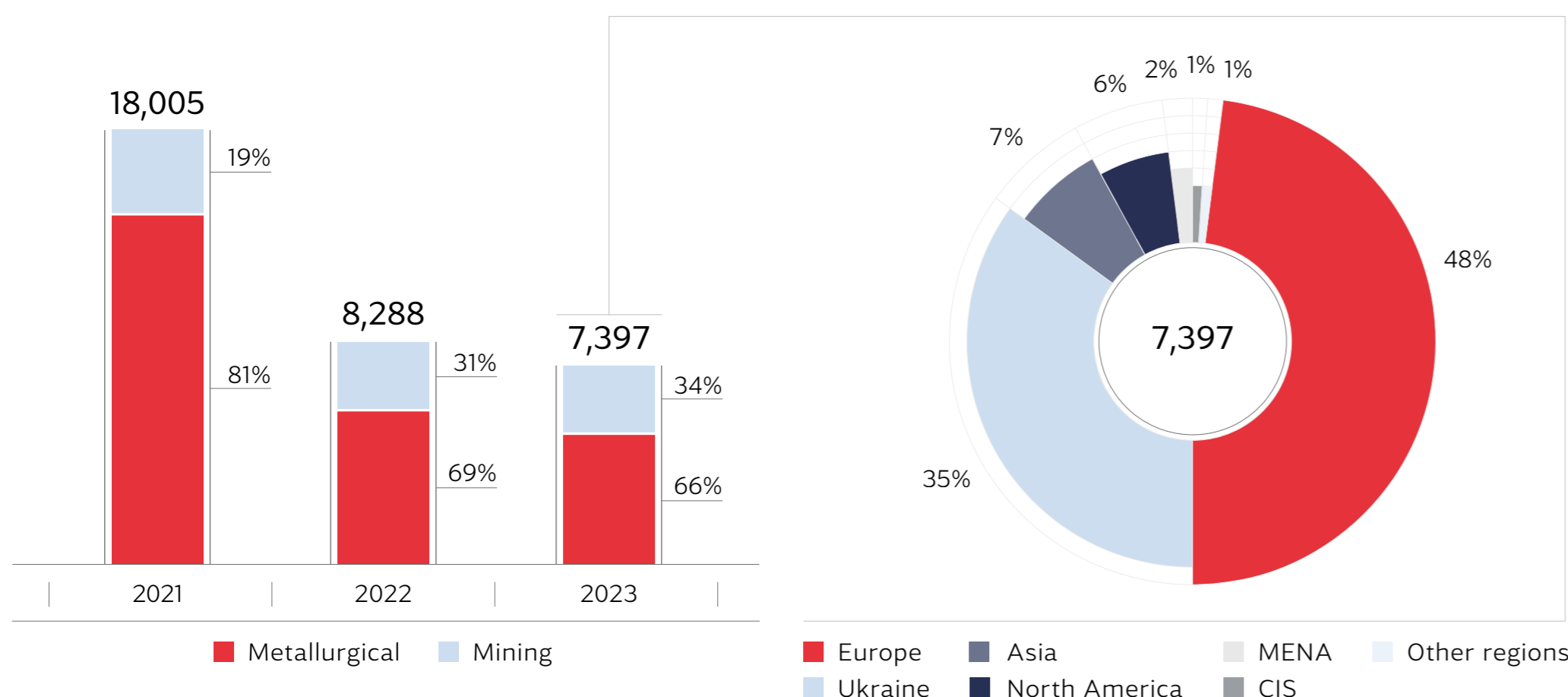
Sales to the CIS dropped by 74% year-on-year as the Group stopped trading with Russia and Belarus. The region's share in overall revenues decreased by two percentage points to 1%.

Revenues from other regions fell by 70% year-on-year and their share in total revenues declined by two percentage points to 1%.

¹ Europe excludes Ukraine, European CIS countries and Türkiye.
² Asia excludes the Middle East and Central Asia.

REVENUES

US\$7,397 mn | ▼ 11%



REVENUES BY MARKET

Metinvest's sales in Ukraine rose by 14% year-on-year to US\$2,628 million, mainly due to recovering demand for iron ore and coking coal from the domestic steel industry, as well as for flat and long products from the country's key steel consuming sectors. As a result, Ukraine's share in consolidated revenues grew by seven percentage points to 35%.

Sales to other markets fell by 20% year-on-year to US\$4,769 million in the reporting period, accounting for 65% of overall revenues, down from 72% in 2022.

Sales to Europe¹ fell by 13% year-on-year, mostly because of lower selling prices, decreased shipments of long products (down



REVENUES BY PRODUCT

METALLURGICAL SEGMENT

In 2023, the Metallurgical segment's revenues decreased by 15% year-on-year to US\$4,846 million, mainly driven by lower sales of semi-finished (down 34%) and finished (down 15%) products. The segment accounted for 66% of the overall top line, down three percentage points year-on-year.

During the reporting period, Metinvest sold 5,426 thousand tonnes of pig iron and steel products, of which 3,112 thousand tonnes were manufactured in-house and 2,314 thousand tonnes were purchased from third parties. This compared with a total of 5,684 thousand tonnes of pig iron and steel product sales in 2022, of which 3,800 thousand tonnes were made in-house and 1,884 thousand tonnes came from third parties.

Pig iron

In 2023, pig iron sales declined by 32% year-on-year to US\$315 million. First, the average selling price decreased. Second, sales volumes fell by 18% to 662 thousand tonnes, mainly because of a 69% reduction in deliveries of in-house goods amid lower production in 2023 and destocking in 2022. The share of resales in total volumes rose by 16 percentage points to 91%. North America and Europe remained key destinations for this product, accounting for 70% and 26% of all shipments in 2023, compared with 63% and 23% in 2022.

Billets

In 2023, sales of billets fell by 15% year-on-year to US\$358 million because of lower average selling prices. They followed the dynamics of the square billet CFR Türkiye benchmark, which decreased by 15% year-on-year. At the same time, sales volumes increased by 6% to 617 thousand tonnes because of greater production at Kamet Steel. Due to logistical constraints, available volumes were sold primarily to nearby markets. As such, shipments to Europe accounted for 68% of overall shipments (56% in 2022), while deliveries to MENA accounted for 20% of overall shipments (26% in 2022).

Slabs

There were no slab sales by the Group's consolidated subsidiaries in the reporting period due to the shutdown of the Mariupol steelmakers since February 2022.

Flat products

In 2023, sales of flat products decreased by 21% year-on-year to US\$2,396 million. This was driven primarily by lower average selling prices, in line with global benchmarks. Overall deliveries totalled 2,845 thousand tonnes, down 6%, from the Group's re-rolling operations and resales. The latter rose by 41% to 1,681 thousand tonnes, bringing the share of resales in total volumes to 59%, up 20 percentage points. Goods were distributed among markets depending on the availability of delivery routes. Sales to Europe, the key market for this product, rose by 322 thousand tonnes. The region's share in overall sales volumes totalled 71%, compared with 56% in 2022. Deliveries in Ukraine increased by 43 thousand tonnes and accounted for 25% of overall shipments, compared with 22% in 2022.

Long products

Sales of long products grew by 4% year-on-year to US\$951 million in 2023, driven by higher sales volumes. Shipments rose by 21% to 1,301 thousand tonnes amid greater output at Kamet Steel and the Bulgarian re-roller. Ukraine and Europe remained key markets for these products, accounting for 48% and 39% of total sales volumes, respectively, compared with 38% and 58% in 2022. In addition, the Group ramped up deliveries to North America, which accounted for 12% of total sales volumes in 2023. The average selling prices fell, following the square billet CFR Türkiye benchmark.

Tubular products

In 2023, sales of tubular products fell by 96% year-on-year to US\$1 million, caused by lower sales volumes amid the lack of production from Ilyich Steel from late February 2022.

Coke

During the reporting period, sales of coke rose by 13% year-on-year to US\$456 million. This was mainly driven by greater shipments, which increased by 26% to 1,143 thousand tonnes, primarily due to higher resales to the Metallurgical JV.

MINING SEGMENT

In 2023, the Mining segment's revenues were almost flat compared with 2022 at US\$2,551 million. The segment accounted for 34% of the overall top line (up three percentage points year-on-year).

Iron ore concentrate

In 2023, sales of merchant iron ore concentrate increased by 9% year-on-year to US\$744 million, as the Group revised its approach to presenting iron ore concentrate resales. Such resales totalled 3,207 thousand tonnes for US\$348 million of revenues in 2023. As a result, overall sales volumes increased to 7,340 thousand tonnes. At the same time, average selling prices were down as a substantial part of the 2022 volumes was sold before the Russian Aggression. Ukraine accounted for 41% of overall shipments, while other deliveries were equally distributed over Europe and Asia following the reopening of the Black Sea corridor.

Pellets

In 2023, pellet revenues increased by 29% year-on-year to US\$693 million. This was driven by a 70% rise in sales volumes to 5,299 thousand tonnes, largely due to demand from key customers. Most of the available volumes were distributed to Europe (84% in 2023, 86% in 2022) and, to a lesser extent, to Ukraine (15% in 2023, 11% in 2022). At the same time, average selling prices declined, primarily due to a year-on-year reduction in pellet premiums.

Coking coal concentrate

In 2023, sales of coking coal concentrate decreased by 9% year-on-year to US\$1,081 million. This was driven by a reduction in selling prices in line with the hard coking coal FOB Australia spot and LV FOB USEC benchmarks. At the same time, sales volumes increased by 32% to 4,462 thousand tonnes due to higher shipments from Pokrovske Coal and United Coal amid lower intragroup consumption. During the reporting period, United Coal distributed almost all its products to Europe, Asia and North America, with sales split almost equally between those regions. At the same time, Pokrovske Coal's shipments were distributed primarily in Ukraine, and, to a lesser extent, to Europe and Asia.



NET OPERATING COSTS

In 2023, net operating costs (excluding items shown separately) decreased by 9% year-on-year to US\$6,817 million. This was due to several factors³.

Specifically, the positive effect of the hryvnia's depreciation against the US dollar on costs was US\$300 million. Energy material costs decreased by US\$277 million, primarily as a result of a 56% decline in prices for natural gas, reduced consumption of natural gas and PCI, as well as enhanced energy efficiency. Operating foreign exchange losses fell by US\$252 million, mainly due to the revaluation of outstanding accounts payable balances and intragroup dividends receivable following the hryvnia's devaluation in the reporting period. Depreciation and amortisation decreased by US\$170 million. Raw material costs dropped by US\$31 million, primarily because of lower production of crude steel as a result of suspended operations at plants in Mariupol and Avdiivka.

As a percentage of consolidated revenues, net operating costs increased by two percentage points year-on-year to 92% in 2023.

ALLOWANCE FOR IMPAIRMENT OF ASSETS

As a result of the Russian Aggression, for the purposes of preparing the consolidated financial statements, the Group determined that it is not in a position to continue in the short-term perspective normal production operations by the entities whose assets are located on temporarily occupied territory, including assets of Azovstal and Ilyich Steel. As a result, the Group fully impaired these assets. In addition, Metinvest charged an allowance for impairment on tangible assets of its subsidiaries located on the territory controlled by Ukraine, which were heavily affected by hostilities, including those from physical damage. Also, the Group deconsolidated Metinvest Eurasia and Metinvest Distribution, its trading companies in Russia and Belarus, and ceased operations in those countries. This was followed by the launch of the liquidation of its subsidiaries located in both countries. In February 2024, after the reporting period, the liquidation process was completed for Metinvest Distribution.

Consequently, in 2022, the Group recognised an allowance for impairment of assets amounting to US\$2,224 million through the profit and loss, accounting for 27% of consolidated revenues. In 2023, the amount of allowance for impairment of assets decreased to US\$12 million, bringing its share of consolidated revenues down 27 percentage points year-on-year.

IMPAIRMENT OF FINANCIAL ASSETS

In 2023, the impairment of financial assets was US\$123 million, compared with US\$13 million a year earlier. As a percentage of consolidated revenues, the impairment of financial assets increased by two percentage points year-on-year to 2% in 2023.

FINANCE INCOME

In 2023, Metinvest's finance income was US\$31 million, accounting for 0% of consolidated revenues. This compares with US\$43 million in 2022, accounting for 1% of consolidated revenues.

FINANCE COSTS

In the reporting period, finance costs decreased by 58% to US\$279 million, primarily caused by an 87% year-on-year reduction of foreign exchange losses from financing activities coming mainly from intragroup borrowings. As a percentage of consolidated revenues, finance costs declined by four percentage points to 4%.

INCOME TAX EXPENSE

In 2023, the income tax expense grew by 11% year-on-year to US\$159 million, primarily as a result of the write down of deferred tax assets at some of the Group's assets.

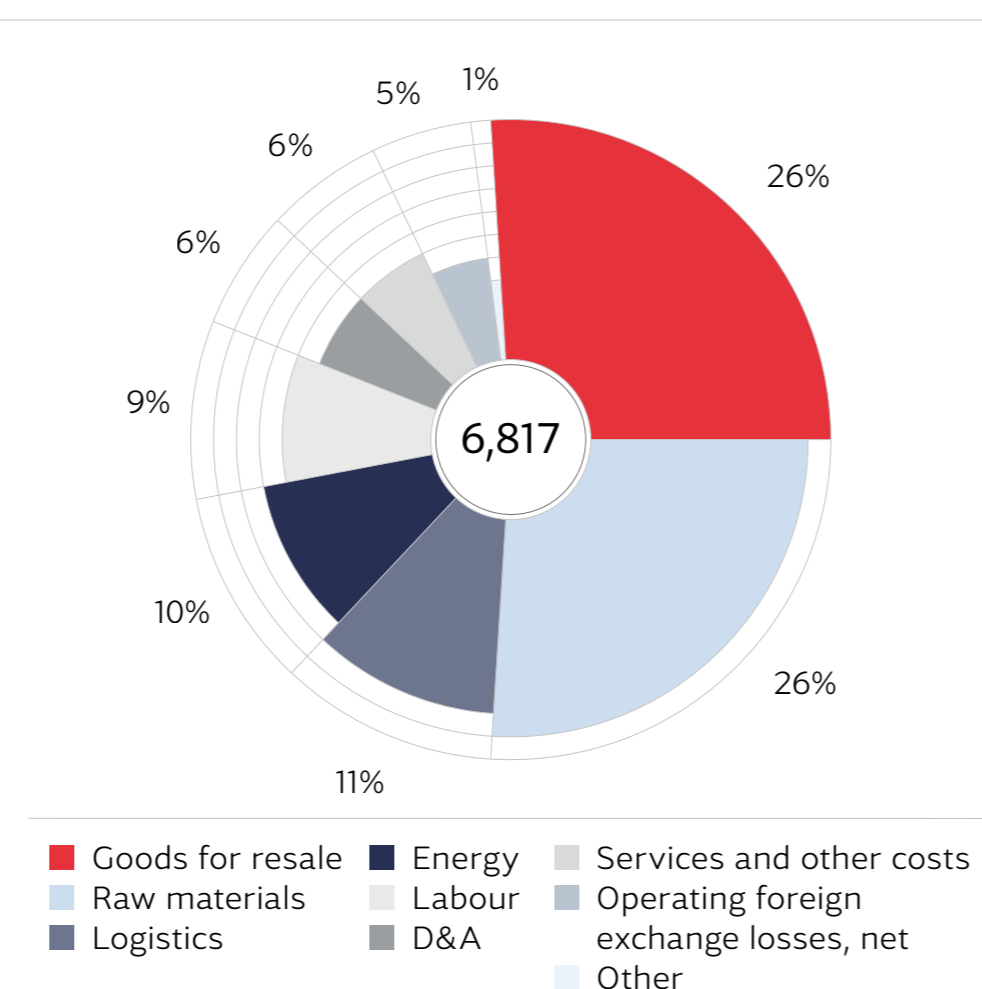
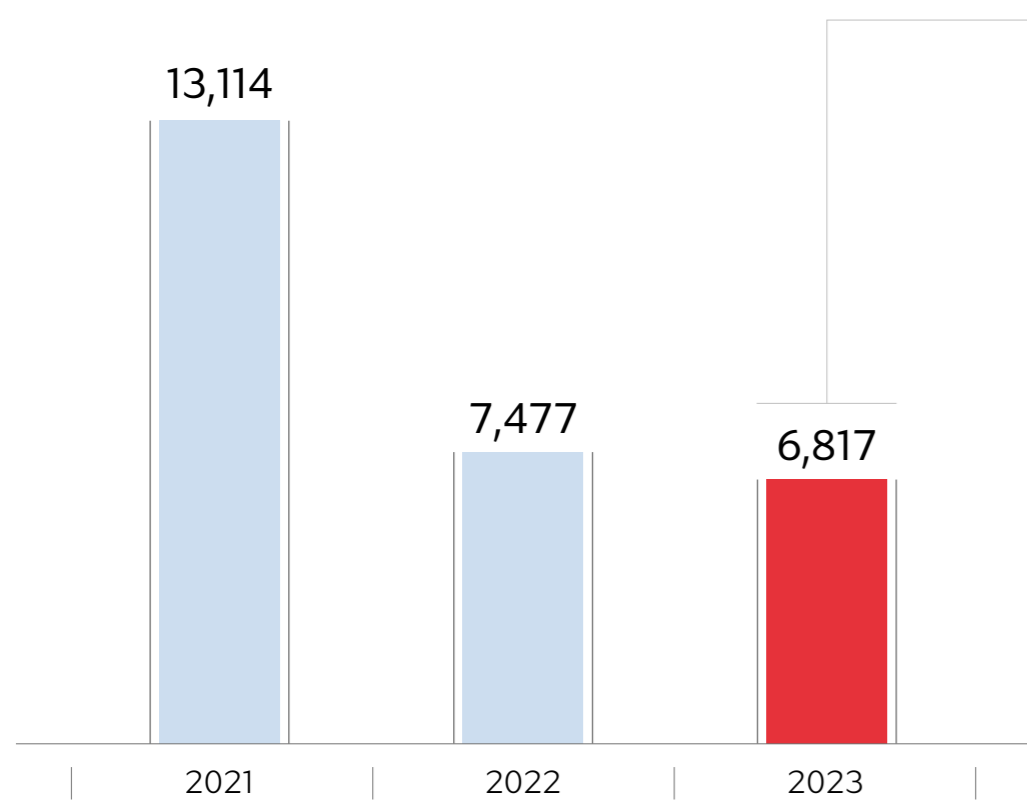
NET LOSS

In 2023, the net loss was US\$194 million, compared with a loss of US\$2,193 million a year earlier. This was due to the lower allowance for impairment of assets (US\$2,212 million), decreased net operating costs (US\$660 million) and reduced finance costs (US\$382 million). These factors were partly offset by lower revenues (US\$891 million), an increased loss on a contribution from associates and joint ventures (US\$226 million) and a higher impairment of financial assets (US\$110 million).

The net loss margin was 3% in the reporting period, compared with a net loss margin of 26% in 2022.

NET OPERATING COSTS

US\$6,817 mn | ✓ 9%



SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

In 2023, Metinvest's share in the net result of its associates and joint ventures was a negative US\$232 million, compared with a negative US\$6 million in 2022, on the back of the loss-making performance of each such entity.

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



EBITDA

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

In 2023, Metinvest's EBITDA was US\$861 million, down 54% year-on-year. The Mining segment's EBITDA amounted to US\$770 million (down 50%) and the Metallurgical segment's EBITDA was US\$159 million (down 40%). While corporate overheads decreased by 30% year-on-year to US\$72 million, compared with US\$103 million in 2022, the positive result from eliminations declined to US\$4 million, compared with US\$162 million in 2022.

As a result, in 2023, the Mining segment's contribution to the Group's EBITDA (before adjusting for corporate overheads and eliminations) stood at 83% (85% in 2022), while the Metallurgical segment's contribution grew to 17% (15% in 2022).

In 2023, the Group generated a positive EBITDA margin of 12%, down 11 percentage points. The Mining segment's EBITDA margin was 26%, 19 percentage points less year-on-year, while the Metallurgical segment's was 3%, down two percentage points.

The decrease in EBITDA was primarily driven by:

- lower sales of in-house products due to the effect of lower selling prices and volumes
- increased expenses on transportation of goods primarily due to extended logistical routes for Ukrainian goods because of constrained Black Sea commercial navigation
- greater freight costs upon the opening of the Black Sea corridor
- higher railway tariffs in Ukraine and the US
- reduced contribution from the two JVs
- higher other costs⁴.

Those factors were partly compensated by:

- reduced spending on raw materials⁵, primarily due to decreased consumption by the Mariupol steelmakers
- the positive effect of the hryvnia's depreciation against the US dollar on costs
- lower spending on energy materials
- strong results from operational improvements that enhanced energy efficiency, increased capacity utilisation during the night shifts, improved productivity of key equipment, and optimised consumption of raw materials, among other effects.

⁴ Other costs include labour, repairs and maintenance, purchases of semi-finished products, services and other costs, as well as the net result for resales.
⁵ Excluding purchased feedstock for re-rollers.

APPROACH TO TAX

Metinvest applies a methodical approach to overseeing its tax obligations and has a dedicated function within the Financial Directorate that ensures compliance with established external regulations and internal policies.

The Group is guided by the Tax Policy, which enshrines the following principles:

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

Metinvest's Tax Policy framework includes a mechanism for reporting policy violations through the Trust Line, supported by a centralised decision-making process. This forms part of a broader strategy to manage tax risks effectively, employing a structured approach that includes risk identification, assessment, mitigation and continuous monitoring.

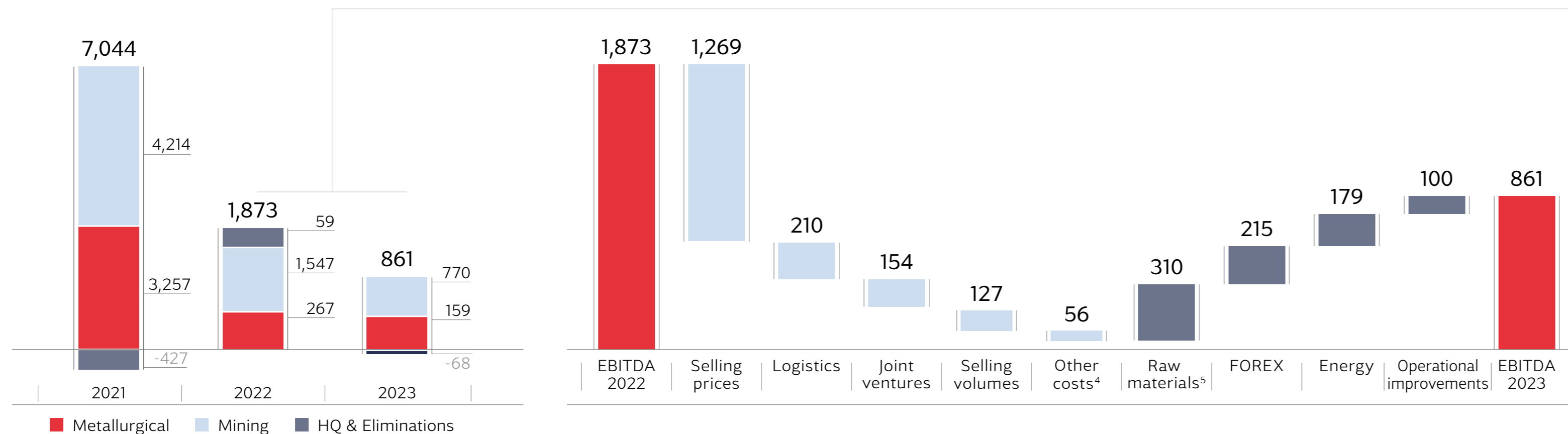
The process for ensuring compliance and the accuracy of tax disclosures involves thorough internal assessments. The Group's systematic interaction with tax authorities through regulated processes for audits and consultations reflects its commitment to maintaining a transparent relationship with fiscal bodies.

Metinvest's tax payments to the national and local budgets in the countries where it operates provide significant economic support for their development. In 2023, the Group made global tax contributions of US\$447 million, including US\$313 million in Ukraine.

EBITDA

US\$861 mn

∨ 54%





LIQUIDITY AND CAPITAL RESOURCES

Net cash from operating activities

In the reporting period, Metinvest's net cash flow from operating activities decreased by 50% year-on-year to US\$707 million, mainly due to a comparable year-on-year reduction in operating cash flow before working capital changes. Income tax paid declined by 49% to US\$145 million, while interest paid grew by 2% year-on-year to US\$167 million. Working capital release totalled US\$83 million, compared with an outflow of US\$68 million in 2022, following destocking of steel and coal products, as well as higher payables for resales, which were to a certain extent offset by higher receivables amid the reopening of Black Sea navigation.

Net cash used in investing activities

In 2023, net cash used in investing activities totalled US\$297 million, down 2% year-on-year. Total cash used to purchase property, plant and equipment (PPE) and intangible assets (IA) fell by 20% to US\$305 million, while proceeds from the sale of PPE amounted to US\$7 million, up from US\$1 million in 2022.

Interest received was US\$6 million, down from US\$16 million a year earlier. In 2022, the effect of proceeds from repayments of loans issued was US\$67 million, while other payments were US\$5 million (both effects were nil in 2023). In March 2023, Metinvest acquired 99.72% of Zaporizhia Casting and Mechanical Works for a consideration of US\$5 million to further enhance the repair service function within the Group.

Net cash used in financing activities

In 2023, net cash used in financing activities totalled US\$115 million, compared with US\$1,877 million in 2022. Repayment of loans and borrowings totalled US\$195 million, compared with US\$63 million in 2022, primarily on the redemption of bonds due in April 2023. The increase in net trade finance amounted to US\$70 million, compared with a repayment of US\$48 million in the previous year. No distributions were paid to the shareholders in 2023. Proceeds from loans amounted to US\$10 million, up from US\$3 million in 2022.

The cash balance jumped by 85% year-to-date to US\$646 million as at 31 December 2023.

CAPITAL EXPENDITURES

In 2023, CAPEX initiatives across all assets, including non-Ukrainian operations, were strategically adjusted to align with current operational and market realities.

Metinvest refined its capital investment approach in Ukraine in response to the complexities of the ongoing war. The Group emphasised the safety of personnel and preservation of equipment, as well as maintenance of essential production processes.

These considerations led Metinvest to reduce capital expenditure by 20% year-on-year to US\$284 million in 2023. The share of investments in maintenance grew by six percentage points year-on-year to 86% of overall expenditure, while strategic investments were 14% of the total amount.

Despite the suspension of development projects in Ukraine, the Group retained a portfolio of strategic initiatives crucial for its immediate sustainability and future expansion in the Mining and Metallurgical segments. Targeting CAPEX to its business needs, Metinvest continued to refine project scopes and budgets to enhance cost efficiencies in alignment with asset configuration.

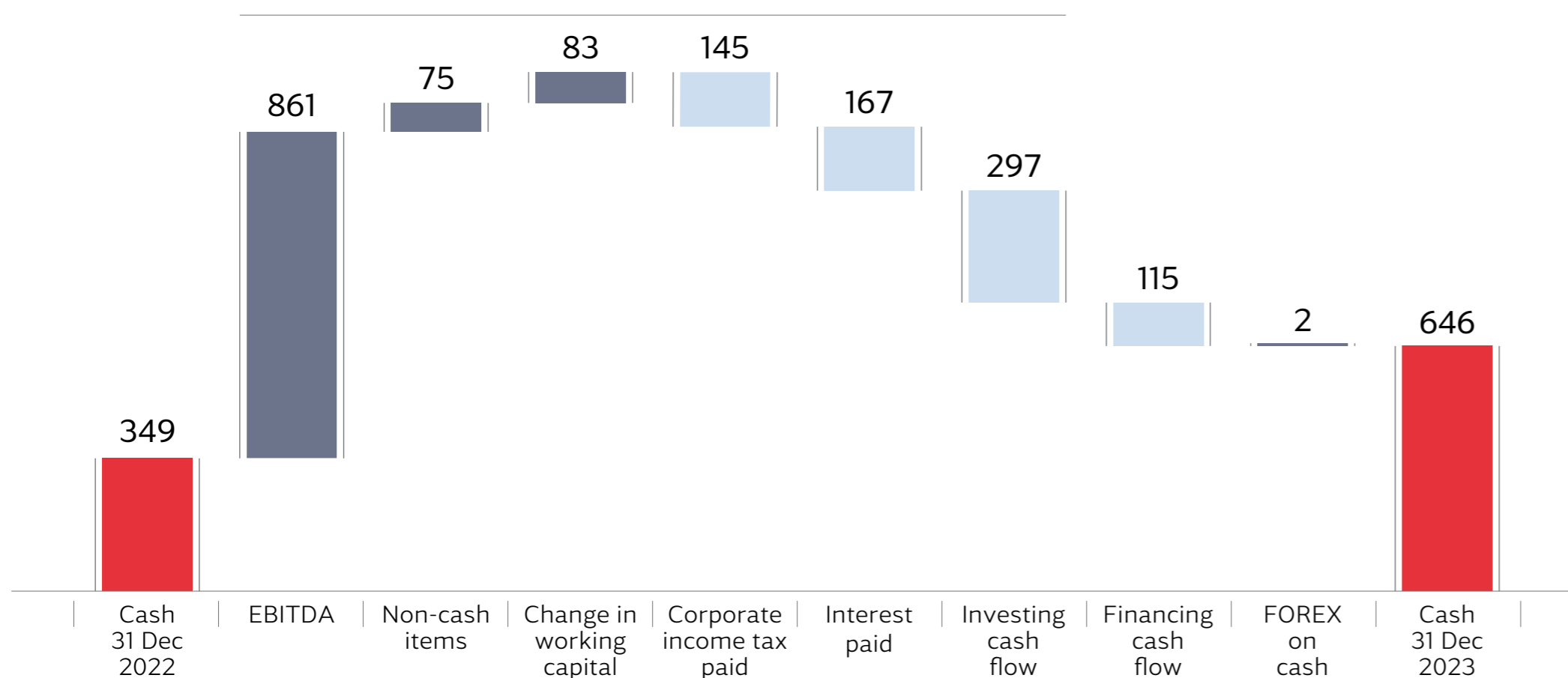
Although the Group postponed several environmental projects, it remains committed to ecological stewardship.

Despite the constraints imposed by the realities of war, Metinvest is carefully preparing for future opportunities where possible. Among the important initiatives is Project Adria, a steel production facility in Italy. For more details, please see page 49.

⁶ In August 2021, Metinvest (through Dnipro Coke) acquired assets relating to the integral property complex of PJSC Dneprovsky Iron & Steel Works (DMK) in Kamianske, Ukraine. In February 2022, Dnipro Coke was renamed Kamet Steel.

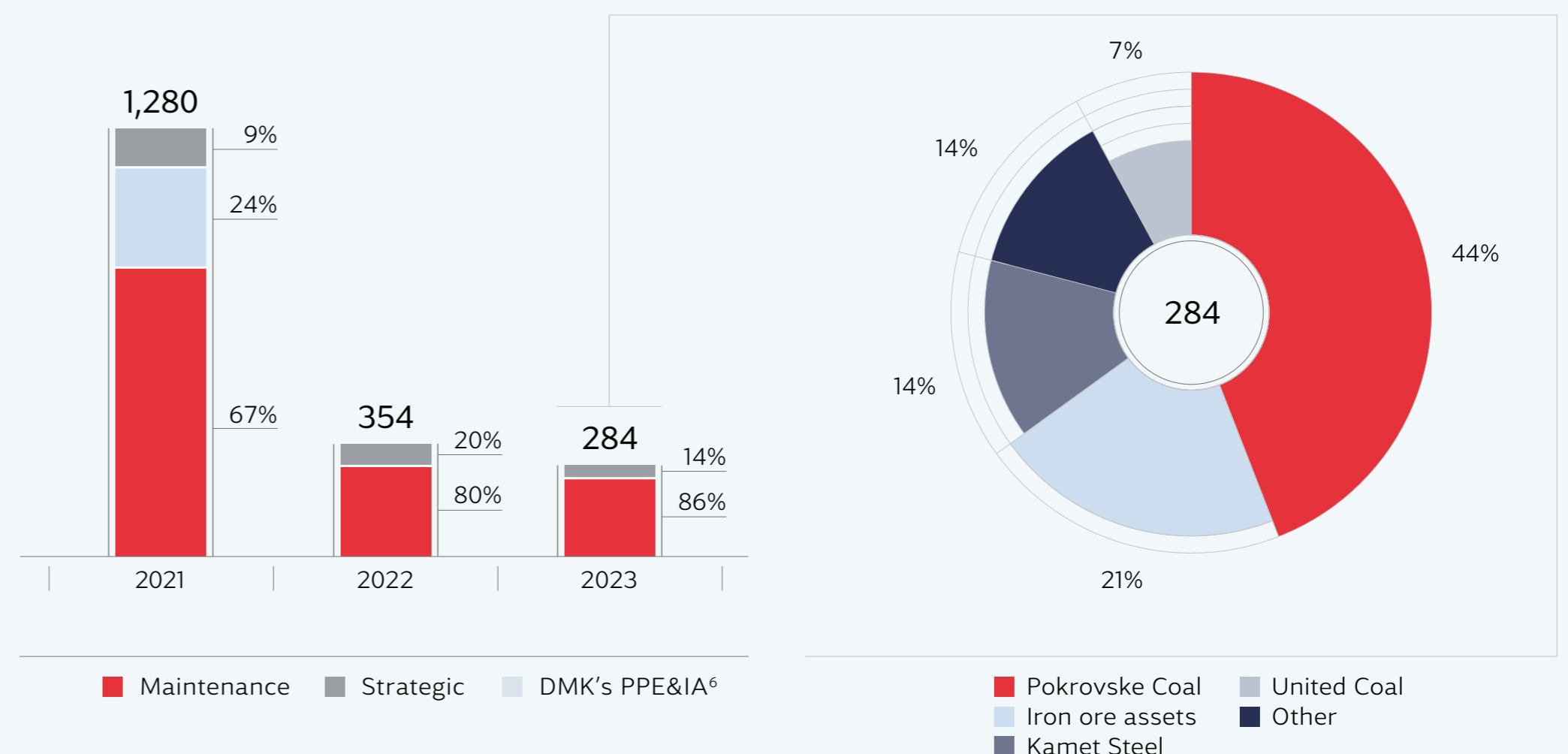
CASH FLOW

Free cash flow: US\$410 mn



CAPEX

US\$284 mn | ↓ 20%



Legend for donut chart: Pokrovske Coal, Iron ore assets, Kamet Steel, United Coal, Other



DELEVERAGING

The Group has continued to focus its efforts towards further deleveraging.

Even in the face of war-related disruptions, the Group has repaid more than US\$500 million of debt from the start of the full-scale invasion through to the end of June 2024.

TOTAL DEBT DECREASE
SINCE THE OUTBREAK OF WAR

OVER **US\$500 mn**

2023 IN FOCUS

April 2023 witnessed a landmark event not only for Metinvest, but for the entire Ukraine-related corporate space during the war. The Group redeemed the remaining principal amount of its bonds due 2023 on time and in full. This was a remarkable achievement in the context of the ongoing war: despite the extraordinarily challenging environment, Metinvest demonstrated its strong commitment to bondholders.

As a result, as at December 2023, the Group's total debt⁷ was US\$1,981 million (down 5% year-on-year). Also, net debt⁸ was US\$1,335 million (down 23% year-on-year), while the ratio of net debt to EBITDA was 1.6x (up 0.7x year-on-year).

Bonds listed on the Euronext Dublin Stock Exchange continued to account for the lion's share of Metinvest's debt portfolio: 84% as at 31 December 2023, compared with 86% as at 31 December 2022.

On a separate matter, in 2023, the Group agreed with one of its lenders under a bilateral term loan to replace certain covenants involving tangible net worth with the current ratio to comply with financial covenants.

AFTER THE REPORTING PERIOD

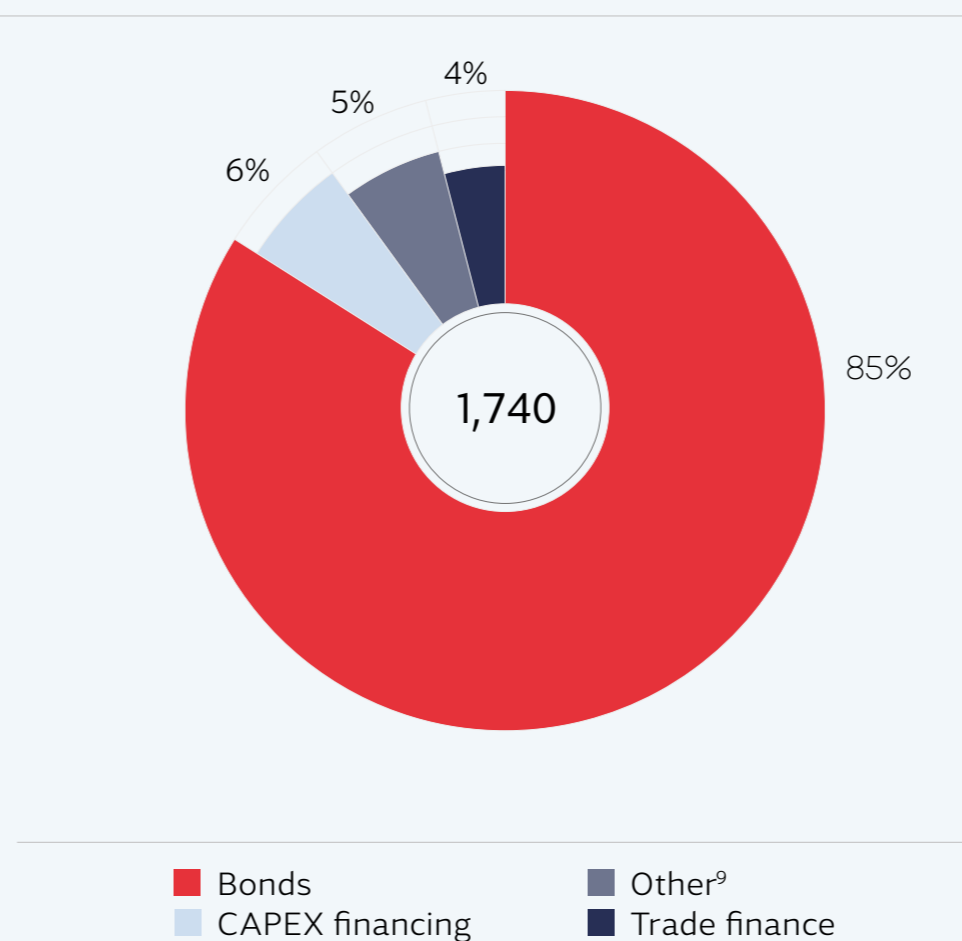
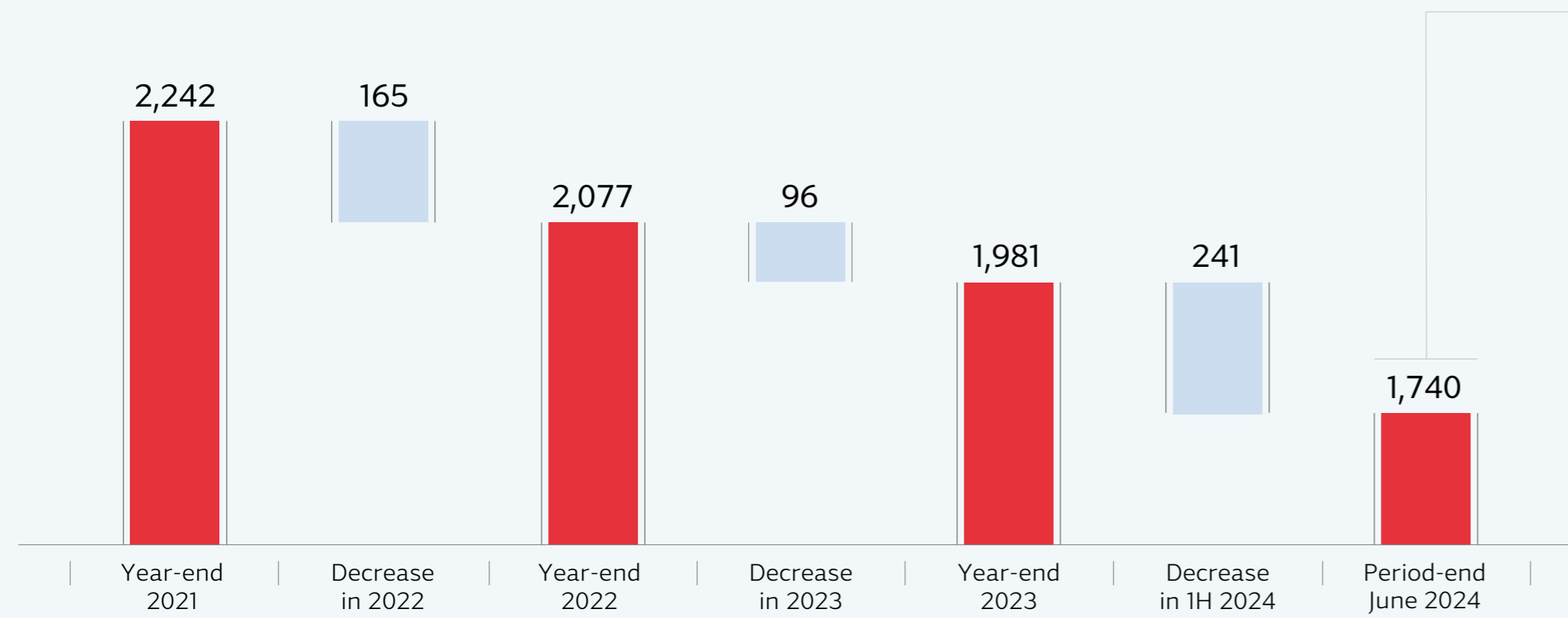
Metinvest continued its proactive deleveraging path. In the first half of 2024, the Group repurchased and promptly cancelled afterwards around EUR75 million of its bonds due 2025.

Furthermore, in early May 2024, Metinvest completed a cash tender offer and accepted EUR37 million worth of 2025 bonds and US\$56 million of 2026 bonds.

Consequently, outstanding principal under 2025 bonds and 2026 bonds fell to EUR183 million and US\$438 million, respectively. Based on preliminary results, as at 30 June 2024, the Group's total debt decreased further to US\$1,740 million. Bonds accounted for 85% of the total portfolio.

TOTAL DEBT DYNAMICS

Overall debt repayment, 2022 - 1H 2024: US\$502 mn



⁷ Total debt is calculated as the sum of bank loans, non-bank borrowings, bonds issued, trade finance and lease liabilities.
⁸ Net debt is calculated as total debt less cash and cash equivalents.
⁹ Debt resulting from the consolidation of Pokrovske Coal in March 2021, other bank loans and other lease liabilities.



DIGITAL REVIEW

DIGITAL RESILIENCE

Metinvest continued to reinforce its cybersecurity foundations in 2023, emphasising efficiency, flexibility and comprehensive risk management. The Group's strategic advancements and robust information security efforts strengthened its digital resilience.

EFFICIENCY AND FLEXIBILITY

Metinvest's digital initiatives in 2023 were focused on operational efficiency, continuity of IT services and flexible project portfolio management. The Group's IT function continued to adapt to the changing wartime environment. Metinvest prioritised the implementation of digital projects at its repair and maintenance assets in Ukraine, as well as at the Group's non-Ukrainian assets.

Despite the uncertainties that Metinvest faced in 2023, it expanded its efforts under the digital roadmap adopted in 2020. During the reporting period, the Group resumed certain digital roadmap projects that were suspended in 2022. For instance, Central Iron Ore and Northern Iron Ore began to automate electricity metering to move to an energy consumption group with a more cost-effective tariff.

Initiatives related to improving conditions for remote work also played a significant role in the project portfolio for 2023. Metinvest focused on IT security and operational efficiency with the aim of enhancing digital interactions and process optimisations across the Group. This included advancing long-term projects such as implementing a secure cloud-based system for storing original electronic documents, enhancing the reliability and accessibility of vital records.

Metinvest also expanded the reach of its Metapolis digital workplace, a cornerstone of its operational framework that provides employees with seamless access to business systems, corporate knowledge and internal services.

During the year, the Group also made additional progress with the expansion of SAP solutions. For example:

- trading companies Metinvest Polska and Metinvest-SMC implemented SAP-based CRM systems as part of the core transformation project for the Group's sales function
- the Group launched a programme to develop the SAP B1 and AS400 systems in place at the re-rollers in Italy
- Metinvest Shipping and Kamet Steel launched the SAP ERP global template
- the Group introduced a data governance project to consolidate corporate information in various business projects, including sales and HR data management.

INFORMATION SECURITY VIGILANCE

The Group's information security efforts are governed by the Information Security Policy, which was updated in January 2023. It is supported by more than 15 internal documents covering topics such as data safety and privacy, including the Access Management Procedure, Risk Management Procedure and Information Security Incident Management Procedure. Also, Metinvest is guided by the Cybersecurity Strategy 2022-2026, which takes into account the realities of operating in a wartime environment. In addition, it ensures compliance with applicable laws, including the General Data Protection Regulation (GDPR).

To protect the integrity of its information security systems, Metinvest has certified and externally assured their compliance with ISO 27000¹, the leading international standard in this field.

The information security team provides monthly updates on the current status, key metrics and cybersecurity incidents to the executive team for review.

During the reporting period, the Group's cybersecurity centre maintained 24/7 operations. It repelled targeted attacks on Metinvest's IT infrastructure and countered the heightened cyber threats. This included both phishing and advanced cyber attacks aimed at compromising or disabling critical IT systems.

To help detect and localise hidden threats, the cybersecurity centre also introduced a threat hunting process that significantly improved its defensive capabilities.

The Group has comprehensive prevention measures in place, including:

- ongoing vulnerability assessments and remediation across the IT infrastructure
- regular simulations of hacker attacks, with a focus on phishing due to its high risk
- annual testing of critical incident response plans

Among measures introduced at the asset level in 2023, Kamet Steel enhanced the security of its automated control systems for technological processes, allowing it to monitor them for cyber attacks and, if detected, respond promptly and localise them. The Group has similar measures already in place at other production assets.

To help enhance digital safety awareness, the Group held training sessions for employees covering relevant topics involving fraud prevention and working with confidential information.

¹ This certification is held by Metinvest Digital and Metinvest Holding.



M E T I N V E S T

SUSTAINABILITY PILLAR

In 2023, Metinvest directed significant resources to aid Ukraine's defenders, provide for communities through its humanitarian efforts and support its people, including veterans returning to the workforce.

The Group upheld its long-term commitment to environmental protection while also working to enhance its climate-related reporting practices.

Metinvest remained unwavering in its dedication to safety.



Amid wartime conditions, the Group focused its efforts on helping Ukraine and Ukrainians.



SUSTAINABILITY APPROACH

AN ALIGNED STRATEGY

Metinvest integrates sustainability principles across its operations with the intention of fostering a resilient and ethical business mindset. The Group strives to enhance its ESG performance and contribute to the achievement of the UN Sustainable Development Goals.

ADHERENCE TO SUSTAINABILITY

Metinvest follows the sustainability framework detailed in the SCM Sustainability Policy. It directs the Group's efforts towards fostering sustainable development and establishing an ethical business model.

Metinvest's sustainability approach is centred around key environmental, social and governance aspects. These areas, aligned with the Sustainability Policy, are identified by assessing material topics that have a significant current or potential effect on society, the environment and the business itself, among other factors.

They serve as the cohesive, strategic foundation for the Group's sustainability initiatives and projects.

In line with the document, Metinvest adheres to the following principles:

Take a whole system approach

The concept of sustainable development is embedded into the Group's business strategy.

Work efficiently and effectively

Metinvest follows modern business approaches, improves its business processes and procedures, uses resources sustainably and looks for new business development opportunities.

Respect interests of partners, customers and society

The Group respects the interests of partners, customers and society and builds relationships with them founded on the principles of integrity, honesty, openness and mutual trust.

Provide good and safe working conditions

Metinvest recognises that its employees are its most important asset. The Group is committed to providing them safe working conditions, competitive remuneration and social benefits.

Respect human rights

The Group respects and observes human rights and freedoms and has zero tolerance for discrimination.

Improve living standards in local communities

Being a responsible business, Metinvest contributes to raising the living standards and promoting sustainable development in the regions where it operates.

Commit to preventing and reducing the environmental footprint

The Group is committed to continuously make efforts to reduce its environmental impact.

METINVEST'S SUSTAINABILITY APPROACH





STAKEHOLDER ENGAGEMENT

In 2023, Metinvest continued to strengthen its cooperation with all stakeholder groups.

Employees. Metinvest focused on supporting its employees through the challenges posed by the war. The Group worked to retain and attract talent while providing adaptation assistance, extensive psychological support and humanitarian aid. It also prioritised reintegration of veterans.

Customers. Metinvest expanded its presence in the EU, including by establishing a new logistics centre in Poland. The Group strived to maintain a regular dialogue with its existing and new customers, while also re-establishing contact with those it was unable to serve while Black Sea navigation was closed.

Suppliers and contractors. Metinvest engaged with suppliers and contractors to ensure a steady flow of raw materials and maintain essential services under changing conditions. The Code of Business Partnership and other corporate regulations were vital in upholding clear ethical standards and setting requirements for both current and new partners.

Local communities. The Group communicated with local communities in Ukraine, identifying and addressing their evolving needs. It collaborated with partners, NGOs, Ukrainian defenders and representatives of local authorities to develop and implement much-needed wartime initiatives.

Equity and debt providers. The Group fulfilled its contractual obligations to debt providers on time, including the repayment in April 2023 of a bond issued by Metinvest B.V. This set a strong precedent for Ukraine-related bond issuers.

Government authorities. The Group engaged with government authorities through conferences and participation in business association working groups. This collaboration addressed topics such as collective bargaining and vocational education in Ukraine, enabling Metinvest to advocate for appropriate industry standards and policies.

Media. The Group maintained a steadfast commitment to transparency in its media engagement, respecting its vital role in holding the business accountable to society.

ESG RATINGS

Independent ESG ratings are instrumental in gauging Metinvest’s environmental, social and governance performance, and identifying areas for future development. As of the end of 2023, the Group had ESG ratings from three internationally recognised agencies: MSCI, S&P and Sustainalytics.

MSCI

ESG Rating
BB

MSCI assesses companies based on their industry-specific ESG risk exposure and ability to manage those risks relative to peers on a scale ranging from ‘CCC’ (the lowest) to ‘AAA’ (the highest).

In January 2023, MSCI affirmed its ESG Rating for Metinvest at the level ‘BB’.

The agency noted the Group’s leading position in occupational health and safety programmes, which extend to contractors, while management remuneration is linked to safety performance. In addition, MSCI assessed business ethics practices and labour management initiatives as strong.

The assessment was based on 2018-2020 data.

After the reporting period, in May 2024, MSCI affirmed its ESG Rating for Metinvest at ‘BB’.

The assessment is based on 2020-2022 data.

MSCI’s latest update noted that the Group had a strong safety policy in place and its LTIFR in 2022 (0.977) was significantly below the industry average. It also highlighted the disclosure of water management efforts, including water reuse and recycling to reduce dependence on freshwater.

S&P

CSA Score ESG Score
32 **37**

The S&P Global Corporate Sustainability Assessment assigns a Global Corporate Sustainability Assessment (CSA) Score (based on public disclosures) or Global ESG score (based on the CSA results and integrating modelling approaches). Both use a wide range of industry-specific sustainability criteria from 0 to 100 (100 being the maximum, the higher the better).

In March 2023, S&P assigned a debut Global CSA Score to Metinvest of 37. The rating later improved to 38.

In January 2024, after the reporting period, S&P revised its Global CSA Score for Metinvest to 31 from 38, mainly as a result of methodology changes. Later, the rating improved slightly to 32.

In 2023, S&P introduced a Global ESG Score. The Group was given 37 points.

The agency recognised Metinvest’s business ethics practices as being significantly stronger than the industry average. It also assessed the Group’s approaches to water management, biodiversity and social impacts on communities as stronger than the industry average.

The assessment was based on 2018-2022 data.

SUSTAINALYTICS

ESG Risk Rating
39.5

Sustainalytics evaluates the extent of a company’s unmanaged ESG risks on a scale from 0 (lowest risk) to 100 (highest risk).

In February 2023, Sustainalytics improved Metinvest’s ESG Risk Rating to 40.5 from 40.9 after an annual review. It was further improved to 39.5 in 2024, after the reporting period.

The agency assessed the Group’s management of ESG risks as strong, mentioning that Metinvest strengthened its occupational health and safety measures, as well as human resources strategy.

The assessment was based on 2019-2021 data, but included the risks associated with the full-scale war in Ukraine, which are beyond Metinvest’s control.

Starting from 2024, Sustainalytics decided to stop providing solicited ESG ratings to privately-owned companies.

As a result, the Group’s ESG Risk Rating was terminated in May 2024.



UN SDG CONTRIBUTION IN 2023

Metinvest has been a member of the UN Global Compact since 2010 and adheres to its Ten Principles of Sustainable Development, which cover human rights, labour relations, environmental protection and anti-corruption.

The Group strives to advance the achievement of the UN Sustainable Development Goals, prioritising areas with the potential for it to make the most significant contribution.

The full-scale invasion of Ukraine has had a significant impact on Metinvest’s business and initiatives aimed at advancing SDG achievement. The Group has dedicated itself to supporting the country and its people through the hardships of war.

Despite these obstacles, Metinvest continues to contribute to the achievement of the UN SDGs, focusing primarily on the five most relevant to its long-term business objectives:

- SDG 8 (Decent Work and Economic Growth)
- SDG 9 (Industry, Innovation and Infrastructure)
- SDG 11 (Sustainable Cities and Communities)
- SDG 12 (Responsible Consumption and Production)
- SDG 13 (Climate Action).

CONTRIBUTION TO PRIORITISED SDGs



- Maintain operational efficiency and conduct critical repairs
- Provide medical, psychological and other assistance to affected employees and their families
- Develop a comprehensive programme for adaptation and integration of military veterans to civilian life
- Increase salaries and enhance the motivation system



- Work with the Ukrainian government and businesses on the post-war reconstruction of Ukraine
- Diversify business activities to support the Group’s shift towards green steel manufacturing practices
- Enhance digital transformation and improve information security
- Expand educational programmes at Metinvest Polytechnic



- Provide humanitarian aid to affected people in Ukraine through the Saving Lives humanitarian aid centre
- Support defenders with protective and other equipment
- Equip shelters for communities to safeguard them from shelling
- Provide hospitals with medicines, equipment and consumables
- Restore damaged infrastructure



- Improve energy safety management to maintain functionality and minimise losses from forced shutdowns and production cutbacks
- Use innovative, resource-efficient technologies
- Recycle and reuse waste and by-products from steelmaking and mining
- Strive to increase consumption of reused and recycled water



- Implement energy efficiency programmes
- Enhance carbon emissions reporting
- Improve the climate governance and risk management systems
- Assess climate change risks and opportunities using scenarios recommended by the Paris Agreement

OTHER SDGs





SUPPORT FOR UKRAINE AND COMMUNITIES

TARGETED AID

Throughout 2023, Metinvest’s community-support efforts focused primarily on initiatives related to the impact of the war in Ukraine. The Group provided significant assistance to Ukraine’s defenders, its employees affected by the hostilities, and a wide range of humanitarian, medical and other projects.

HELPING UKRAINE AND ITS PEOPLE

In 2023, Metinvest continued its strategic pivot from pre-war priorities like social infrastructure, education, sport and culture. The focus shifted to addressing the urgent needs of local communities enduring the second year of the full-scale war in Ukraine.

The Group worked diligently to protect the country’s defenders, deliver humanitarian and medical aid, and support its employees.

The majority of humanitarian assistance is channelled through the Saving Lives initiative, launched in 2022 in coordination with the Rinat Akhmetov Foundation. Bolstered by ten foundations, NGOs and over 250 global donors, it focuses on delivering humanitarian aid kits, medicines and medical equipment, psychological support, and provisions for prosthetics and rehabilitation.

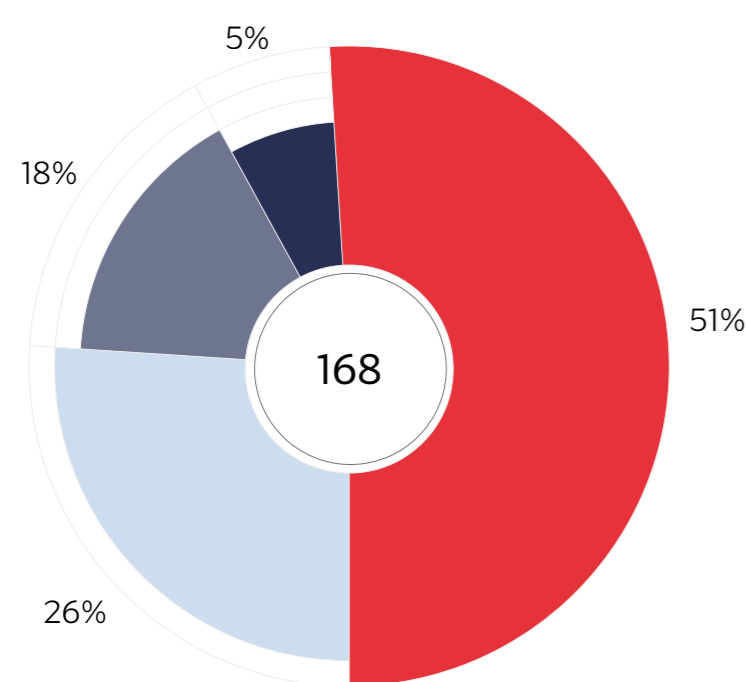
Additionally, Metinvest aligned its efforts with Rinat Akhmetov’s Steel Front initiative, which consolidates SCM businesses’ contributions, offering comprehensive support to Ukrainian defenders with gear, tactical and medical equipment, vehicles and steel products from its facilities for frontline use. For more details about these efforts, please see pages 34-35.

Overall, since the outbreak of the war and through the end of the reporting period, Metinvest, its joint ventures and associated companies have allocated around US\$168 million¹ to support its communities and employees. As at June 2024, this number had increased to US\$212 million.

¹ It includes all cash payments and other contributions made by the Group. Unless otherwise indicated, all amounts related to aid and other support presented in this section include the Group, its joint ventures and associated companies.

SPENDING FOR 2022-2023

US\$168 mn



- Support to defenders
- Aid to employees
- Medical aid
- Humanitarian aid and other projects

GENERAL APPROACH

Although Metinvest has adapted its social spending priorities to the wartime reality, its community engagement remains grounded in a consistent and accountable process.

Oversight and responsibility for implementing community projects at the regional level are delegated to the Regional Development Department. Until July 2023, it was part of the Sustainable Development and People Management Directorate. Now, it is subordinate to the Operations Directorate. The executive team’s Project Office also plays an important role in efforts to support Ukraine’s defenders. Metinvest B.V.’s Supervisory Board approves the budget for local community initiatives.

The Group’s work in this area is guided by an internal regulation: the Approaches and Principles of Social Spending and Local Community Engagement.

It establishes priorities, project selection criteria and the approach to monitor and assess initiatives that Metinvest undertakes.

The regulation outlines the following guidance:

Comprehensive approach.

Take a comprehensive approach to social investment to solve urgent problems more effectively and contribute to regional development.

Partnership.

Join forces with stakeholders, including local authorities, residents and public organisations, to develop and implement social projects.

Relevancy and efficiency.

Strive to improve the efficiency of social investment management and its relevance.

Strategic focus.

Take a strategic approach to social investment, planning activities for the long term and with a significant impact.



SUPPORT TO DEFENDERS

US\$86 mn

Since the outbreak of the war and through to the end of the reporting period, Metinvest allocated around US\$86 million¹ to support Ukraine's defenders as part of the Steel Front initiative. This made the Group the largest donor to Ukraine's armed forces among private businesses in the country according to Ukrainian media publication NV².

This substantial contribution enhanced Ukraine's defensive capabilities through the provision of essential gear, tactical and medical supplies, and much more.

Metinvest's efforts encompassed a broad range of assistance, from the supply of personal equipment to the implementation of innovative projects aimed at bolstering frontline defences and logistical support. Key initiatives included developing advanced protective structures and supporting de-mining and tactical medicine in Ukraine.

The Group's commitment extended beyond immediate tactical support, focusing on the well-being and effectiveness of Ukraine's defenders through strategic partnerships and the development of infrastructure projects.

For more details about the Group's support for Ukraine's defence forces, please see page 35.

AID TO EMPLOYEES

US\$44 mn

Metinvest spent over US\$44 million¹ on initiatives aimed at ensuring the well-being of its employees from the start of full-scale war and through to the end of the reporting period.

The Group provided temporary housing support, medical assistance, rehabilitation and other forms of aid to employees affected or displaced by the hostilities. It also helped its people with the training and requalification needed to take new positions at its assets.

Metinvest offered financial assistance to wounded staff and family members, as well as to the families of employees who were killed and to personnel who lost family members.

In addition, Metinvest paid monthly financial assistance to help internally displaced employees and their families evacuated from the war zone to cover rent in cities where it has operating assets.

The Metinvest-Together! service provided psychological support for employees and their family members in a time of profound stress and uncertainty. During 2022-2023, it conducted over 5,000 individual and group consultations for staff and their family members.

In addition, more than 680 children of the Group's employees attended various psychological rehabilitation courses, including at summer camps.

Metinvest also placed a significant emphasis on providing employees returning as veterans from military service with the support they need to recover, rehabilitate and reintegrate back into the workforce. For more details, please see page 37.

HUMANITARIAN AID AND OTHER SUPPORT

US\$30 mn

During 2022-2023, Metinvest allocated around US\$30 million¹ for humanitarian aid and other support projects intended to help local communities cope with the impact of the fighting in Ukraine. The Group assisted elderly people, single mothers, military families, large families and internally displaced persons through Saving Lives. Metinvest also helped to deliver targeted humanitarian aid to affected areas. Over 660,000 humanitarian aid kits were distributed to more than 500,000 people in need. Additionally, in 2023, the Group's non-Ukrainian assets helped to organise various charity events and auctions in collaboration with partners and customers to help fund humanitarian initiatives.

Metinvest supported several major projects in its communities that suffered from indiscriminate shelling. These projects helped to repair damaged housing, arrange shelters, renovate preschools and healthcare facilities and provide clean drinking water, among other assistance.

In 2023, the Group also collaborated with SCM, the Mariupol City Council, the Donetsk Regional Administration, USAID, the World Bank and the European Bank for Reconstruction and Development on the Mariupol Reborn project, which aims to outline a post-war plan for the city. Metinvest contributed the Steel Dream concept, applying modular steel designs to enable the swift reconstruction of Mariupol.

In addition, the Group became an operational partner of the Heart of Azovstal project, launched in February 2023 as part of Steel Front initiative. It aims to provide dedicated assistance to Mariupol's defenders and their families. Its programmes cover health, employment, housing, family support, legal assistance and protection of rights.

MEDICAL AID

US\$8 mn

Metinvest provided vital healthcare support, including supplies of medicines, equipment and consumables for hospitals in Ukraine. The Group's spending in this area totalled US\$8 million¹ during 2022-2023.

Around 1,200 adults and children affected by the war underwent psychological rehabilitation through the Unbreakable Mum programme and at summer camps. This included people who had been internally displaced, lost a family member or experienced occupation.

Around 3,000 psychological support sessions were conducted at the Oplich Hub in Zaporizhzhia, a joint initiative launched in 2023 by Saving Lives and the UN Global Compact Ukraine. It aims to improve the emotional well-being of Ukrainians and help them cope with stress.

In addition, more than 30 people received prostheses through the Protez Hub, a prosthetics treatment and rehabilitation initiative supported by Saving Lives. The hub also made 3,000 special self-help backpacks for amputees. The programme included mobilised employees who had been evacuated from Mariupol, as well as those affected by shelling of civilian buildings.

Saving Lives also supported a mission to share the experience of prosthetics specialists and a dedicated online educational portal helping over 3,000 people to complete specialised training courses. In addition, it joined an international initiative to provide surgery for face, head and neck injuries.

² NV rating of the largest supporters of defence efforts (April 2024).



FORGING UKRAINE'S DEFENCE FRONTLINE

In an unprecedented display of corporate solidarity, Metinvest's support for Rinat Akhmetov's Steel Front defence initiative has positioned the Group as a pillar of strength for Ukraine amid the Russian Aggression.

Steel production for the front line

Metinvest launched the production of specialised steel for armour plates, an essential component for bulletproof vests and vehicle shields.

The Group also addressed the urgent need for frontline protection by developing and delivering 330 mobile shelters and launching the production of steel underground command posts. Using multiple modules, they provide separate spaces for work, living and rest, and are equipped with all necessary utility and communication systems.

In addition, Metinvest has created and delivered decoys helping to divert enemy forces and conserve real military assets. On the front line, 'lancet catchers' are protecting equipment against drone strikes. Mobile buggies made from the Group's steel help defenders move quickly between positions.

More than 80,000 anti-tank hedgehogs and spiked chains to immobilise wheeled vehicles have been produced from Metinvest's steel. The Group has also provided materials and equipment for the construction of fortifications and digging trenches.

Equipment and supplies

Metinvest has established systematic supplies of equipment to the frontline to strengthen defence capabilities. In particular, the defenders have received surveillance drones, thermal imagers, communication equipment, backup power systems and vehicles for various purposes. The Group's Ukrainian assets have already provided more than 500 vehicles and around 100 ambulances. In addition, its specialists carry out major vehicle repairs for the army. Metinvest has also manufactured or purchased 150,000 bulletproof vests, 25,000 helmets and 31,500 first aid kits and haemostatic tourniquets for Ukraine's defenders.

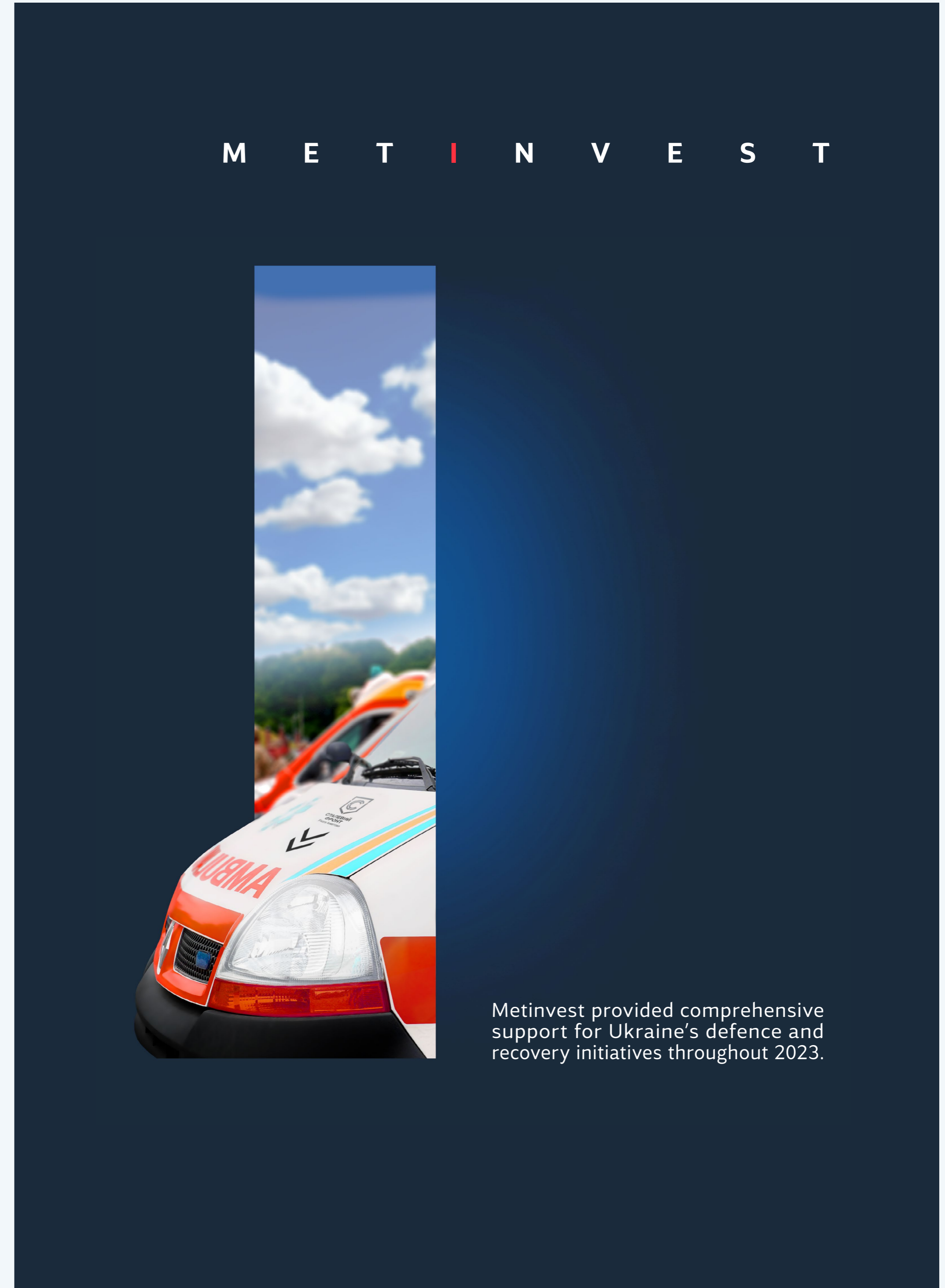
In addition, the Group has made a notable contribution to Ukraine's naval strength by donating high-speed boats along with the necessary equipment, including trailers for transporting them and self-inflating life jackets. This initiative augmented the country's ability to conduct naval special operations and defend its maritime borders.

De-mining and training

Metinvest is dedicated to the post-conflict recovery and safety of Ukraine, which will require significant de-mining activities. It has initiated the production of mine trawls, which are attached to tanks and capable of enduring multiple detonations.

The Group has supported establishing a Mine Action Centre. This facility is set to train over 3,000 de-mining specialists, underscoring Metinvest's commitment to a comprehensive national recovery strategy.

Also, acknowledging the critical importance of lifesaving measures, the Group has partnered with the PULSE charitable foundation to provide tactical medical training in Ukraine.



Metinvest provided comprehensive support for Ukraine's defence and recovery initiatives throughout 2023.



OUR PEOPLE

AN INDOMITABLE SPIRIT

Metinvest was steadfast in its commitment to its people at all times in 2023, while prioritising the development of an ecosystem for reintegrating veterans into the Group and continuing to develop best practices to protect each employee, including the Human Rights Policy adopted during the year.

COPING WITH THE COSTS OF WAR

Metinvest is among Ukraine's largest private employers with a total headcount of 70,134 as of the year-end, down 6% year-on-year¹. At the Zaporizhstal and Southern Ore JVs, the total headcount was 9,592 and 5,468 people, down 4% and 8%, respectively.

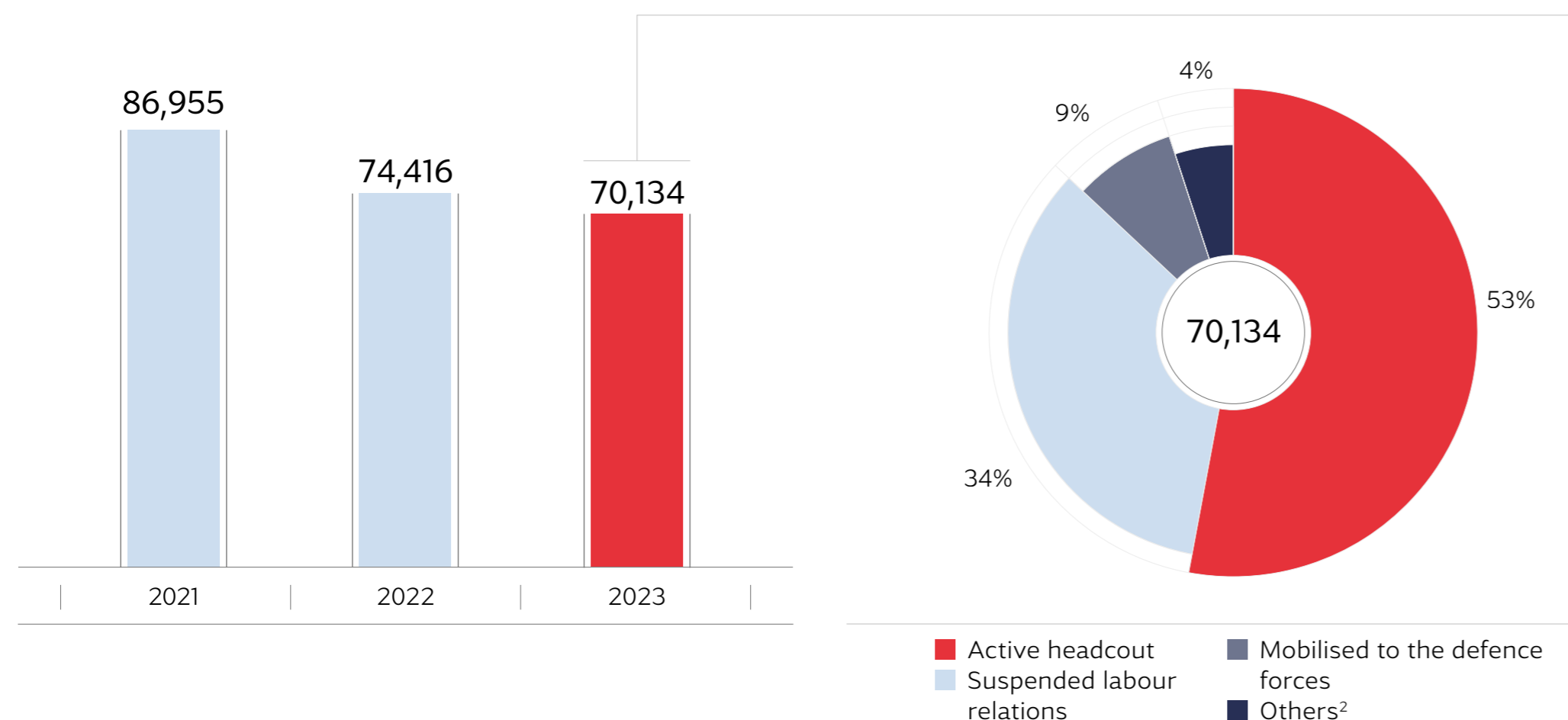
The change was caused by outflow of people as a result of the war.

Out of total headcount, 53% of employees were active as of the year-end, with 9% serving in Ukraine's defence forces.

¹ Excluding employees with suspended labour relations, the Group's headcount decreased by 7% year-on-year.
² Includes employees with disabilities, employees on parental leave, etc.

TOTAL EMPLOYEE HEADCOUNT

70,134 employees | v 6%



GENERAL APPROACH

Metinvest's overall approach to human capital management is built on international best practices. The Group's Human Capital Management Policy is one of the key corporate documents governing this process and it seeks to foster a supportive working environment.

In June 2023, the Group shifted from managing recruitment through the Metinvest Career Centres in Zaporizhzhia, Kryvyi Rih, Kamianske and Pokrovsk to a decentralised system where each asset independently handles its hiring processes.

The highest corporate governance body that is responsible for personnel management is the Appointments and Compensations Committee of the Supervisory Board. It has complete oversight of this area, including senior position appointments and dismissals, motivation, evaluation and reward systems, and succession planning.

To provide comprehensive human resource management support, Metinvest employs an HR shared service centre. Operated by Metinvest Business Services, it covers around 130 processes, including organisational planning, personnel administration, staff training, assessment procedures, compensation and benefits. It also advises employees on various personnel management aspects.

The Sustainable Development and People Management Directorate handles labour relations, employee remuneration, the professional development system and corporate culture. In 2023, the executive team initiated dedicated HR meetings, held on monthly basis, to enhance the efficiency of strategic decision-making in this area in a changing environment.

Metinvest's human capital management strategy seeks to enhance its appeal as an employer, ensure that it has a skilled workforce, improve staff efficiency and provide high quality internal HR services to employees.



ECOSYSTEM FOR VETERAN REINTEGRATION

In 2023, Metinvest prioritised the reintegration of veterans, recognising the crucial contributions of the 6,022 employees serving in Ukraine's defence forces as of the year-end, as well as 1,870 people from Zaporizhstal and Southern Iron Ore.

The Group has helped a total of 626 demobilised employees to re-enter civilian life since the beginning of the war, of whom 278 have returned to work as of the year-end. The JVs have assisted 275 demobilised employees, 153 of whom have come back to work.

To support returning veterans, Metinvest has developed a comprehensive ecosystem providing physical and psychological rehabilitation, including employment, retraining opportunities, additional medical examinations and tailored workplace adaptation programmes. This approach by the Group also features specialised training and webinars for management and teams.

As part of the Metinvest Together! service, the Group has introduced a dedicated mental wellness support programme based on the outcomes of additional medical assessments. This initiative includes weekly group sessions focused on decompressing and stabilising the psycho-emotional state of participants.

Metinvest also piloted the Supportive Leadership educational project for managers at different levels focusing on practical skills for reintegration of military veterans and interaction within employee teams.

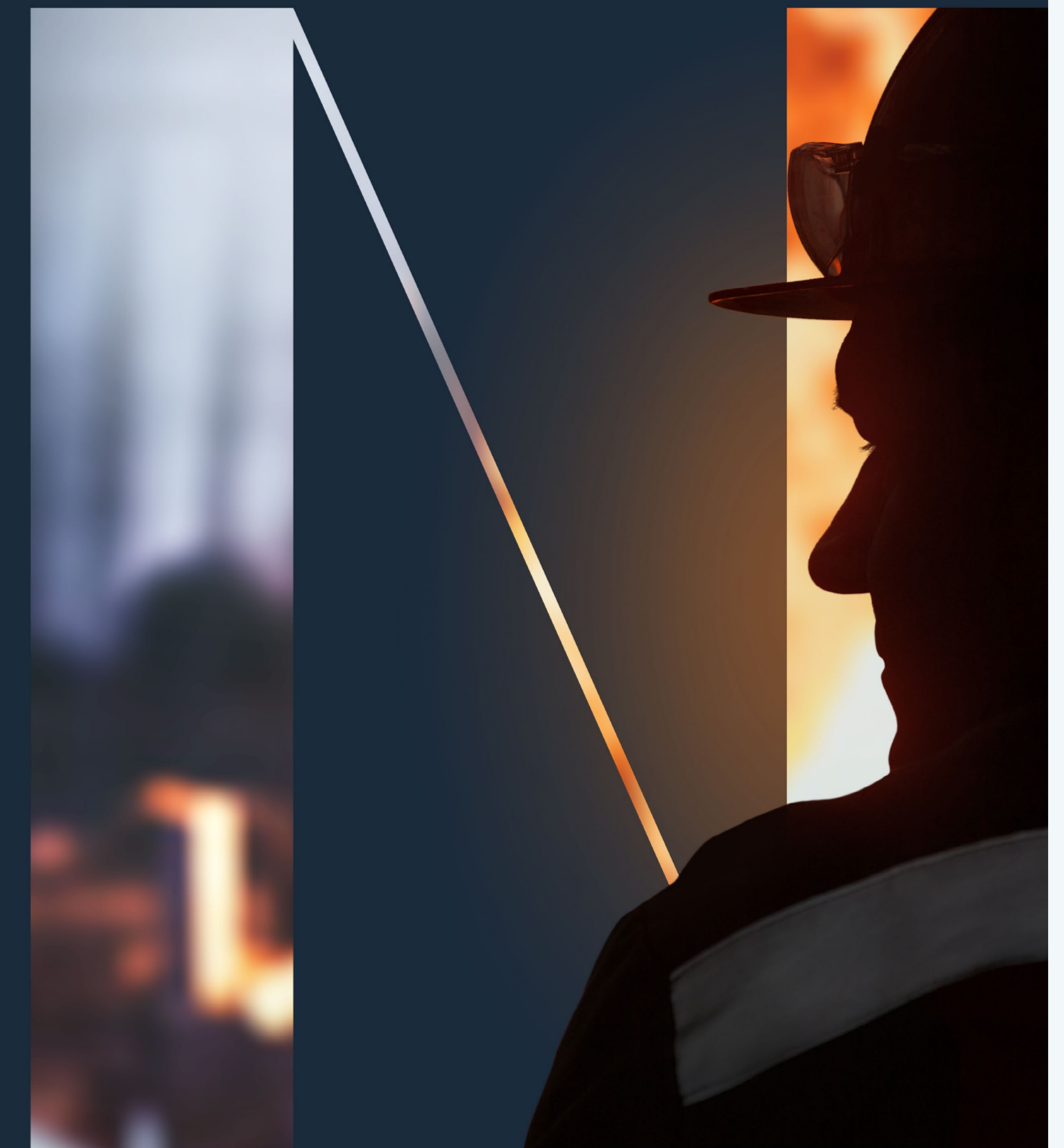
In early 2024, after the reporting period, the Group launched an internal survey designed to gather insights on the necessary adaptation measures and gauge the readiness of employees coming back from the front lines to engage with various initiatives, including the establishment of veterans associations.

In partnership with Wellbeing Company, Metinvest organised the War Heroes Return Home webinar for over 20,000 employees, aimed at improving communication with veterans about their experiences. Following this, the War Heroes Return to Families webinar was arranged in early 2024, offering guidance on interacting with family members returning from the front line. Additionally, the Group began developing a training programme to equip teams with skills in providing psychological first aid, initially rolled out at production sites in Zaporizhzhia and Kryvyi Rih.

In collaboration with the DTEK Academy, Metinvest launched the Heroes Among Us online course in late 2023. Targeting to cover all managers across Metinvest's assets, 1,200 employees started education in 2023, which included seven modules that enhance understanding of the veterans' experiences and provide strategies for effective communication and emotional support. The Group also rolled out an adapted version of the programme for all employees in May 2024.

Recognising the depth and breadth of experience that Ukraine's US partners have in this field, in early 2024, a delegation of Metinvest's senior executives embarked on a training tour in the US to adopt best practices in supporting war veterans. The tour included comprehensive engagements with business, government and non-government entities, aiming to enhance the Group's reintegration strategies and programmes for veterans and their families.

M E T I N V E S T



Metinvest made the reintegration of veterans a priority in 2023, adopting a comprehensive approach.

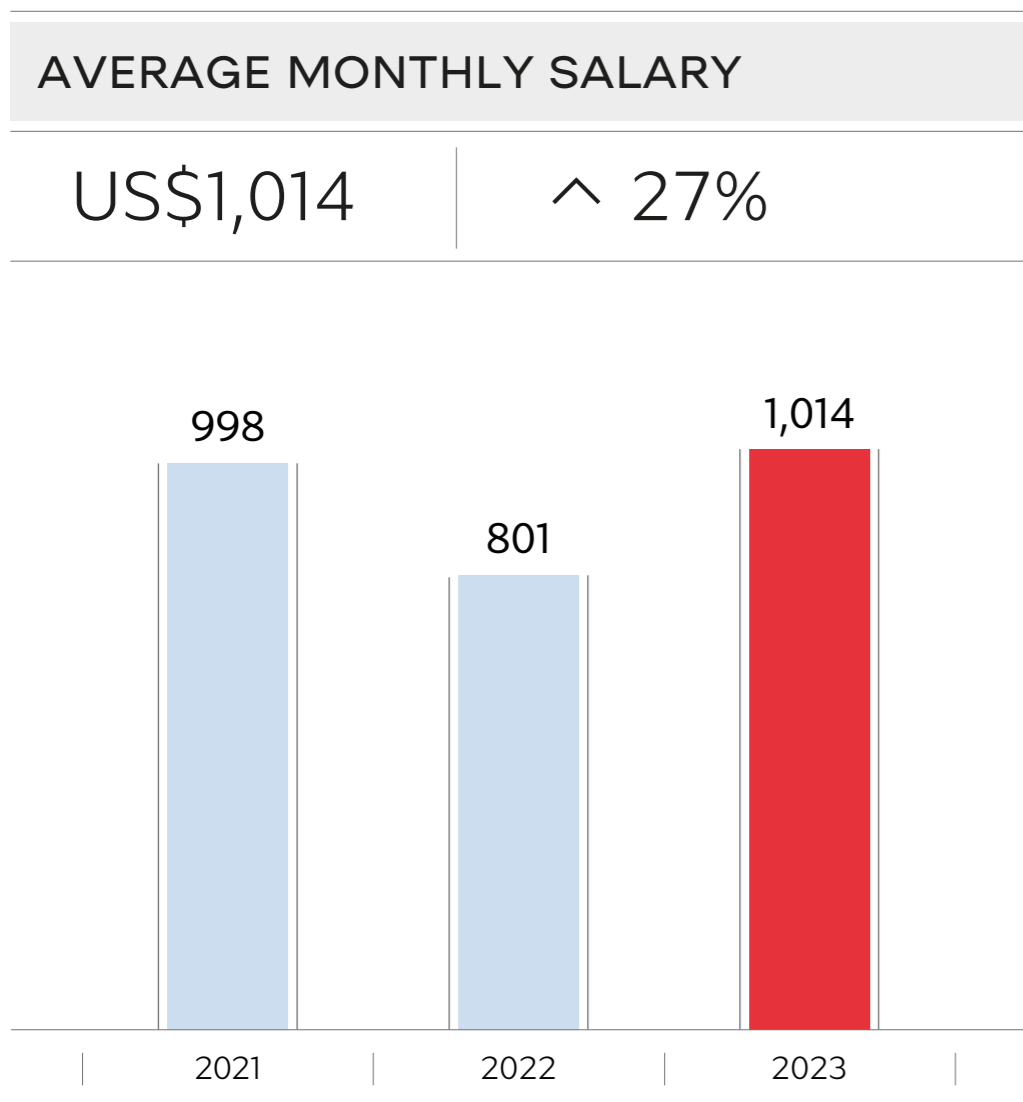


Also, the Group maintained suspended labour relations with 23,502 employees, primarily staff from the Mariupol steelmakers. Metinvest is seeking to preserve contact with them for further possible job opportunities.

During the year, the Metinvest community endured the painful impact of the full-scale war with a resilience that speaks volumes about its collective spirit. It was another year marked not just by the heavy toll on lives and livelihoods, but also by an unwavering commitment to support one another through these harrowing times.

As of the year-end, the Group had mourned the loss of a total of 681 of its employees and their family members since the beginning of the invasion. The Group's JVs have also suffered grievously, counting a total of 82 people among the lives taken by the war. This is an unforgivable tragedy that words cannot fully encapsulate.

Metinvest has also seen 951 of its employees and their family members wounded, with a further 209 people associated with JVs hurt over the same period. In the face of such adversity, the Group ensured the provision of comprehensive medical care as a cornerstone of its humanitarian assistance.



It included help with housing and employment for internally displaced persons, financial assistance for those who have been wounded or lost loved ones, and various psychological support and rehabilitation programmes.

The Group also provided essential life-saving protective gear and clothing for its people serving in Ukraine's defence forces and developed programmes for reintegrating veterans.

COMPENSATION

Metinvest aims to ensure that its employees receive competitive compensation, based on a mix of salary, bonuses and other incentives.

During the reporting period, the average monthly salary for Metinvest's active staff rose by 27% year-on-year to US\$1,014.

In 2023, remuneration adjustments aligned with market trends were applied at certain assets of the Group. In addition, since June 2023, Metinvest has offered an efficiency bonus for employees at Ukrainian industrial facilities that entails a 25% increase to the monthly base salary for members of teams meeting specific efficiency targets.

For a comparison of the average monthly salary for men and women, please see [Annex 2](#).

SOCIAL SUPPORT

Metinvest strives to promote a supportive work environment and tailor its social benefits to the needs of its employees, which may change over time. During the reporting period, the Group maintained its voluntary health insurance offerings for its employees in Ukraine to ensure that its people had access to quality medical services.

In 2023, Metinvest offered the core options of its My Choice individualised social package for its Ukrainian assets. The most demanded benefits were healthcare insurance for employees and their family members, as well as passenger transportation to and from work. As of the year-end, the programme was available to around 29,000 employees at 11³ of the Group's operating assets, including the repair plant in Zaporizhzhia, which was consolidated during the reporting period.

Metinvest also implemented a wide range of ongoing social initiatives to support its people, including through the Saving Lives project. For more details, please see page 34.

Through its Territory of Childhood programme, the Group supported employees' children by providing school supply kits for their first year of school, among other initiatives. Traditionally focused on the Ukrainian assets, this initiative was also rolled out at Promet Steel in Bulgaria in the reporting period.

In 2023, Metinvest invested around US\$5 million, up 67% year-on-year, to enhance workplace amenities and social infrastructure, including administrative premises and catering facilities. This also covered the purchase of eight passenger buses to transport employees in Pokrovsk.

COLLECTIVE BARGAINING

Metinvest recognises its employees' fundamental, legally protected right to establish and join trade unions, as well as engage in collective bargaining to protect shared interests. Industry agreements and collective contracts apply to all employees, irrespective of union membership.

The Group fosters strong relationships and effective collaboration with various industry trade unions. This social dialogue is founded on respect for human dignity and aims to ensure the protection of human rights.

Metinvest has several internal documents in place that aim to ensure a healthy dialogue with diverse employee groups, including labour organisations, female employees, young professionals, and retired and former employees: the Principles of Social Dialogue with Trade Unions; the Principles of Gender Equality; the Principles of Engagement with Metinvest's Youth; the Principles of Engagement with Metinvest's Retirees.

As of the end of 2023, collective bargaining agreements covered 98% of the Group's production personnel.

³ Central Iron Ore, Inhulets Iron Ore, Kryvyi Rih Machining and Repair Plant, Metinvest Business Services, Metinvest Digital, Metinvest-Promservice, Metinvest-SMC, Northern Iron Ore, Zaporizhzhia Casting and Mechanical Works, Zaporizhzhia Coke and Zaporizhzhia Refractories.

AN EVOLVING CORPORATE CULTURE

In 2023, Metinvest refined its integrated communications system to ensure comprehensive employee engagement and promote its corporate culture.

A central priority for communications was the safety and mental well-being of staff, both in the workplace and at home. The focus was on overcoming adversity together through teamwork, advancing Metinvest's humanitarian initiatives and supporting Ukraine's defence forces.

The Group expanded its digital platforms for prompt information sharing and employee feedback. These included the existing My Metinvest internal portal and mobile application, Metinvest Info and Metapolis chatbots, Metinvest News in MS Teams and corporate Yammer. During the reporting period, the Group also scaled up its current Metinvest TV corporate video broadcasting system and launched Metinvest Radio, featuring psychological podcasts.

In addition, Metinvest introduced the new Legal News Digest section on the internal portal that offers analyses of regulatory changes pertinent to employees' work.

Direct communication between management and employees remained crucial. Monthly working meetings and shift briefings, supported by digital feedback mechanisms, enabled responsive and effective dialogue. In 2023, the "Coffee with the Director initiative" was introduced at the Group's Italian assets to enhance direct engagement between management and staff.



DIVERSITY AND EQUAL OPPORTUNITIES

Metinvest provides equal access to training, professional development and personnel appointment opportunities to all employees based on their professional competencies, regardless of their age, nationality, sex, race or religion.

The Group's collective bargaining agreements have provisions that ensure equal remuneration for men and women performing the same work. This approach helps to keep salaries, incentives, benefits and other forms of compensation – both monetary and non-monetary – free from discrimination.

These principles are enshrined in the Remuneration Policy, which establishes a fair approach to salary adjustments for employees returning from extended absences, such as maternity leave or military service.

In 2023, Metinvest expanded employment opportunities for women in traditionally male-dominated roles, including heavy and hazardous work, by leveraging wartime labour laws and seeking guidance from the International Labour Organization (ILO) on the relevance of conventions restricting women's employment in such conditions.

The Group actively contributed to enhancing women's labour rights and career prospects, reflecting a significant shift towards equal opportunities amid ongoing discussions to repeal outdated ILO conventions governing this matter.

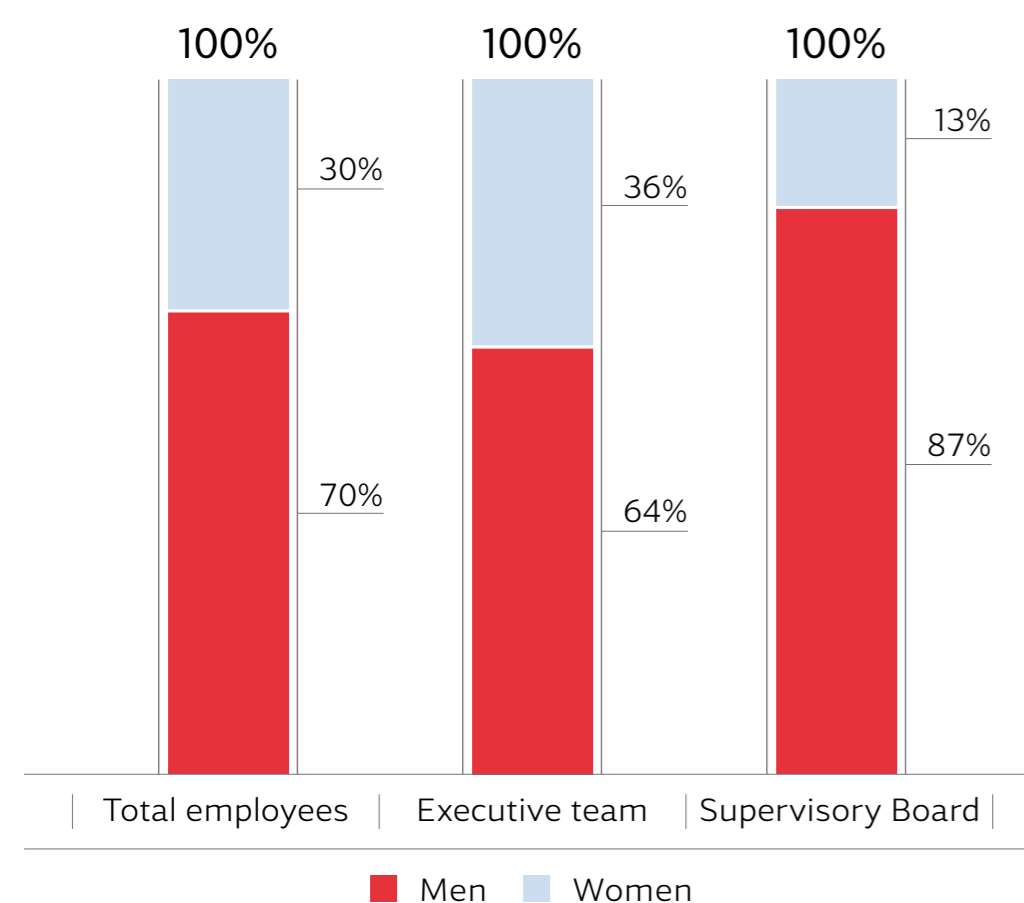
As of 31 December 2023, women accounted for around 30% of total employees (down one percentage point year-on-year), 36% of the executive team (up seven percentage points year-on-year) and 13% of the Supervisory Board (up two percentage points year-on-year).

For more details, please see [Annex 2](#).

Metinvest ensures that its employees' working hours conform to the national laws of the countries in which it is active, as well as to international norms. The Group offers flexible working schedules and parental leave for staff members with children, in addition to providing programmes for childcare and healthcare that are designed to meet the demands of working parents.

Metinvest is dedicated to ensuring workplace accessibility and engages in discussions to determine specific accommodations for employees with disabilities, making sure their working hours and duties are adjusted to meet their individual needs. At the end of 2023, the Group had 2,205 employees with disabilities in its workforce, compared with 2,350 at the end of the previous year. The change was primarily attributed to the decrease in the Group's active headcount.

GENDER DIVERSITY IN 2023



HUMAN RIGHTS

Metinvest is committed to protecting labour and human rights across its operations.

Although the Group's top priority is to safeguard all its employees, it also seeks to promote a working environment grounded in trust and zero tolerance for discrimination based on race, gender, age, religion, or any other personal attributes.

Metinvest consolidated its efforts in this area into a [Human Rights Policy](#), which was approved in early 2024, after the reporting period. It aims to mitigate risks of human rights violations across its operations and key stakeholders.

The Policy outlines the Group's core principles related to human rights, applicable to all stakeholders:

- make reasonable efforts to provide a healthy and safe workplace
- value and advance diversity and inclusion
- do not tolerate any form of discrimination or harassment
- create a workplace that respects and values all employees and maintains an environment of open and direct communication
- ensure decent working conditions and wages, and respect labour laws
- adhere to environmental regulations
- eliminate involuntary labour, human trafficking and child labour
- ensure that no form of forced or compulsory labour or modern slavery is permitted
- strive to ensure that communications with governments, regulatory bodies and public authorities are consistent with Metinvest's human rights commitments.

Metinvest's Human Rights Policy, Code of Ethics and Human Capital Management Policy lay out the fundamental principles guiding its dedication to safeguarding and promoting human rights, consistent with the International Bill of Human Rights, the UN's Guiding Principles on Business and Human Rights, and the ILO's Declaration on Fundamental Principles and Rights at Work.

To foster an environment in which employees feel that it is safe and acceptable to report potential rights violations, the Group has several communication mechanisms in place, such as a Trust Line, specific Metinvest channels and a corporate portal.

Although the Group paused mandatory Code of Ethics training in 2022 because of the full-scale war, it offered a voluntary course during the reporting period.

In December 2023, Metinvest also developed an online training programme that is now required for staff hired since January 2022 who have not passed the course yet.



TRAINING AND DEVELOPMENT

Metinvest has built a training and development framework that includes its corporate learning centre, training centres at its assets, and Metinvest Polytechnic, the private university that the Group established to train future steel and mining industry professionals.

In 2023, Metinvest focused its initiatives in this area on retaining the expertise of its experienced workers, retraining staff during downtime or unit closures, and reshaping the workforce to match current production. Specific priorities included training and promoting employees along their career paths, retraining those in surplus occupations for in-demand roles, as well as enhancing in-house skills in maintenance and repair.

In total, Metinvest spent US\$1 million on human capital development in 2023, flat year-on-year. Overall, 25,973 employees attended 65,048 internal training sessions covering professional skills and occupational health and safety. On average, each employee received 51 hours of training during the reporting period.

The key areas of the training programmes that the Group offered were: requalification and advanced employee skills; health and safety; preparation of instructors, lecturers and mentors for production personnel; veteran reintegration; Ukrainian-language study programmes; and management and soft skills.

The Group also implemented a programme together with Metinvest Polytechnic aimed at transferring knowledge and skills in the assessment of health and safety risks that employees encounter in the workplace.

More than 1,400 managers received training covering four priority risk areas: work at height; lifting equipment; moving and rotating equipment; and the LOTOTO procedure.

INTERNAL TRAINING SESSIONS

65,048

In addition, the Group developed and introduced a first aid training video course. In total, 1,300 managers, specialists and workers received this training.

In 2023, some employees also completed advanced training courses offered by Metinvest Polytechnic and the corporate learning centre covering business intelligence and computer design; environmental management and handling metallurgical waste; modern technologies and methods of steelmaking, coke production and surface and underground mining; production process automation and digitalisation; risk management in occupational health and safety; and other areas.

Consistent with the Group's priority of reintegrating veterans who have returned from war, it developed the Heroes Among Us e-learning course with seven training modules featuring video lessons and simulations to enhance learning.

This course began in December 2023 for managers and continued through 2024, with an adapted version in place for all employees.

STUDENT INTERNSHIPS

859

YOUNG TALENT

Metinvest understands that highly motivated and intelligent young professionals will shape the future trajectory of its business.

In 2023, the Group offered internships and resumed its dual education programme with educational institutions. A total of 859 students underwent internships and Metinvest hired 93 of them. In addition, 69 people attended the dual education programme, after which 12 were employed by the Group. Overall, 289 recent graduates joined the Metinvest team after accepting the first employment offers of their careers.

In 2023, the Metinvest Youth Organisation programme focused significantly on volunteer efforts, involving young participants in over 15 initiatives aimed at community support, including humanitarian aid, assistance to pensioners and internally displaced persons, and donor drives. Special emphasis was placed on supporting the children of employees serving in Ukraine's defence forces or those who had lost a family member. The programme facilitated business games, informal training sessions, team building and sporting events to foster youth development, with a special effort to identify emerging young leaders.

The Group also worked to align state qualification and educational standards in Ukraine with the production needs of modern industry, as well as preparing methodological recommendations for Ukrainian professional standards. In 2023, Metinvest initiated the development of seven new professional standards and revised 16 existing ones.

METINVEST'S HR AWARDS

In April 2023, Metinvest was ranked among the top-15 wartime employers in Ukraine according to the publication dsnews.ua. It recognised companies that offer decent working conditions, build strong and trusting relationships within the team, care for employees' physical and psychological health, and provide training and development programmes.

In September 2023, the Group was ranked among the five best employers in Ukraine according to TOP 100 magazine⁴ and was recognised in a nomination for the Best Corporate Educational Programmes. The editorial board of the magazine and expert jury evaluated the candidates based on special criteria: re-socialisation of veterans, remuneration and salary policy, investments in corporate education, improvement of staff welfare and innovations used by companies in their HR policies.

In addition, in November 2023, Metinvest's project, "How HR analytics help at times of war" was nominated as the winner in the HR Analytics category⁵ initiated by the HR Pro Award, the Ukrainian Association of HR Professionals.

⁴ HR rating of Metinvest according to Top 100 magazine.
⁵ HR Rating according to HR Pro Award.



ENHANCING TECHNICAL EDUCATION IN UKRAINE

Metinvest remains committed to advancing technical education with its support for Metinvest Polytechnic, which significantly expanded its offerings and strengthened its rankings in Ukraine in 2023.

During the year, more than 400 new students joined Metinvest Polytechnic, increasing total enrolment to more than 700.

It offers diverse programmes in fields such as mining, metallurgical technologies, robotics, electrical engineering, automation, business analysis and environmental protection. Despite being private, the university maintains a strong scholarship programme, reflecting the Group's commitment to provide financial support for promising talent.

The year marked the launch of new bachelor's and master's degree programmes, including mechanical and electrical system engineering, mineral beneficiation and metallurgy modernisation. Metinvest Polytechnic also met key accreditation standards in 2023, enabling the issuance of national diplomas to master's graduates and the introduction of PhD programmes in critical sectors like metallurgy and robotics.

Notably, the university was ranked among the top 30 private universities in Ukraine according to the [2023 rating](#) of the All-Ukrainian Employers Association.

Research output also grew, as measured by a 7% year-on-year increase in scientific publications on the Scopus platform. Highlighting its scientific contributions, the university hosted a conference in November 2023.

It was attended by representatives of various businesses and Ukraine's leading technical universities as well as students from Metinvest Polytechnic. Its central theme focused on science's role in Ukraine's post-war reconstruction, in which the university's students will be directly involved.

Through these advancements, Metinvest Polytechnic not only elevates technical education in Ukraine but also contributes significantly to the nation's socio-economic recovery and development.





WORKPLACE SAFETY

A SUSTAINED COMMITMENT

In 2023, Metinvest reaffirmed workplace safety as its overriding priority. The Group implemented key measures to tackle the root causes of incidents and enhance its long-term safety initiatives.

A CORE FOCUS

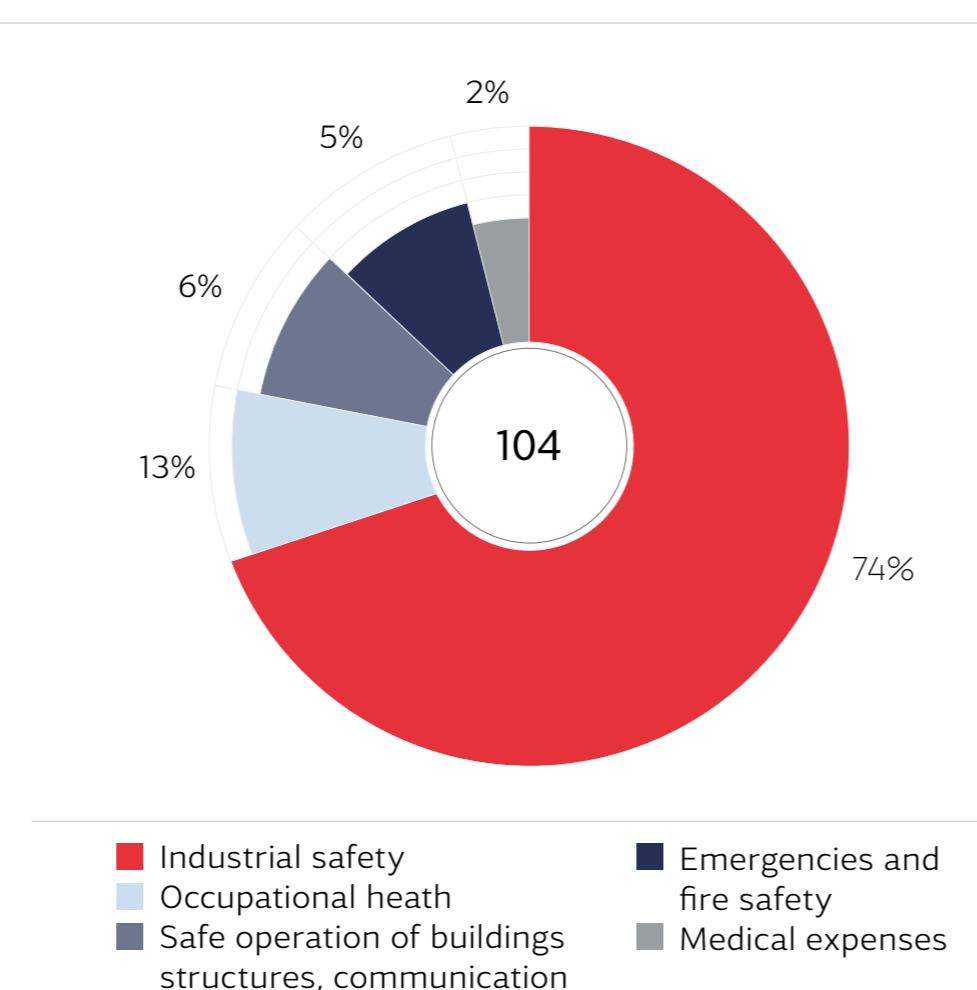
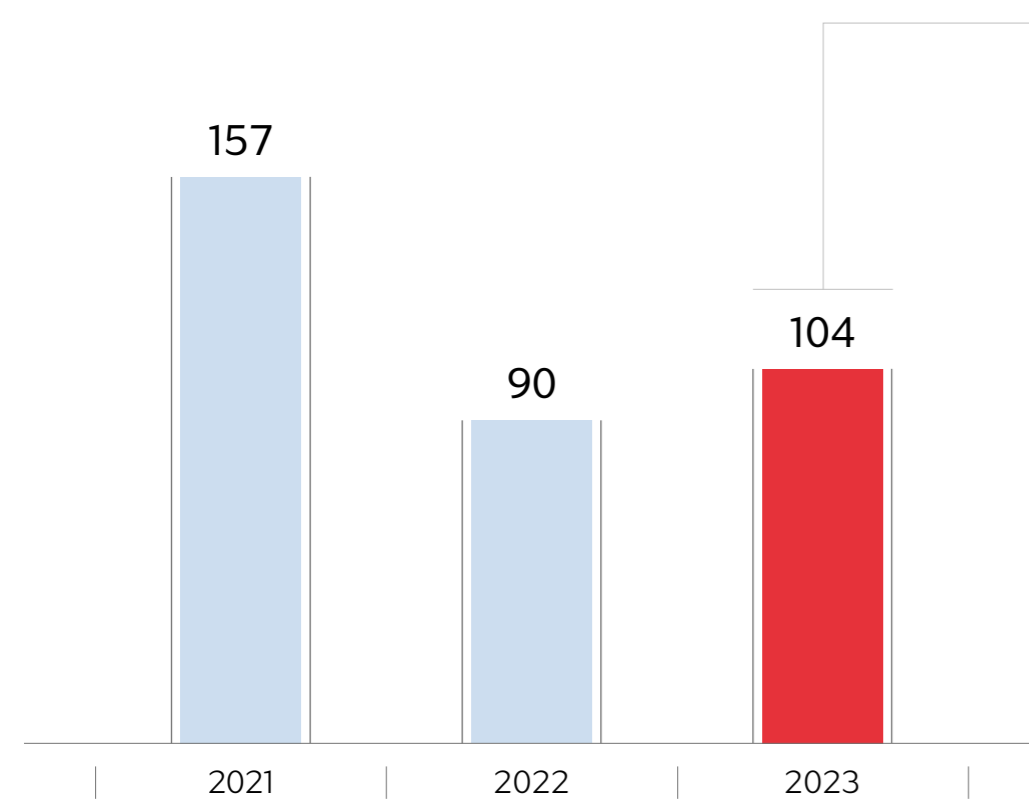
In 2023, Metinvest remained focused on safeguarding the lives of its employees and contractors¹. The management deemed the workplace safety performance as not satisfactory this year because of the increased number of fatalities. The Group conducted a thorough investigation of each incident to identify the root causes and introduced specific measures to address them.

Metinvest also continued to implement its critical programmes in this area to eliminate the most common types of incidents.

In 2023, the Group spent a total of US\$104 million on workplace health and safety, up 16% year-on-year². This included: working in gas-hazardous places, safety in coal mines, work at height, and using railway transport and lifting mechanisms.

SPENDING ON WORKPLACE SAFETY

US\$104 mn | ^ 16%



GENERAL APPROACH

Metinvest strives towards an occupational health and safety culture that can achieve the ultimate goal of zero incidents involving employees and contractors at its assets.

Metinvest's Policy in the Field of Health, Safety and the Environment guides its health and safety efforts. It also has 15 corporate standards in place based on international best practices. During the reporting period, the Group introduced and launched all applicable policies and regulations at Zaporizhia Casting and Mechanical Works, which was consolidated in 2023.

At the level of Metinvest's Supervisory Board, the Health, Safety and Environmental Committee oversees compliance with internal procedures and local regulations. It reviews outcomes of incident investigations, seeking opportunities to enhance governance through risk management initiatives. The Committee also works with the executive team to integrate established occupational health and safety approaches in all business processes.

At the executive team level, the health and safety functions within the Operations Directorate for metallurgical and iron ore assets, and the Coal Directorate for coking coal assets, managed the implementation of programmes in the reporting period. In addition, each Group production facility has a dedicated department tasked with ensuring

compliance with both internal and external standards and regulations.

The industrial safety centre of expertise at Metinvest Business Services provides consultations, industrial safety audits, centralised control and recording of internal incident investigations, and training support. In 2023, the centre launched a single electronic database accessible to senior management and staff involved in workplace safety issues at production and service assets. The database includes information about hazards, audit results, and risk mitigation measures, enhancing monitoring and implementation of safety protocols in accordance with the ISO 45001 standard. As of the year-end, the Group had 16 key operating assets³ certified under the ISO 45001 standard. Metinvest's goal is to eventually obtain this certification for all production assets apart from the facilities of United Coal, which are already subject to similarly stringent US occupational health and safety regulations.

¹ The term "contractors" refers to both contractors and subcontractors.
² Spending on workplace safety for 2022 was restated to align the methodology of Pokrovske Coal's treatment of expenditures on roof control measures with the established practices of the Group. Those expenses are reflected in industrial safety spending and account for US\$45 million in 2022 (with an adjusted amount of US\$28 million) and US\$59 million in 2023 in total for both coal mining assets.
³ Central Iron Ore, Ferriera Valsider, Inhulets Iron Ore, Kamet Steel, Kryvyi Rih Machining and Repair Plant, Metinvest-Promservice, Metinvest Trammetal, Northern Iron Ore, Pokrovske Colliery, Promet Steel, Spartan UK, Sviato-Varvarynska Beneficiation Factory, Unisteel, Zaporizhia Casting and Mechanical Works, Zaporizhia Coke and Zaporizhia Refractories.



PERFORMANCE IN 2023

In 2023, Metinvest experienced 57 injuries and 11 fatalities among employees. While this represented a decrease in injuries from 2022, when there were 75, it was an increase from the two fatalities in the previous year. Every fatality is a tragedy, deeply felt across the Group, which is already grieving from the losses of war.

The governance bodies of the Group view these results as a call to action to redouble efforts towards ensuring the safety of employees. The increase in fatalities reinforced the Group's collective resolve to further strengthen safety initiatives.

In accordance with internal procedures, Metinvest conducted a thorough root cause investigation of each incident. Notably, the injuries and fatalities were spread across Metinvest's assets and no broadly applicable common factors could be identified, beyond the general fatigue and stress of a workforce living and operating through a second year of war.

The primary causes of injuries at the Group's facilities in 2023 were movement of loads with the help of lifting mechanisms, low-visibility obstacles, contact with moving or rotating machinery, and objects falling from height. Metinvest used the findings of these investigations to enhance the respective programmes of the safety roadmap.

The Group assesses its workplace safety performance in line with the recommendations of the WSA, the ISO 45001 standard and other international best practices. It also measures composite performance metrics, such as the lost-time injury frequency rate (LTIFR) and fatality frequency rate (FFR), both of which are calculated in terms of incidents per million man-hours worked.

In 2023, Metinvest's LTIFR stood at 0.956 and its FFR was 0.155. For comparison, the LTIFR was 0.977 and the FFR was 0.025 in 2022. These figures compare with the World Steel Association's respective 2023 global LTIFR and FFR benchmarks for employees of 1.04 and 0.01.

Metinvest engaged external oversight and certification audits at its operational facilities during the year in alignment with the established frequency, which helped to identify strengths and areas for improvement. The industrial safety centre of expertise also conducted quarterly Safe Workspace and safety roadmap audits at the Group's assets.

For more details relating to the Health and Safety disclosures, please see Annex 2.

SAFETY ROADMAP

In 2023, Metinvest reviewed the previous year's risk assessments and injury statistics for its assets in Ukraine. As a result, a number of critical risk areas were identified, including work at height, moving and rotating machinery, operations involving lifting mechanisms, and coal mining activities such as drilling, blasting and personnel lifting.

For work at height, the roadmap's activities in 2023 included inspecting and restoring fences, stairs and platforms, installing safety ropes in frequently used areas and conducting dedicated practical training sessions in these areas.

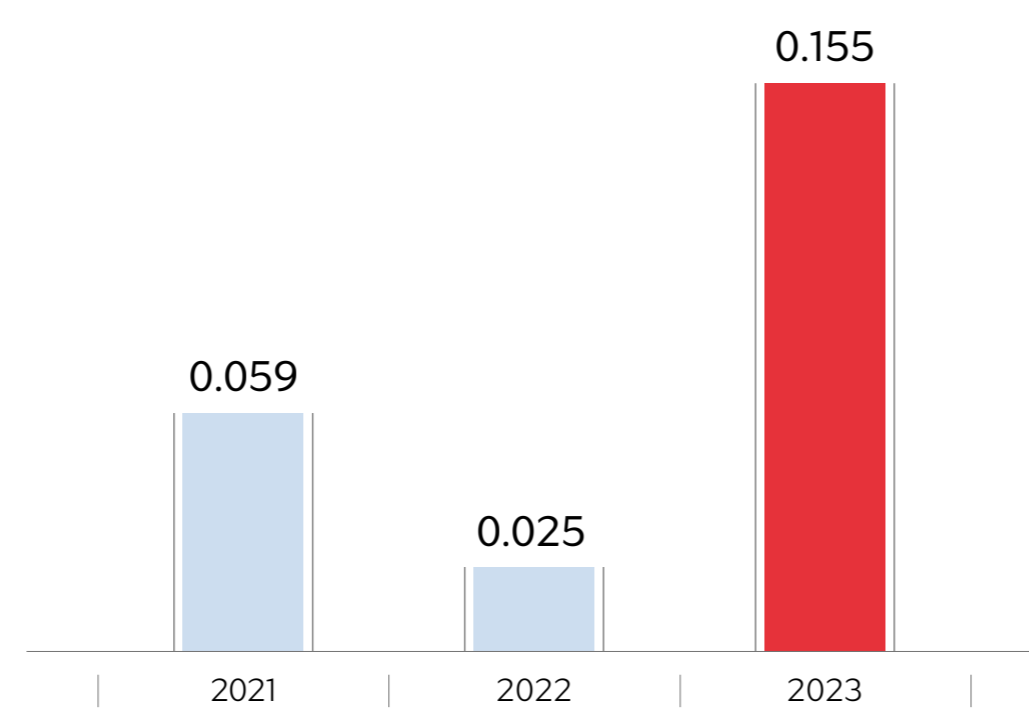
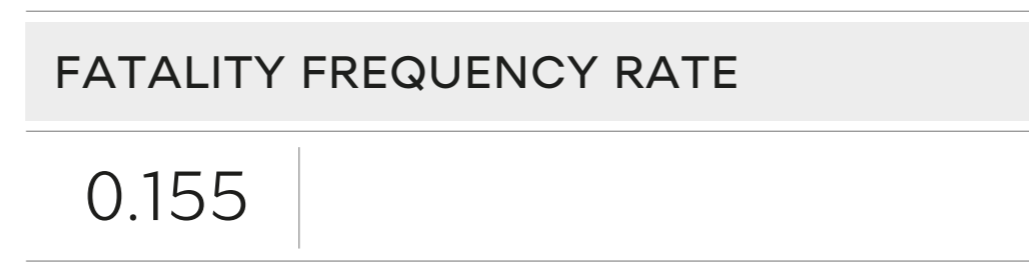
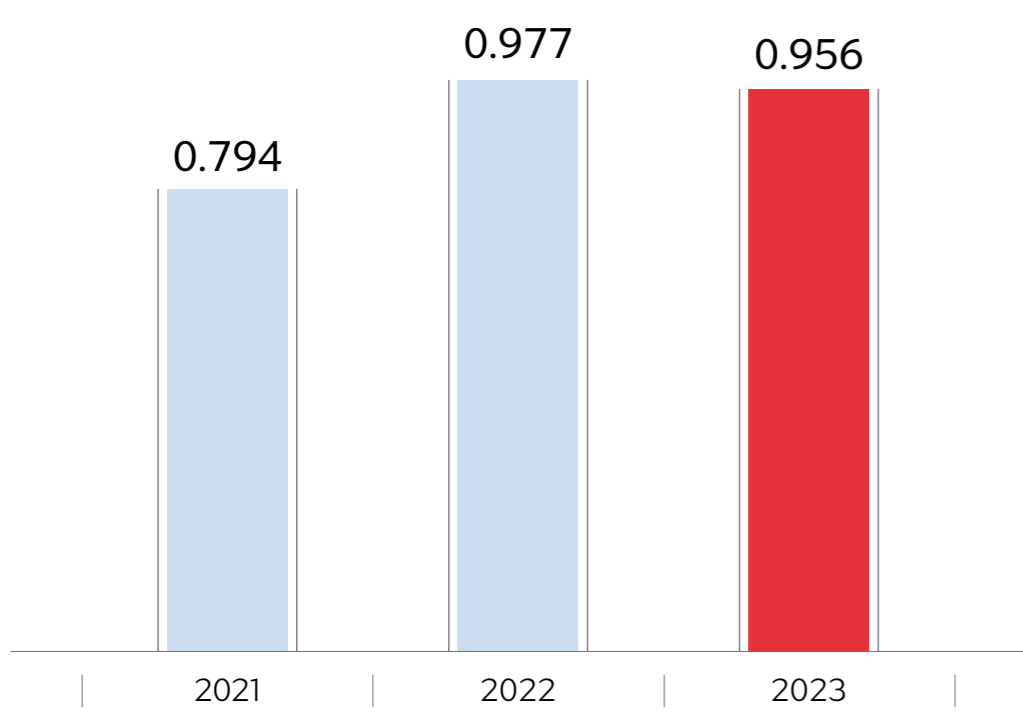
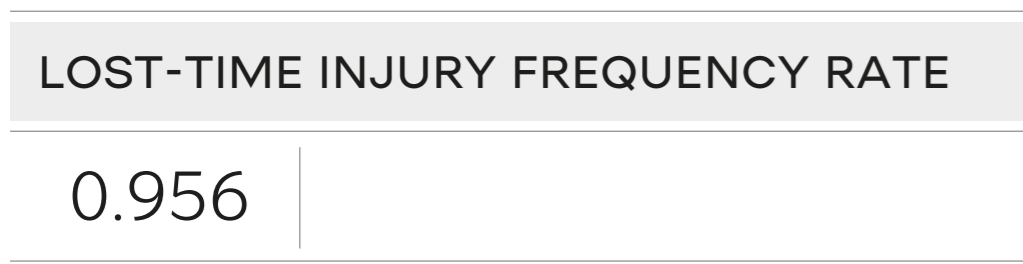
The focus for safe operations of moving and rotating machinery involved adding protective covers and barriers; installing additional safety devices on conveyors (to block unauthorised starts, shut down in case of a belt slipping, activate emergency stops, and catch a belt in case of a breakage); and fitting extra light and sound alarms.

For operations involving lifting mechanisms, safety measures for 2023 comprised the purchase and installation of stands for removable load-handling devices, revising and updating slinging schemes, and introducing electronic safety systems on lifting mechanisms.

To ensure the safety of drilling and blasting in coal mining operations, Metinvest introduced enhanced qualification requirements for contractors, control over communications between the mining dispatcher and the blasting manager, and quarterly training sessions for employees supervising blasting operations.

In addition, Metinvest bolstered safety activities with supplemental inspections and training to ensure workforce evacuation during power outages at Pokrovske Colliery.

This also included installing and commissioning generators to power hoisting equipment for personnel lifting. These measures help to eliminate the risk of a long stay underground for around 1,000 people and ensures their prompt evacuation in case of an emergency.





CONTRACTOR SAFETY

Metinvest acknowledges its responsibility for the safety of contractor staff when they perform work for the Group as set out in its contractual obligations. For Metinvest, there is no difference between employee and contractor safety: all relevant regulations apply equally to employees and contractors.

In 2023, contractors at the Group's assets primarily provided maintenance and repair, as well as certain production and administrative services.

All of Metinvest's contractors should follow the established safety protocols and guidelines, as outlined in the Group's Safety Standard for Contractor Organisations.

Metinvest applies a comprehensive approach to ensure that contractors adhere to this Standard, including conducting pre-qualification processes, knowledge assessments, health and safety briefings, verifying equipment and protective gear, reviewing repair records and maintaining ongoing supervision throughout the performance of work.

In 2023, there were three injuries and one fatality among contractors working at the Group's facilities, compared with three injuries and two fatalities in 2022.

For contractors, the LTIFR was 0.357 and the FFR was 0.089 in the reporting period, compared with the LTIFR of 0.476 and the FFR of 0.446 the previous year. These figures compare with the WSA's respective 2023 global LTIFR and FFR benchmarks for contractors of 0.5 and 0.023.

To enhance integration into Metinvest's health and safety management system, the Group conducted training sessions for contractors during the year. They were led by the heads of health and safety departments at its production assets.

Metinvest also employs a methodology for evaluating and rating contractor safety at its operational facilities in Ukraine, with an emphasis on those engaged in hazardous work.

This includes analysing incident reports and statistics, results of workplace audits and inspections, qualifications of personnel and compliance of equipment with safety standards. These evaluations are also taken into consideration for future tender processes.

SAFE WORKSPACE PROGRAMME

One of the Group's key workplace safety initiatives in 2023 was the further enhancement of the Safe Workspace programme. This included the implementation of the relevant training. The programme also introduced weekly safety audits across the management from foreman to director level, significantly enhancing monitoring and control of health and safety risks.

Achievements included the implementation of over 50,000 risk minimisation measures through risk assessments and 56,000 measures through Safe Workspace audits during the reporting period.

To ensure that effective mitigation actions are taken, the Group also introduced weekly and monthly monitoring, as well as random quality checks of the activities implemented.

Also, an incident investigation process focusing on different aspects of the Safe Workspace Programme was developed and implemented as part of the root cause analysis procedure.

SAFETY INCENTIVES

Metinvest has a health and safety goal-setting and incentive system in place at its assets for employees at different levels.

The Group maintained its Safe Work Award programme, which encourages personnel to detect or prevent unsafe actions or conditions. In 2023, it was in place at nine⁴ operating production assets in Ukraine.

Since 2019, Metinvest has implemented a Health and Safety Trigger as an incentive for general directors and senior managers at its production assets to strengthen their focus on safety performance. The mechanism ties their bonuses to key health and safety performance metrics at their facilities.

⁴ Central Iron Ore, Inhulets Iron Ore, Kamet Steel, Kryvyi Rih Machining and Repair Plant, Metinvest-Promservice, Northern Iron Ore, Zaporizhia Casting and Mechanical Works, Zaporizhia Coke and Zaporizhia Refractories.



EMPLOYEE HEALTHCARE

Metinvest’s employee healthcare approach is guided by the recommendations of the ILO, the World Health Organization and the ISO 45001 standard, which are also used to evaluate its performance in this area.

Under the conditions of Ukraine’s martial law in 2023, the Group’s primary healthcare focus was on providing humanitarian medical assistance to hospitals in its regions. It distributed emergency medical supplies to military hospitals and medical institutions in Zaporizhzhia, Kryvyi Rih, Kamianske, Pokrovsk and Dnipro. In addition, Metinvest arranged medical and mental health care for employees and their families affected by the war.

The Group also launched mental well-being and disability employment initiatives to enhance the assessment and reintegration of veterans and employees with disabilities. Inhulets Iron Ore and the Zaporizhstal JV piloted these programmes during the reporting period. For more details, please see page 37.

In 2023, the most common workplace illnesses at Metinvest’s assets were radiculopathy (56% of all diseases), chronic obstructive pulmonary disease (12%) and vibration disease (11%). There was a 41% year-on-year increase in the number of workplace illnesses⁵, while the workplace illness frequency rate was 0.70, compared with 0.45 in 2022. An increase in registered workplace illness metrics primarily reflected historical cases from former employees of Pokrovske Coal, as Ukrainian legislation permits claims to be filed for occupational diseases after employment has ceased.

The health index for the Group’s employees was 37%⁶ in 2023 (compared with 38% in 2022). Metinvest continued to assist employees with frequent or prolonged illnesses by creating personalised health plans for those at increased risk of specific diseases. These plans included quarterly medical examinations, preventative measures, immune-boosting medications and recreational activities.

During the reporting period, the Group also developed and implemented a comprehensive action plan focused on preventing occupational illnesses by enhancing workplace conditions, conducting rigorous health monitoring and addressing risks associated with harmful occupational factors.

HEALTH AND SAFETY TRAINING

In 2023, Metinvest provided around 40,000 occupational health and safety training sessions to more than 17,000 employees. On average, each employee of the Group received seven hours of health and safety training during the year.

Together with Metinvest Polytechnic, the Group continued to develop and implement courses as part of the HSE Top Risks programme. In particular, trainers provided instruction for foremen engaged in high-risk operations identified in the safety roadmap. Through this initiative, in 2023, courses were conducted for more than 1,700 employees on risk-based approaches to safety when engaged in work at height, performing operations involving lifting mechanisms, and using moving and rotating machinery.

To enhance first aid proficiency, the Group approved a standard curriculum and conducted specialised educational sessions for more than 8,400 employees. In addition, over 600 employees successfully completed courses in tactical first aid medicine.

SUPPORTING MENTAL WELL-BEING

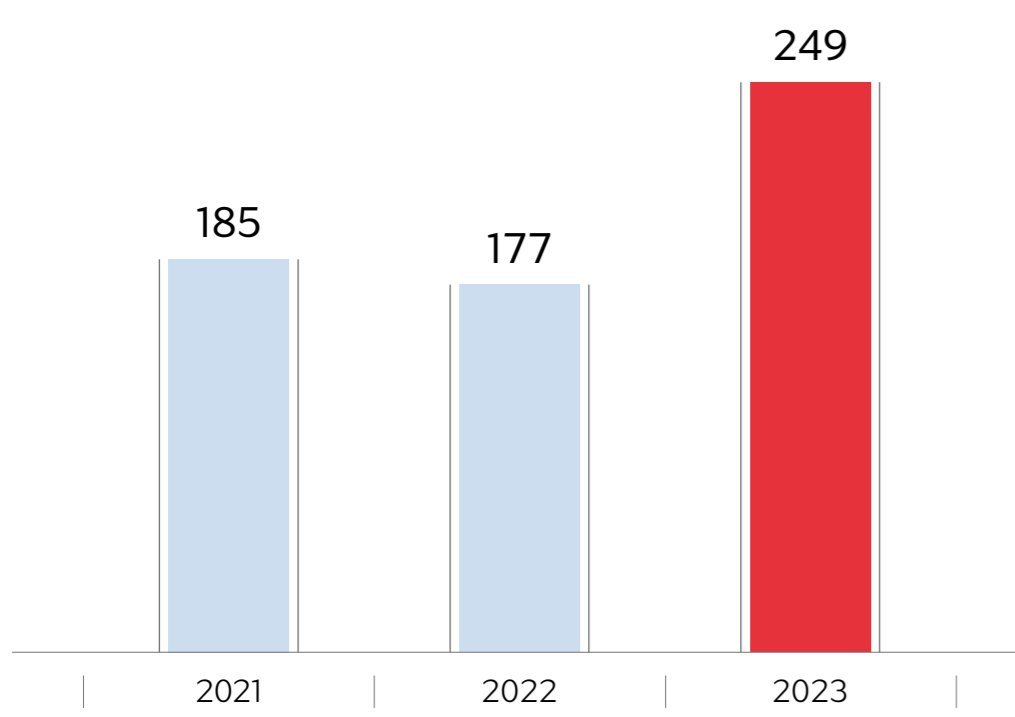
The full-scale invasion has deeply affected the mental health of those living through the second year of the war. As a response, Metinvest has introduced multiple initiatives offering complimentary psychological support to its employees and their families.

Launched in 2022, the Metinvest Together! programme employs psychologists and trainers to conduct individual online sessions designed to assist employees in managing stress and anxiety. Regularly scheduled online group sessions also addressed a broad spectrum of issues.

Additionally, Metinvest offers psychological support through its rehabilitation centres, dealing with war-related trauma and post-traumatic stress. It also provides adaptation programmes for displaced members of its workforce and psychological recovery for both employees and their children.

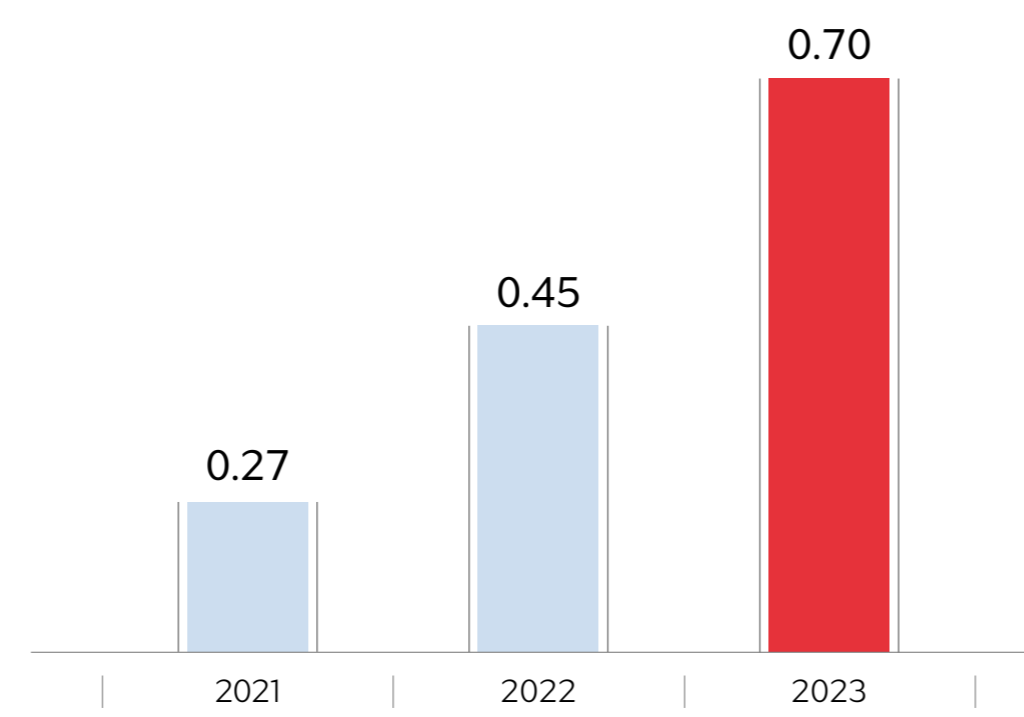
CASES OF WORKPLACE ILLNESS

249



WORKPLACE ILLNESS FREQUENCY RATE

0.70



⁵ The workplace illness frequency rate is calculated as follows: total number of work-related ill health cases multiplied by 200,000 and divided by the total number of hours worked per year. It covers statistics relevant to existing and former employees of the Group. ⁶ The health index is an indicator that displays the absolute number of employees who did not suffer from a workplace illness resulting in a temporary loss of working ability during a year, presented as a percentage of the total number of an enterprise’s employees.



ENVIRONMENT

AN ENDURING PRIORITY

Despite the complexities of the full-scale war, Metinvest upheld its environmental obligations through a comprehensive system designed to provide continuous monitoring and ensure compliance with relevant legislation.

RESILIENT STEWARDSHIP

During the year, Metinvest spent a total of US\$167 million on environmental initiatives, an increase of 2% year-on-year, reflecting the fact that the performance for 2022 largely excluded numbers related to the suspended operations.

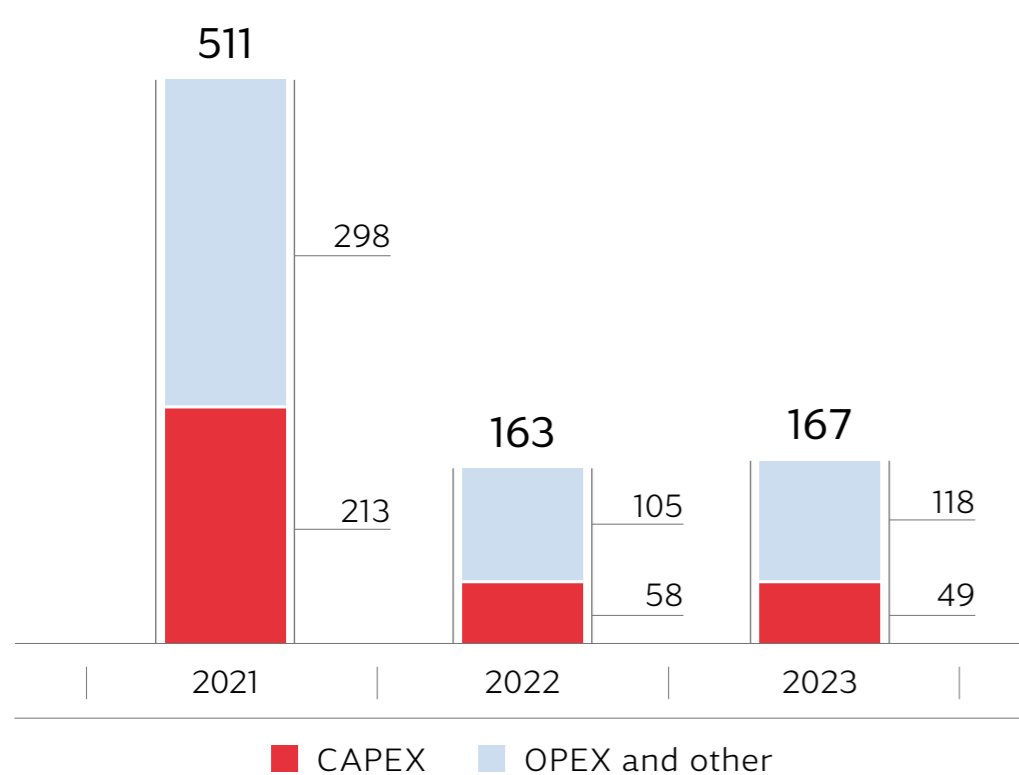
In the reporting period, US\$49 million was directed to capital expenditure, down 16% year-on-year.

The Group also prioritised critical repairs needed to maintain compliance with required environmental metrics.

It should be noted that environmental capital expenditures for assets in Ukraine are calculated based on the country's regulatory requirements and methodology and may differ from the IFRS approach.

SPENDING ON ENVIRONMENT

US\$167 mn | \wedge 2%



¹ Central Iron Ore, Ferriera Valsider, Inhulets Iron Ore, Kamet Steel, Kryvyi Rih Machining and Repair Plant, Metinvest-Promservice, Metinvest Tramet, Northern Iron Ore, Pokrovske Colliery, Promet Steel, Spartan UK, Sviato-Varvarynska Beneficiation Factory, Unisteel, Zaporizhia Casting and Mechanical Works, Zaporizhia Coke and Zaporizhia Refractories.

GENERAL APPROACH

Metinvest's core environmental principles are centred on compliance with relevant legal standards and the adoption of best practices. The Policy in the Field of Health, Safety and the Environment guides the Group's approach to managing its ecological footprint.

The Health, Safety and Environmental Committee of the Supervisory Board oversees the environmental management aspects of Metinvest's corporate governance.

In May 2023, the Group's environmental function at the executive level was moved to the Technological Directorate to support the implementation of this agenda. The function ensures compliance with legislative requirements, conducts risk assessments and internal audits, and works on measures aimed at reducing environmental impact, among other priorities. It is also engaged in developing the technological strategy, including research on low-carbon emissions technologies and decarbonisation initiatives.

At each production asset, the senior management team meets quarterly to discuss crucial environmental issues and make decisions on the implementation of associated initiatives

In 2023, Metinvest continued to certify its assets as compliant with international standards.

During the year, Zaporizhia Casting and Mechanical Works became fully integrated into the Group's environmental procedures and received ISO 14001:2015 certification. As of the year-end, 16 of the operating assets¹ held this certification.

Recognising the growing importance to customers of reducing supply chain carbon emissions, in March 2023, Metinvest Tramet and Ferriera Valsider in Italy obtained Environmental Product Declaration (EPD) certificates issued by the independent assurance provider DNV.

The Group strives to engage in a transparent dialogue with all stakeholders to address environmental challenges in the areas where it operates. Stakeholders can report any relevant concerns directly through the Trust Line. In 2023, there were no complaints received regarding environmental protection issues.

Metinvest also uses environmental training across its operations to align employee behaviours with its policies and procedures in place. During the reporting period, courses were conducted at Central Iron Ore, Kamet Steel, Metinvest Sichsteel, Pokrovske Coal, Zaporizhia Casting and Mechanical Works, Zaporizhia Coke and Zaporizhia Refractory.



GHG EMISSIONS DISCLOSURES

Metinvest's GHG emissions are comprised mainly of carbon dioxide (CO2), as well as some volumes of methane (CH4) and nitrous oxide (N2O).

In 2023, Metinvest's Scope 1 CO2 emissions fell by 19% year-on-year to 5.4 million tonnes2, while Scope 2 CO2 emissions dropped by 7% year-on-year to 1.3 million tonnes3. Excluding 2022 figures for suspended operations in Mariupol and Avdiivka, Scope 1 CO2 and Scope 2 CO2 emissions increased by 17% and 12% year-on-year, respectively, due to greater production at Kamet Steel.

At the same time, direct CO2 emissions intensity decreased by 6% year-on-year to 2.30 tonnes of CO2 per tonne of crude steel production4, mainly as a result of the use of a more efficient energy mix in blast furnaces at Kamet Steel in the reporting period.

The main source of Metinvest's methane emissions comes from underground coking coal mining operations. In 2023, the Group's CH4 emissions totalled 80 thousand tonnes, down 22% year-on-year. The change was mainly because of the transfer of some operations at Pokrovske Colliery to other mining sections with less methane-containing coal seams.

CBAM REPORTING

During 2023, Metinvest continued to prepare for the implementation of the EU's Carbon Border Adjustment Mechanism (CBAM). The Group's efforts were focused primarily on setting up and testing internal processes for this reporting system, as well as working to integrate its suppliers and customers into CBAM documentation requirements. Metinvest has already started to report under the transition period of the CBAM, which became effective from October 2023.

ENERGY EFFICIENCY

Metinvest's Operational Directorate oversees energy management and implements energy efficiency programmes at the executive level. Each of the Group's operating production sites has a dedicated division responsible for the usage of energy resources in manufacturing and the implementation of efficiency projects.

Metinvest's energy management systems are designed to be compliant with leading international standards in the field. At the end of 2023, six5 of Metinvest's operating assets held ISO 50001 certification.

In 2023, direct energy consumption decreased by 28% year-on-year to 59,099 terajoules6. Excluding the 2022 figures for Metinvest's assets in Mariupol and Avdiivka, the indicator increased by 10% year-on-year. This was mainly due to expanded production at Kamet Steel and at the Group's iron ore assets.

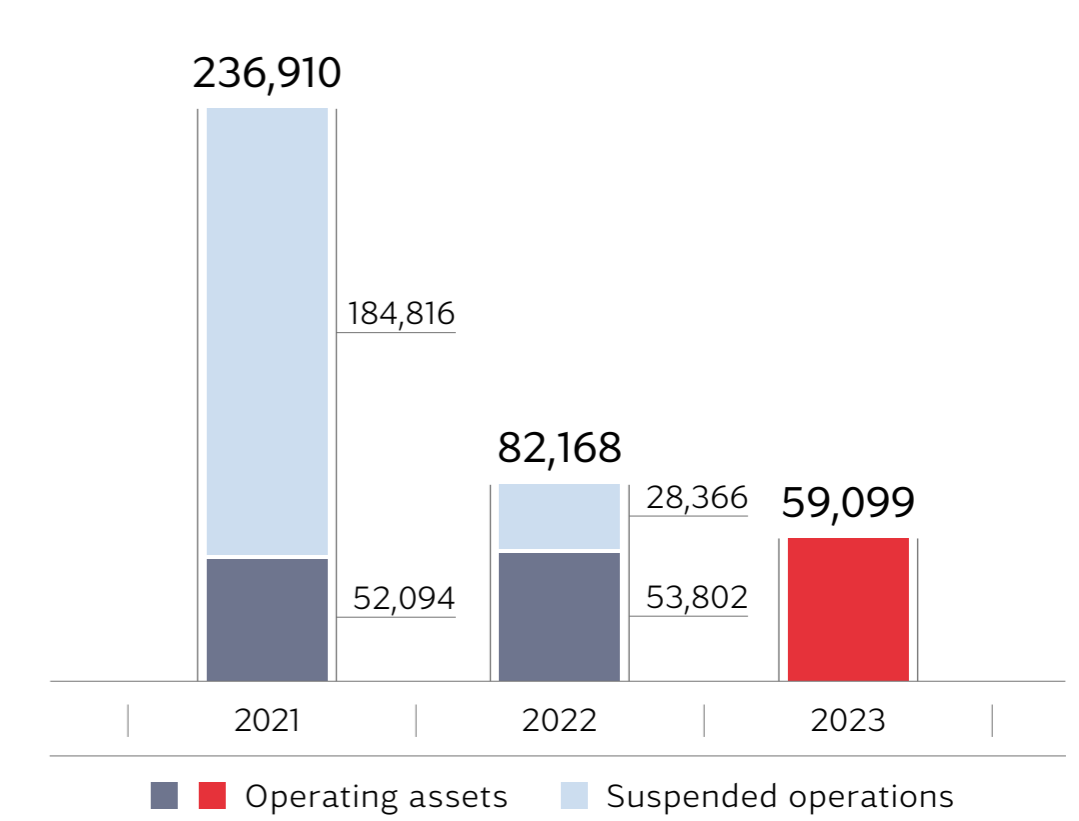
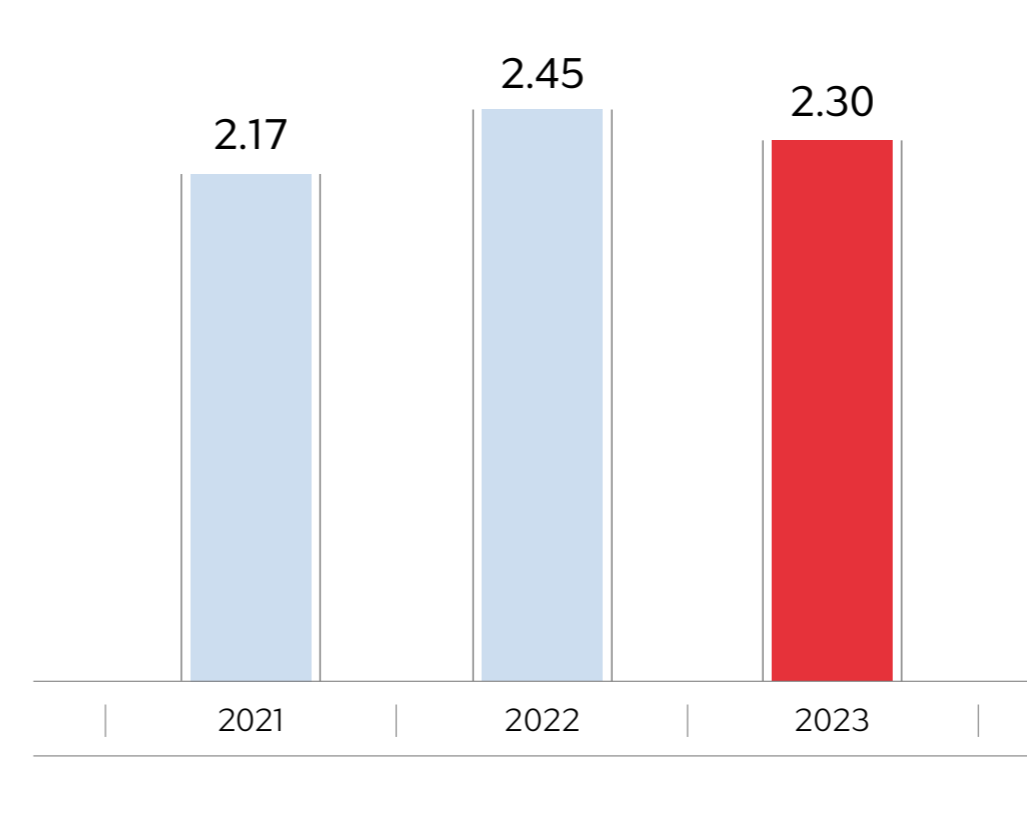
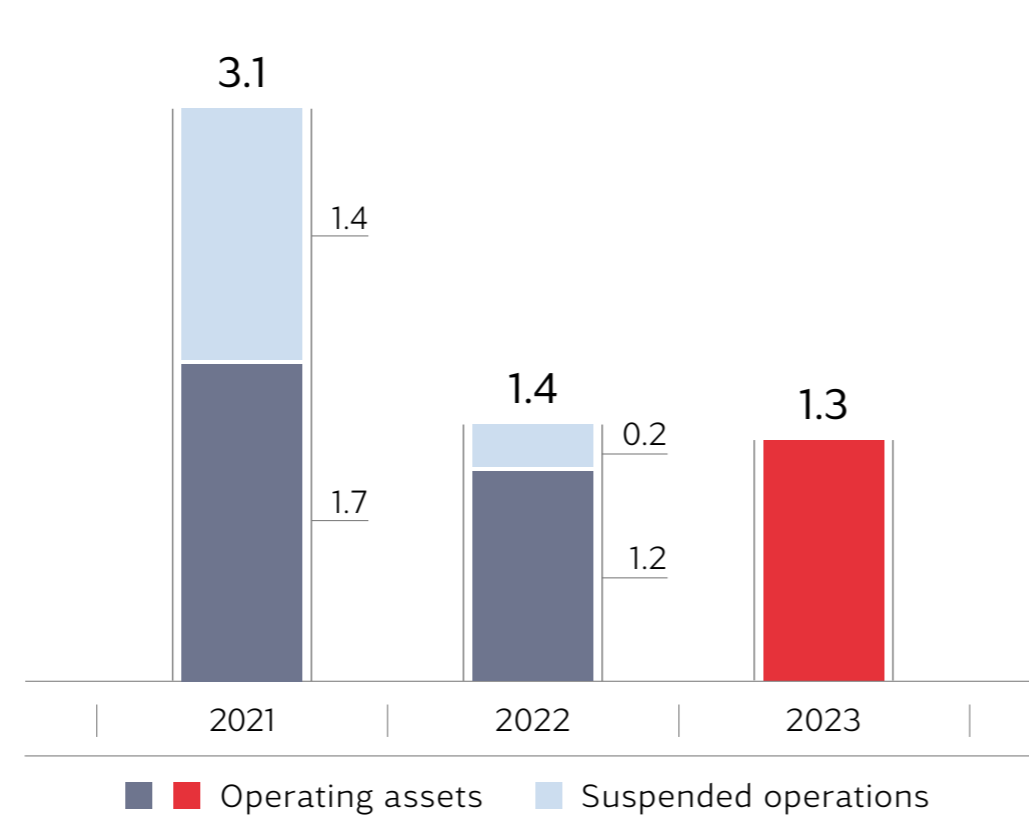
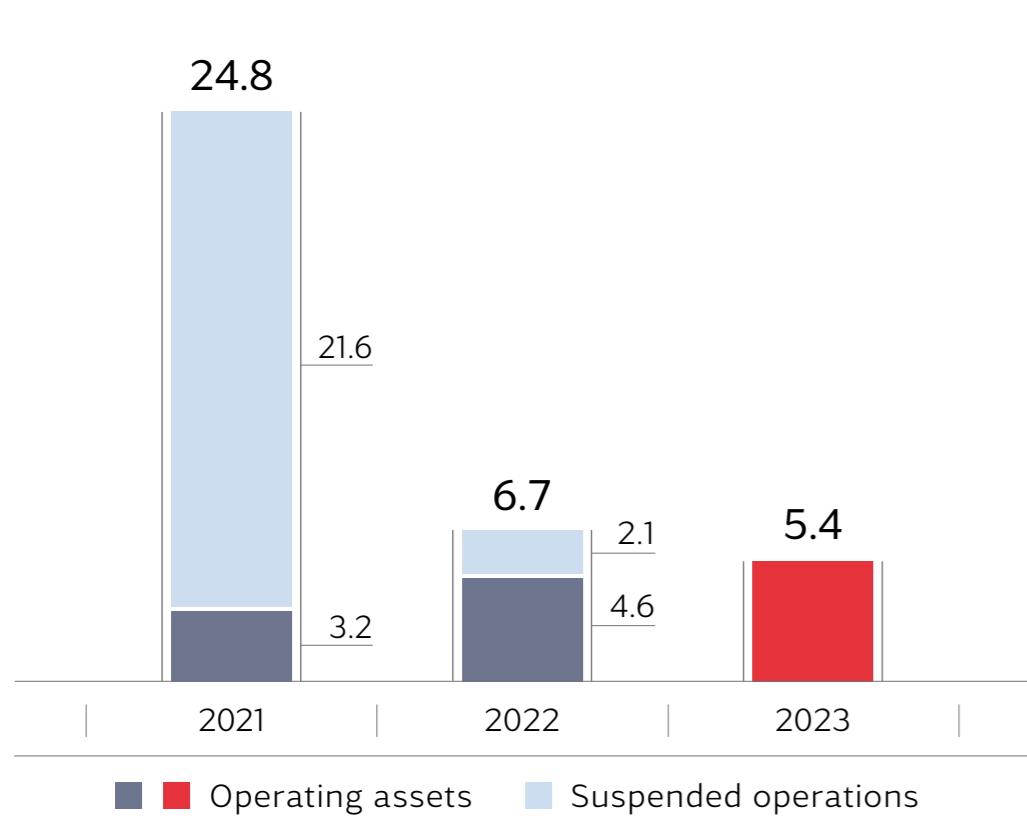
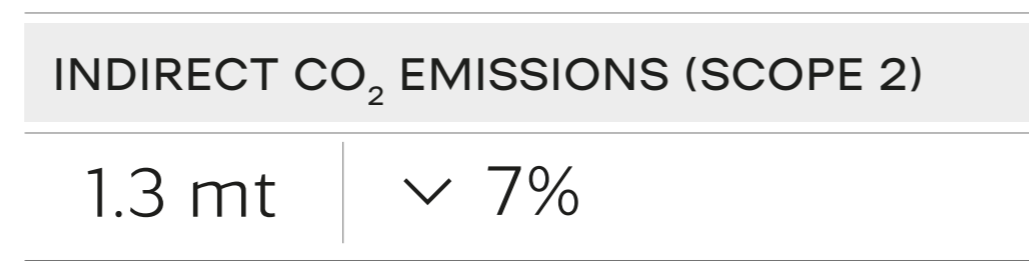
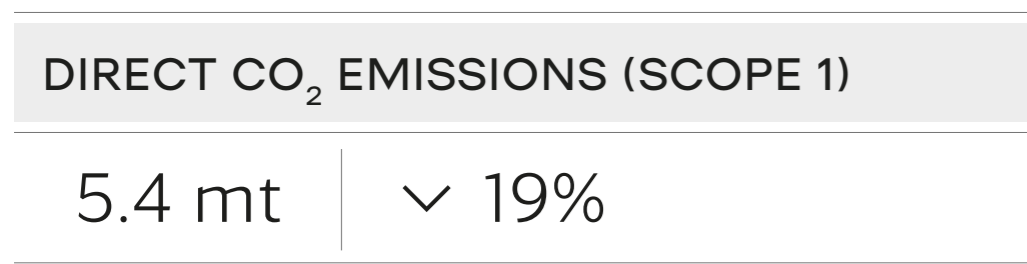
Overall, Metinvest's spending on energy efficiency initiatives in 2023 amounted to US\$7 million, down 19% year-on-year.

During the reporting period, the Group's energy management efforts included:

- ensuring energy security and preventing emergencies
- enhancing continuity of production in case of power outages and shortages
- introducing manoeuvrable energy generation to supply critical infrastructure
- optimising energy costs during production downtime
- implementing energy-saving programmes
- increasing in-house electricity generation
- using biofuel to replace natural gas.

In 2023, the Group also maintained its practice of engaging contractors to implement turn-key energy-savings projects. This included substituting natural gas with crushed sunflower husks as biofuels in the pellet production process. This reduced natural gas consumption at the respective units of Central Iron Ore and Northern Iron Ore by approximately 40-45%.

2 For more details, please see page 87.
 3 Scope 2 CO2 emissions were calculated using the location-based method. As Metinvest generally purchases electricity from traders, this approach reflects the average emissions intensity of power grids through which energy consumption occurs, primarily using grid-average emission factor data.
 4 The calculation is based on Scope 1 stationary and mobile CO2 emissions of Metinvest's steelmakers. The indicator for 2022 includes data from the Group's Mariupol steelmakers for January 2022 only. The indicator for 2023 is represented by Kamet Steel only. Uniquely, those material flows directly used in steelmaking processes were taken into account, while volumes of merchant pig iron were not included.
 5 Central Iron Ore, Inhulets Iron Ore, Kamet Steel (coking facilities), Zaporizhia Casting and Mechanical Works, Zaporizhia Coke and Zaporizhia Refractories.
 6 For more details, please see page 88.





AIR EMISSIONS

Metinvest monitors air emissions at its operational facilities continuously, in alignment with relevant legal requirements pertaining to pollutant limits specified in the permits. The Group’s air emissions consist predominantly of carbon monoxide (CO), dust, sulphur oxides (SO₂) and nitrogen oxides (NO₂), of which CO emissions make up the largest share.

In 2023, Metinvest focused on critical repairs to keep dust and gaseous emissions below permitted levels. Several environmental initiatives and technology upgrades were implemented to reduce air emissions at certain assets. These included overhauling coke oven batteries and making efficiency improvements at Kamet Steel, as well as reducing emissions from blasting and stabilising dry tailings’ surfaces at Inhulets Iron Ore.

During the reporting period, Metinvest’s air emissions rose by 8% year-on-year to 86 thousand tonnes, mainly because of increased production volumes at Kamet Steel. Excluding the 2022 numbers for the suspended operations in Mariupol and Avdiivka, the increase stood at 12%.

WATER MANAGEMENT

Metinvest works to identify, prevent and mitigate any potential impacts its operations may have on water resources. It closely monitors the water resources withdrawn and used by its operating assets to ensure compliance with environmental regulations. The Group also upgrades its laboratories to maintain the precision of its measurements. Reflecting these efforts, Metinvest recycled and reused 91% of water consumed from all sources in 2023, in line with 2022 results.

The Group’s production assets use water primarily for cooling machinery and cleaning flue gases. The BOF production method also uses water to clean gas generated from steel production, after which the cleaned water is reused in the process. Metinvest’s iron ore mining operations recycle water, combining it with ground ore to separate valuable elements from waste, known as ‘tails’, which are then transferred to tailings storage facilities.

In June 2023, Russian occupying forces intentionally destroyed the dam of the Kakhovska Hydroelectric Power Plant on the Dnipro River.

This led to extensive flooding and damage to communities in Kherson region. It also caused a critical drop in the water level at the Kakhovska reservoir, which supplied water to Kryvyi Rih. However, this has not directly impacted the operations of the Group’s assets in the city.

In 2023, the Group’s water intake volume totalled 121 million cubic metres, up 5% year-on-year. The water consumption volume rose by 7% year-on-year to 108 million cubic metres. Meanwhile, the water discharge volume was 82 million cubic metres, up 6% year-on-year. The growth was primarily caused by the recovery of production volumes at Kamet Steel.

WASTE MANAGEMENT

Responsible handling of waste is a core element of Metinvest’s environmental approach. The industrial waste produced during manufacturing processes includes overburden and tailings from the extraction and enrichment of ore, coal mining and processing wastes, chemical by-products from the production of coke, along with slag and sludge containing iron from the production of hot metal and steel.

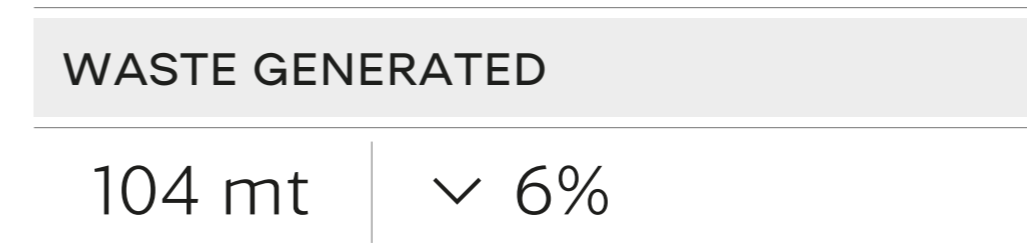
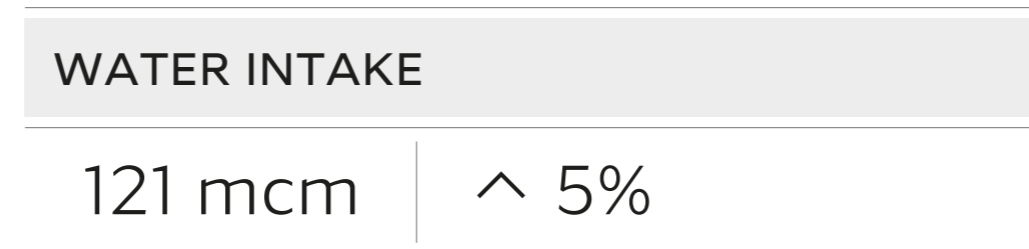
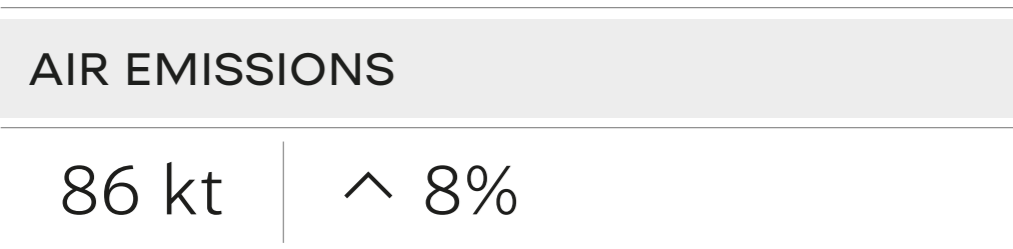
The Group strives to reuse and recycle waste, including by applying crushed rock in road maintenance and construction, commercialising by-products such as coal tar pitch and naphthalene, and replacing raw iron ore materials with scrap metal.

In 2023, scrap metal accounted for 22% of overall consumption for steel production, up eight percentage points year-on-year.

Metinvest designates specific areas for waste management, such as repositories at steel production sites for slag and sludge, and facilities at iron ore assets for storing tailings. These storage facilities are typically located in areas with low seismic activity and minimal risk of heavy rainfall. The Group rigorously performs internal reviews of the stability of its tailings dams and designates staff to regularly inspect them, while also monitoring the volume of waste and disposal methods and assessing potential environmental impacts. Annual external evaluations of the storage sites of its iron ore assets are also carried out by Ukrainian governmental bodies and an independent expert organisation. This approach ensures adherence to tailings management requirements and long-term safety initiatives, including monitoring dam loading and cleaning drainage systems. During the year, efforts were undertaken to strengthen the dams by increasing their height, as well as to clean the drainage systems.

In 2023, the industrial waste generated from Metinvest’s production totalled 104 million tonnes, down 6% year-on-year. The reduction in waste was primarily due to the lower output of iron ore at Central Iron Ore. Nearly 100% of the overall volume of waste was non-hazardous, primarily overburden and tailings from iron ore production. The total volume of waste recycled in 2023 was 20 million tonnes, accounting for 19% of waste generated.

For more information about key environmental data, please see [Annex 2](#).



■ Operating assets ■ Suspended operations

■ Operating assets ■ Suspended operations

■ Operating assets ■ Suspended operations



BIODIVERSITY

The Group's assets do not operate in protected natural areas or areas of high biodiversity value, nor do they impact the habitats of species found on the International Union for Conservation of Nature (IUCN) Red List or national conservation lists.

Metinvest is committed to rehabilitating land affected by its mining activities, employing strategies to conserve natural landscapes, minimise the amount of disturbed land and restore sites to their original condition.

In 2023, Metinvest's assets continued to implement greening measures to reduce dust at dumps and tailings facilities. For example, its iron ore assets continued to plant trees in their sanitary protection zones to maintain air quality.

Inhulets Iron Ore also undertook numerous efforts to support the Vizyrka nature preserve, which was created on previously mined land.

In addition, as a response to the destruction of the Kakhovska Hydroelectric Power Plant, the Zaporizhstal JV worked with local NGOs to organise ecological clean-up campaigns, removing 15 tonnes of rubbish from over 15 hectares of the river's riparian zones with the help of over 200 volunteers.

In the US, United Coal reclaimed 145 acres (around 59 hectares) of mined land and planted 115,400 trees during the reporting period. Among other initiatives, it also conducted studies to determine the presence of various threatened and endangered species. It then developed and implemented protection and enhancement plans for each species. These documents are reviewed by US state and federal agencies and include time of year restrictions on certain practices such as tree cutting or pond removal when species are known to nest in trees or reproduce in the streams. In addition, whole effluent toxicity tests were performed to determine the toxic effect on aquatic organisms. The tests measure the impact on specific organisms' ability to survive, grow and reproduce.

RECLAMATION

As part of its environmental stewardship agenda, Metinvest takes a consistent approach to the reclamation of land used in mining operations.

According to Ukraine's Mineral Resources Code, Land Code, Mining Law and Land Protection Law, along with other relevant Ukrainian and US legislation and regulations, the Group is responsible for the restoration and rehabilitation of soil when decommissioning non-hazardous waste storage sites and mining operations. This duty is reinforced by the subsoil use licences granted by governmental bodies.

After the completion of mining operations, Metinvest is obliged to introduce recultivating measures that have received relevant prior approvals. While remaining consistent with its obligations, the Group takes a diverse and flexible approach to reclamation.

In Ukraine, the process begins with the greening of dumps and tailings for the purpose of dust suppression and ends with the complete reclamation of abandoned quarries. Carrying this out in a closed mining system necessarily involves the introduction of a drainage system from the mine shafts, the cleaning of mine waters and their discharge into the local water network.

In the US, United Coal's efforts in this area are also guided by detailed plans approved alongside relevant regulatory permits. The process involves three distinct phases: initial site stabilisation, the establishment of vegetation over two growing seasons, and the final removal of infrastructure or its preservation at the request of the landowner.

The Group employs both in-house and contractor teams to execute its reclamation plans. Regular inspections by the relevant authorities guarantee compliance and raise the need for any adjustments in a timely manner, consistent with Metinvest's approach to the environment.

A STRATEGIC STEP TOWARDS GREEN STEEL PRODUCTION



In 2023, Metinvest, in partnership with Danieli, a global leader in metallurgical technological solutions with Italian roots, initiated Project Adria. This represents a significant stride towards establishing a green steel production facility in Italy.

The venture was inaugurated by a memorandum of understanding signed with the Italian government and local authorities in January 2024, after the reporting period. The document outlined a collective ambition to revitalise a steelmaking site in Piombino.

Backed by investments exceeding EUR2 billion, the initiative aims to produce 2.7 million tonnes of low-carbon-emission hot-rolled products annually. Cutting-edge proven technology will feature two electric arc furnaces, a casting-rolling complex and a steel service center. The project is estimated to create around 1,000 jobs.

The decision to locate the project in Piombino was driven by a range of strategic benefits, including its status as a site of national interest and proximity to end customers. The location also offers efficient delivery and cost advantages thanks to its access to major transport networks and a deep-water seaport. Aligned with Italy's sustainable development and climate goals, the project will deliver significant environmental, economic and technological advancements.

The plant is positioned to meet the strong demand in Italy, the EU's largest HRC importer, by offering a broad mix of steel grades. It will incorporate advanced green steelmaking technologies into a highly efficient, full-cycle process to achieve low production costs. Strong sponsorship and well-mitigated risks, backed by the technologies of Danieli and the combined expertise of the partners, further reinforce the project's viability.

Overall, Project Adria is a critical milestone for the Group, signifying a broader shift towards green steel manufacturing practices. This aligns with the growing global demand for products with a reduced carbon footprint. Importantly, the initiative also has inherent synergies with Metinvest's vast magnetite ore reserves in Ukraine.

As of this report's publication date, comprehensive technical, environmental and economic studies are being conducted. These aim to ensure the project's long-term success and proper fit within the Group's business model. Financial structuring also remains a priority. Discussions are being held with governmental bodies, financial institutions and commercial banks to secure the project's viability.



RESPONSE TO CLIMATE CHANGE

PREPARING FOR THE FUTURE

Metinvest acknowledges the significance of climate-related matters in shaping its strategic direction and future development. Taking into account the relevance of this topic to the Group's stakeholders, Metinvest is introducing more detailed reporting practices covering this area.

GENERAL APPROACH

This disclosure marks Metinvest's inaugural effort to align with the Task Force on Climate-related Financial Disclosures guidelines. Recognising the profound challenge climate change represents, the Group realises the importance of reducing its carbon footprint. This initiative reflects Metinvest's dedication to environmental stewardship and addresses stakeholders' increasing demands on this matter.

In alignment with the Paris Agreement¹, adopted in December 2015, which aims to limit the global temperature increase to well below 2°C and to pursue efforts to restrict the growth to 1.5°C, Metinvest understands the need for global coordination and the industrial sector's critical role in this endeavour. It also recognises the imperative of transitioning towards more sustainable business processes to mitigate climate-related challenges.

In 2023, in an effort to adhere to and align with the best global practices and to provide an assessment of climate-related risks and opportunities, Metinvest engaged an external expert. This collaboration was guided by the TCFD's four pillars: Governance, Strategy, Risk Management, and Metrics and Targets.

The assessment confirmed that Metinvest has a universal and solid governance structure. Also, the analysis performed led to the identification of key recommendations for effective climate stewardship, the development of a structured approach to managing climate risks and opportunities, and the evaluation of physical and transition risks under various scenarios. These recommendations are being considered for implementation in 2024, after the reporting period.

The initial reporting efforts have been focused on the Governance, Strategy, and Risk Management components of the TCFD recommendations, prioritising them as essential to establishing a robust framework for climate-related financial disclosure and risk oversight.

In addition, the dynamic landscape of the related corporate disclosures necessitates ongoing scrutiny and adaptation.

Operating within diverse legal jurisdictions, Metinvest undertakes to continuously improve its reporting, ensuring alignment with international best practices, as well as existing and upcoming regulatory requirements².

¹ Paris Agreement (unfccc.int)

² Task Force on Climate-Related Financial Disclosures (fsb-tcfd.org)



GOVERNANCE

Metinvest has a universal model of corporate governance featuring a two-tier board structure (for more details, please see pages 56-57).

In 2024, after the reporting period, the Group adopted a climate governance structure that is currently in the process of implementation.

The Management Board of Metinvest B.V., supported by the Group’s executive team, forms the core of the climate governance system responsible for identifying, evaluating, managing and developing mitigation strategies for climate-related risks and opportunities.

The Investment Committee is a governance body established at the level of the executive team, headed by the CEO, and responsible for managing Metinvest’s investment process. It is to be particularly central to coordinating climate issues throughout the Group to ensure effective management of climate risks and opportunities.

In its performance, the Committee will be supported by:

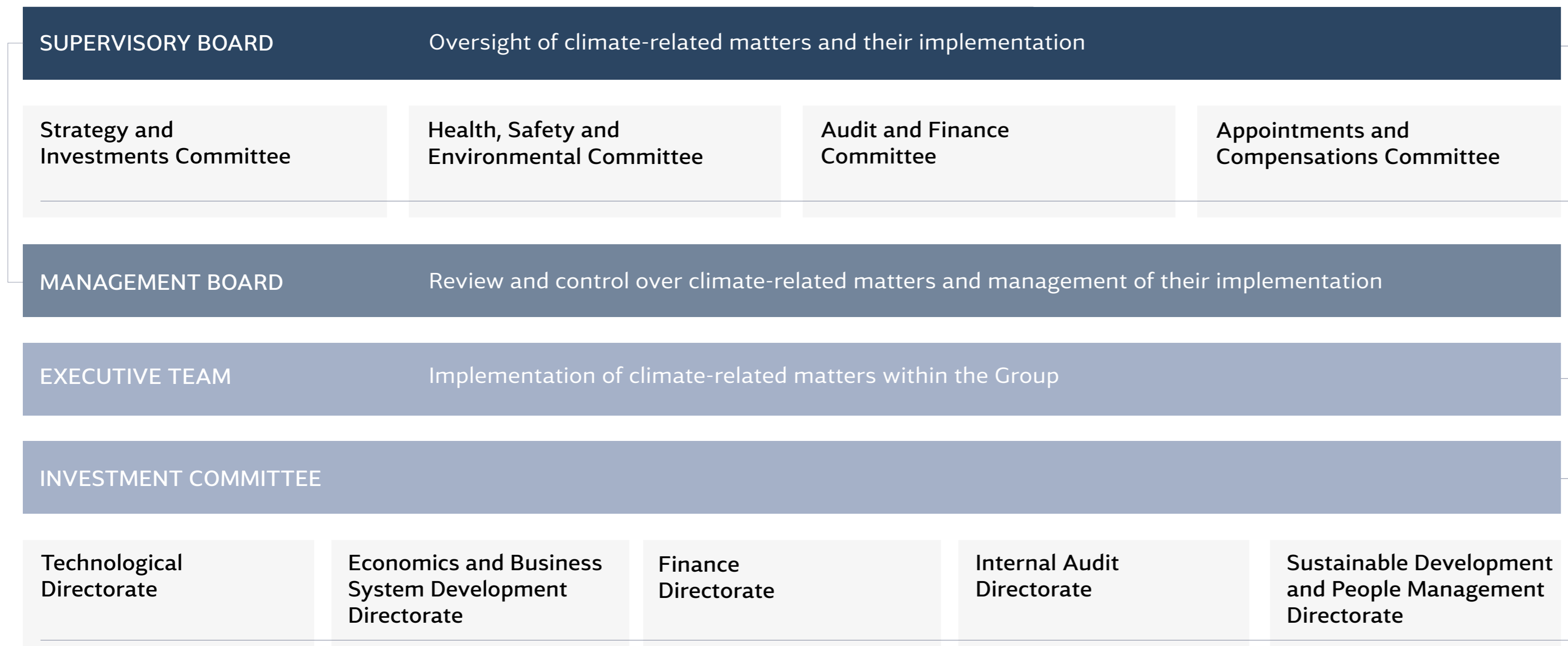
- The Technological Directorate is to be instrumental in identifying climate risks and opportunities across the Group and evaluating non-commercial risks (for more details regarding Metinvest’s approach to managing non-commercial and commercial risks, please see pages 68-69), as well as developing mitigation strategies for material climate risks.
- The Economics and Business System Development Directorate is to be responsible for evaluating commercial climate risks and managing the capital investment programme, considering climate-related risks and opportunities.
- The Finance Directorate is to incorporate impact assessments into the financial statements, as well as handle public disclosures of climate risks and opportunities.
- The Internal Audit Directorate is to monitor climate-risk evaluations to ensure that they are methodologically consistent with the Group’s overall risk assessment framework.
- The Sustainable Development and People Management Directorate is to ensure that the management is appropriately motivated to consider climate-related matters in performing their professional duties.

The Supervisory Board and its committees are expected to provide strategic oversight over climate-related issues and ensure that they are an intrinsic part of the Group’s business model and strategy.

The specific responsibilities of the Supervisory Board’s committees in this area are based on the following:

- The Strategy and Investments Committee will ensure integration of climate change issues and decarbonisation into the Group’s overall strategy.
- The Health, Safety and Environmental Committee will oversee assessment of climate risks and opportunities, and review the climate-risk mitigation strategy.
- The Audit and Finance Committee will monitor the impact of climate risks and opportunities on financial reporting and budgeting.
- The Appointments and Compensations Committee will be responsible for incentivising the CEO and top management, fostering accountability at the highest executive levels.

CLIMATE GOVERNANCE STRUCTURE





STRATEGY

Metinvest seeks to address climate risks within the risk management framework, described on page 68, considering the unique characteristics of its assets.

For the purpose of understanding climate-related challenges, the Group's strategic approach is primarily based on the scientific research conducted by global climate authorities.

CLIMATE SCENARIOS

The TCFD recommends the use of climate models as tools to identify and assess how various combinations of physical and transition climate-related risks may affect a company and its financial performance.

The Group believes that scenario analysis helps it to understand the risks and uncertainties it may face under varying hypothetical futures and how those conditions may affect its performance, therefore contributing to the development of greater strategic resilience and flexibility.

Physical climate risk scenarios

For assessment of physical risks, Metinvest has considered three climate scenarios adopted by the Intergovernmental Panel on Climate Change (IPCC)³ and described in the chart below. These capture widely accepted climate pathways for global warming to the end of the current century.

The scenario with the highest physical risks – The Representative Concentration Pathway (RCP) - RCP 8.5 – was chosen as the basis for the assessment of such risks by the Group, given that this pathway includes the most severe weather events. To reduce uncontrollable variables, it was assumed that all operating assets of the Group as at the report's release date would not be materially affected by the full-scale war in Ukraine.

Under this scenario, the following parameters are outlined:

- emissions continue to increase throughout the century; the overall emissions in 2100 amount to 3.5 times more than the 2000 level
- the global population reaches 12 billion by the end of the century
- energy consumption continues to grow, reaching three times more than the level of 2023
- oil and thermal coal consumption continues to increase.

Transition climate risk scenarios

Transitioning to a lower-carbon economy may entail extensive policy, legal, technological and market shifts to address mitigation and adaptation requirements related to climate change.

Climate transition scenarios enable companies to develop strategic plans that are flexible and resilient to a range of variables. These are climate projections specifically tailored to reflect certain assumptions, inputs or parameters chosen to address particular research issues. The Group analysed the World Energy Outlook (IEA)⁴, Network for Greening the Financial System (NGFS)⁵, IRENA (International Renewable Energy Agency)⁶ and PRI (Principles for Responsible Investment)⁷ scenarios as the basis for the transition climate risk assessment. For more details, see the chart below.

After reviewing the scenarios described above, Metinvest chose to apply synthesised scenarios, tailored to adjust variables and assumptions from the different global climate authorities mentioned in the report. They are designed to meet the needs of the Group in assessing the impact from transition climate risks while pursuing Paris Agreement goals.

SYNTHESISED TRANSITION SCENARIOS

Net Zero

A blend of the NEA's Net Zero Emissions and NGFS Net Zero 2050 scenarios. Under this customised scenario, global warming is limited to 1.5°C through stringent climate policies and innovation, reaching global net zero CO₂ emissions around 2050.

Announced Pledges

A blend of the IEA Announced Pledges and NGFS NDCs scenarios. Under this customised scenario, all current announced energy and climate commitments will be implemented, limiting temperature increases to below 2°C by 2100.

³ IPCC — Intergovernmental Panel on Climate Change
⁴ World Energy Outlook 2023 – Analysis - IEA
⁵ NGFS
⁶ IRENA – International Renewable Energy Agency
⁷ PRI | Home (unpri.org)

PHYSICAL SCENARIOS

METRICS UNTIL 2100	RCP2.6 SCENARIO	RCP4.5 SCENARIO	RCP8.5 SCENARIO
Description	Peak in radiative forcing at ~ 3 Watt/m ² before 2100 and decline	Stabilisation without overshoot pathway to 4.5 Watt/m ² at stabilisation after 2100	Rising radiative forcing pathway leading to 8.5 Watt/m ² in 2100
Warming projections, °C	0.3 to 1.7 (mean 1.0)	1.1 to 2.6 (mean 1.8)	2.6 to 4.8 (mean 3.7)
Sea level rise projections, meters	0.26 to 0.55 (mean 0.40)	0.32 to 0.63 (mean 0.47)	0.45 to 0.82 (mean 0.63)
Severity of extreme weather events	Small	Moderate	Large
Scenario narrative	Highest transition risks, lowest physical risks	Moderate transition risks, moderate physical risks	Lowest transition risks, highest physical risks

TRANSITION SCENARIOS

PROVIDER	IEA	NGFS	IRENA	PRI
Description	The IEA developed the WEO. It is used as the most authoritative source of analysis and projections.	The NGFS scenarios take into account the latest economic and climate data, model versions and policy commitments.	IRENA's scenario is designed to provide insights into the opportunities and challenges associated with a global energy transition towards renewable sources.	PRI scenarios were developed by an international group of institutional investors reflecting the increasing relevance of ESG issues to investment practices.
Scenarios	<ul style="list-style-type: none"> • Net Zero Emissions by 2050 (NZE) • Announced Pledges • Stated Policies 	<ul style="list-style-type: none"> • Net Zero 2050 • Divergent Net Zero • Below 2°C • Delayed Transition • NDCs • Current Policies 	<ul style="list-style-type: none"> • 1.5°C Scenario 	<ul style="list-style-type: none"> • Required Policy Scenario (RPS) • Forecast Policy Scenario (FPS)
Warming projections, °C	1.5 / ~1.7 / ~2.5	1.5 / <2 / 2.6 / >3	1.5	1.5 / below 2

**CLIMATE RISKS**

Climate-related risks are broadly divided into two categories: physical risks posed by the changing climate; and transition risks posed by the need for companies to address mitigation and adaptation requirements.

Physical risks

Physical risks emerging from climate change can result from event-driven (acute) or longer-term (chronic) shifts in climate patterns.

The Group identified the following physical risks that may be relevant for its business: average temperature increase, wildfires, storms, floods, droughts, changes in precipitation, extreme temperatures, landslides, winds and a sea-level rise.

Considering the geographic location of Metinvest's assets, the assessment found that the forecast changes in physical climate indicators were insignificant under the RCP 8.5 scenario according to the credible climate models.

A qualitative and quantitative assessment of physical climate risks for Metinvest indicates that their financial consequences are expected to be immaterial even under the most aggressive climate change scenario on the horizon by 2050.

For a detailed description of climate-related physical risks with the highest probability of occurrence, refer to [Annex 3](#).

Transition risks

The Group identified a number of transition risks, such as increased pricing of greenhouse gas emissions under the EU and Ukrainian emissions trading systems; the Carbon Border Adjustment Mechanism introduction by the EU for imported goods; higher raw materials costs; changing customer preferences for low-carbon products; restricted access to capital; costs for transition to lower emissions technology; and low demand for coking coal products. The assessment is still ongoing at the time of writing this report.

For a detailed description of the climate-related transition risks with the highest probability of occurrence, please see [Annex 3](#).

CLIMATE OPPORTUNITIES

Climate-related opportunities are associated with efforts to mitigate and adapt to climate change.

Diversified resource base

Given the global transition to low-carbon-emission technologies, the demand for raw materials for green steel production is expected to grow over time.

Metinvest's in-house iron ore mining and processing facilities present significant opportunities to expand output of DR-grade pellets in the medium term, as well as hot briquetted iron (HBI) and direct reduced iron (DRI) in the long term. In particular, Central Iron Ore is already capable of producing pellets of a high-grade quality.

Diversifying the Group's business activities can support its shift towards less carbon-intensive production methods. This could include the supply of green steel to align with customers' sustainability goals.

Circular economy

Recycling offers a more sustainable resource base for steelmakers, enabling the reuse of by-products from the metals industry. This approach helps to mitigate climate change risks, although it may require additional capital expenditures.

Metallurgical waste (waste rock, metallurgical slag or pickling sludge) is used to reduce the consumption of certain types of construction materials (such as utilising crushed rock for road repair and construction).

Also, the Group is substituting iron ore raw materials with in-house generated scrap in its steelmaking process, reducing the carbon emissions.

For more details, please see the [Environment](#) section of the report.



RISK MANAGEMENT

In 2024, after the reporting period, Metinvest designed an approach for integrating climate risks into the Group’s overall risk management system that is being currently implemented. Metinvest recognises these risks as external factors that could impact its strategy, business model and performance.

For the purpose of climate risk assessment, the Group will apply uniform principles and its internal categorisation of risks as commercial or non-commercial. For more details regarding risk management practices, see the Risk Management section of the report.

METRICS AND TARGETS

Regular monitoring of climate-related metrics, including but not limited to GHG emissions, is essential for evaluating Metinvest’s performance in addressing climate change. The Group strives to enhance the transparency of its climate-related data, although considerable constraints are in place due to the full-scale war in Ukraine.

Metinvest has demonstrated a solid track record in its disclosures of key environmental metrics. Since 2021, the Group has reported its CO₂ emissions in compliance with Ukraine’s law “On the Principles of Monitoring, Reporting and Verification of Greenhouse Gas Emissions”. It calculates direct Scope 1 CO₂ emissions from stationary sources using the entire carbon balance at an installation’s input and output points. This approach aligns with the one adopted by the EU, making the Group’s CO₂ reporting and intensity benchmarks comparable with those of EU-based peers. While Metinvest was not obliged to report the CO₂ data according to this law until 2022, the Group reassessed the historical figures for 2018-2020 and published them in 2021 to ensure transparency and comparability.

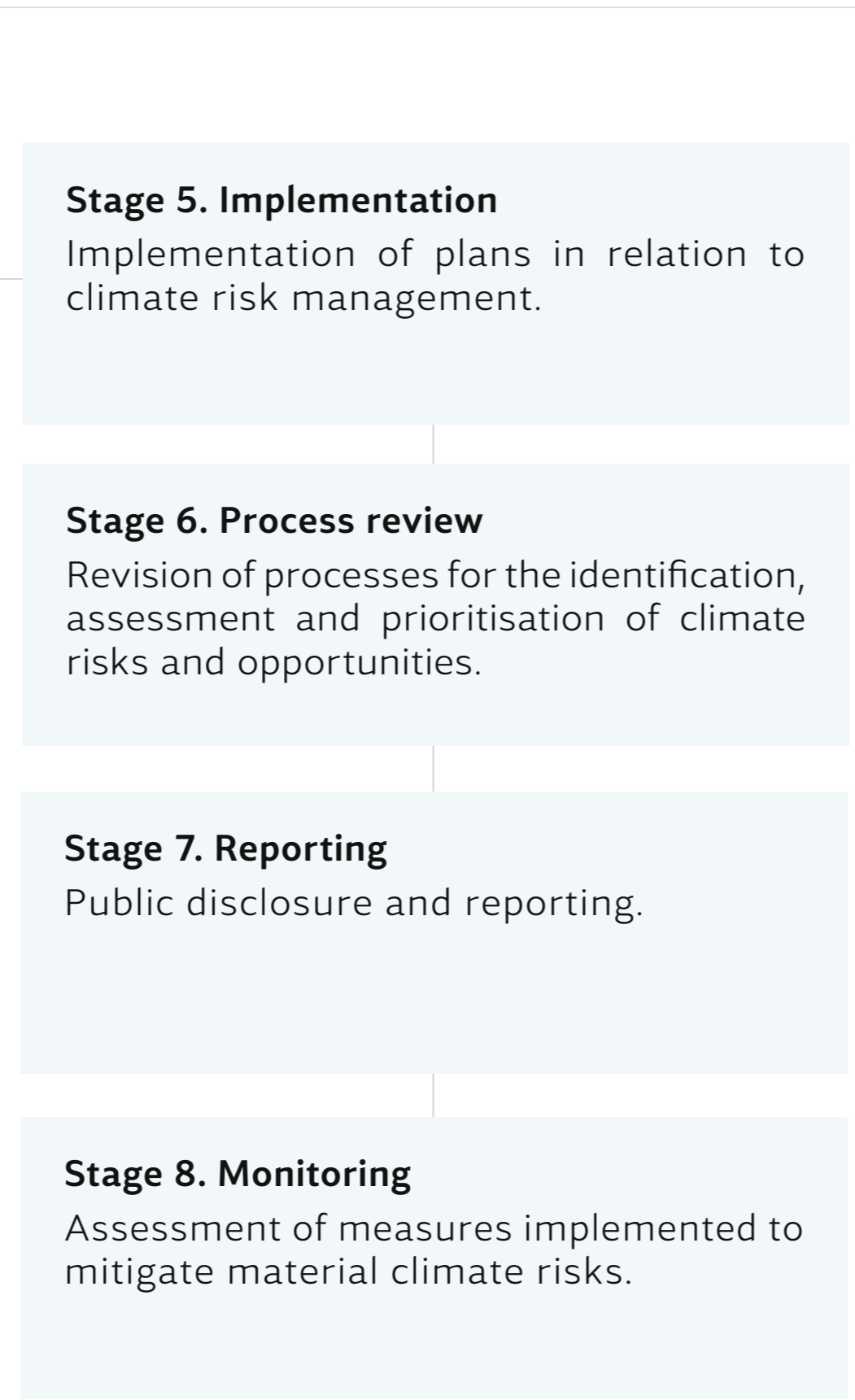
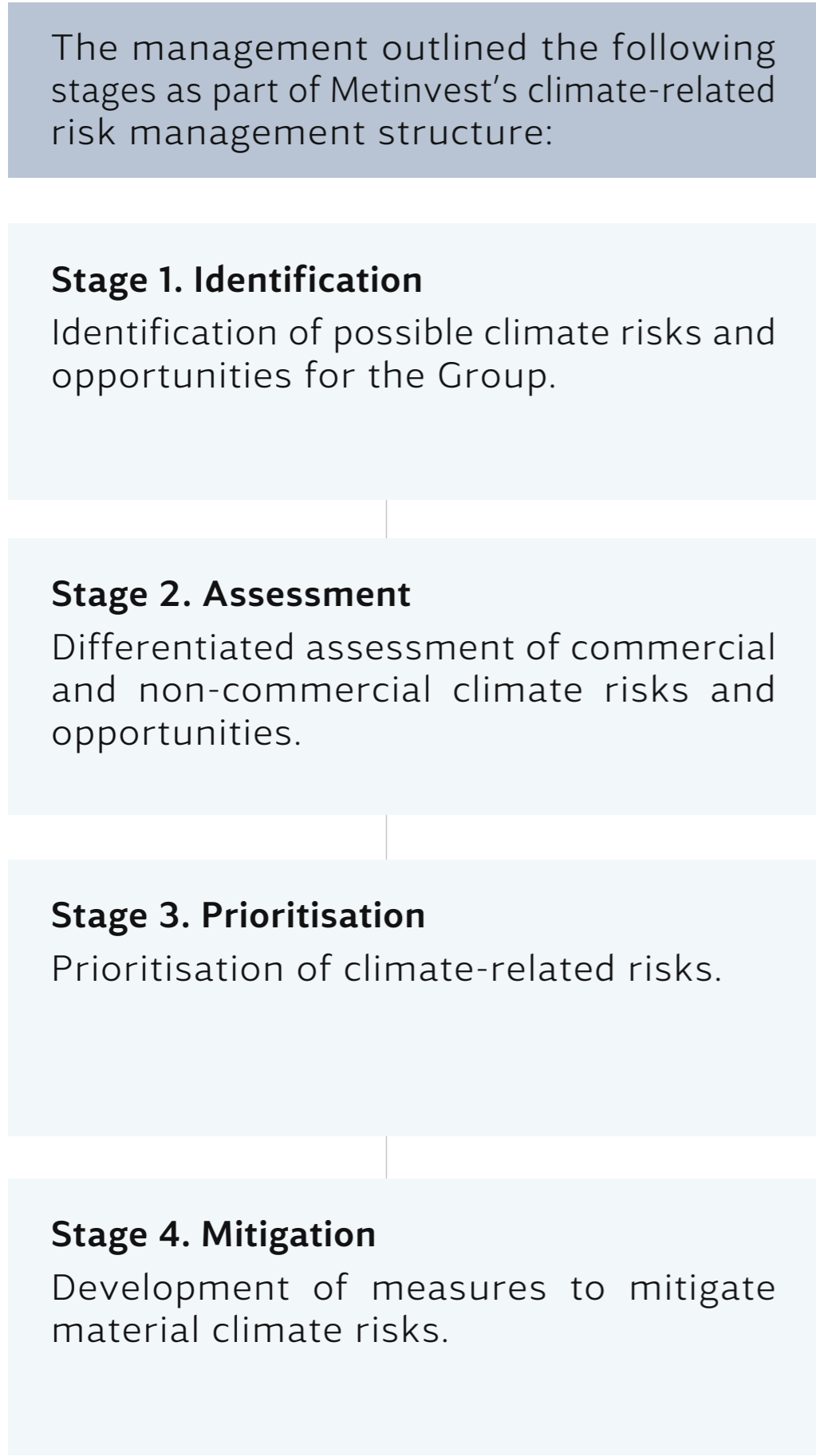
The Group also calculates direct Scope 1 CO₂ emissions from mobile sources, indirect Scope 2 CO₂ emissions and carbon intensity associated with its electricity purchases under the Greenhouse Gas Protocol.

For more details about Metinvest’s most recent performance on key climate-related metrics, refer to pages 47-48.

To address the potential impact of climate change risks, Metinvest was developing a long-term decarbonisation roadmap prior to the full-scale war. This task has been postponed due to the invasion. The decarbonisation journey of the Group’s Ukrainian assets will need to be reviewed comprehensively once the war is over and its impact is assessed.

While significant investments cannot be made at present in Ukraine, the Group is focused on the following areas of development for the future: improving the quality of its iron ore products and shifting to proven and prospective low-carbon emission technologies used in steel production, such as electric arc furnaces and smelters, based on low-carbon raw materials and energy sources. Also, the Group is developing a steel production project in Italy with advanced low-carbon emission technology. For more details, please see page 49.

Metinvest remains committed to its green steel future. For example, in June 2023 the Group joined the Ukrainian government’s platform for the green recovery of the national steel sector. The memorandum of partnership was signed at the Ukraine Recovery Conference held in London. It draws attention to the topic with an aim to engage a broader circle of interested stakeholders.





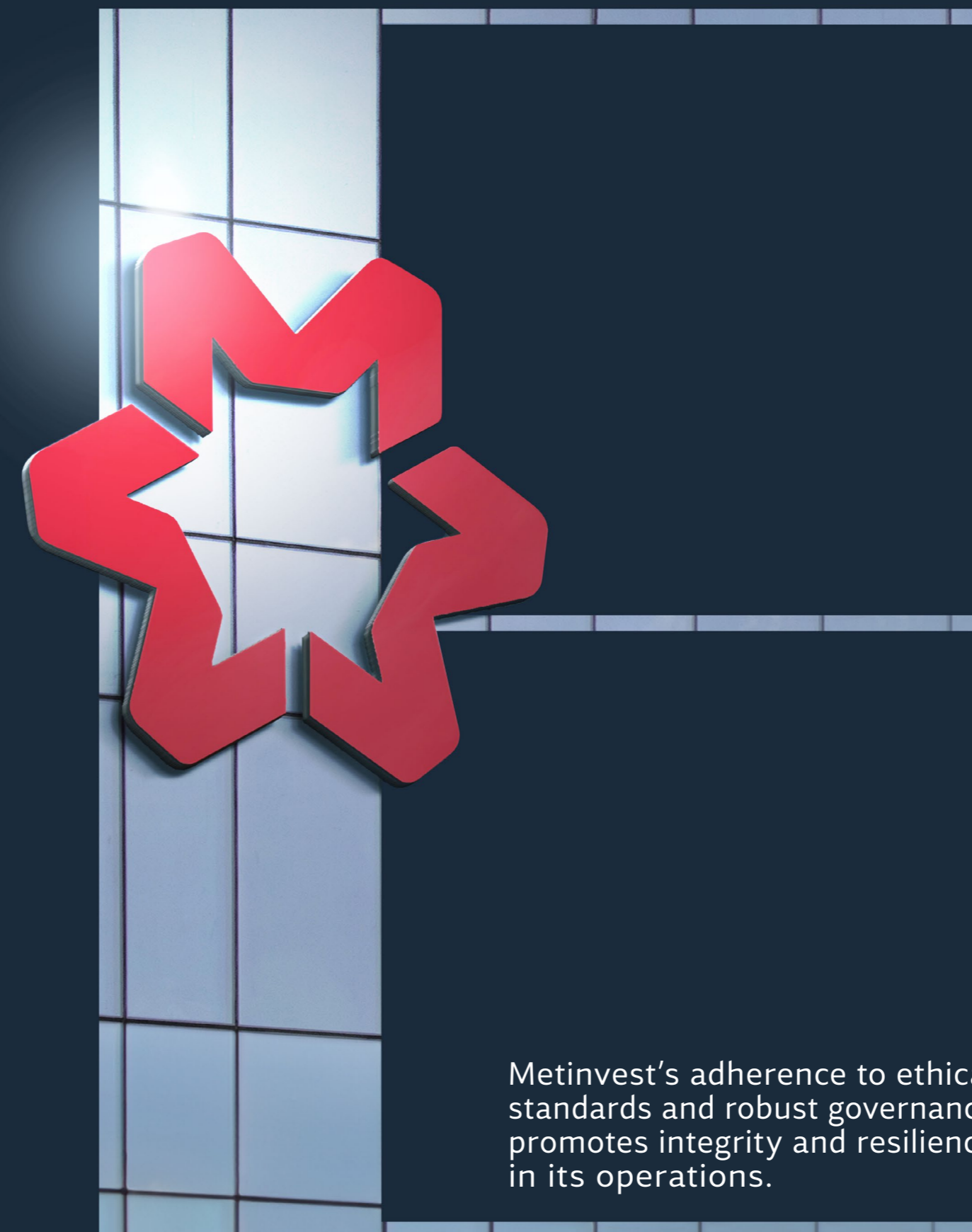
M E T I N V E S T

GOVERNANCE PILLAR

In 2023, Metinvest sought to keep its business aligned with international best practices and ethical standards, while also continuously working to strengthen governance mechanisms, emphasising proper conduct and compliance.

The Group's commitment to principled behaviour is enshrined in its Code of Ethics, which has been fostering a culture of integrity for more than a decade.

Metinvest showcased resilience and adaptability in its supply chain management, expanding export logistical routes in Ukraine as soon as the security situation permitted it. The Group also continued to apply a robust, risk-oriented approach throughout its decision-making processes.



Metinvest's adherence to ethical standards and robust governance promotes integrity and resilience in its operations.



CORPORATE GOVERNANCE

A ROBUST FRAMEWORK

Metinvest's governance structure continued to provide the expertise required to navigate the needs of its business during times of war.

GOVERNANCE PRINCIPLES

Metinvest's cornerstone governance principles are specialisation, vertical integration, unified strategic management, centralisation, growth and investments, global best practices, tradition and innovation, commitment to leadership, and personal commitment.

These principles steered the Group in adapting its business and ensuring stable operations in 2023, aligning actions with a steadfast dedication to its people, communities and the environment. Amid unprecedented wartime challenges, they acted as a compass, helping Metinvest to navigate uncertainty with flexibility, as well as reinforcing the pursuit of sustainable practices.

CORPORATE GOVERNANCE STRUCTURE

Metinvest B.V.'s corporate governance structure is established in alignment and adherence to Dutch law. It includes the General Meeting of Shareholders, the Supervisory Board and the Management Board.

At the Group level, the executive team provides operational support, bolstering the resilience of the business and its capacity to adapt to and overcome obstacles caused by the full-scale invasion.

GENERAL MEETING OF SHAREHOLDERS

Under Dutch law and the Articles of Association of Metinvest B.V., the General Meeting of Shareholders is authorised to resolve the following matters, among others: to issue shares; to exclude or limit pre-emptive rights; to acquire/transfer shares in the capital of Metinvest B.V. held by Metinvest B.V.; to reduce the share capital; to determine

the remuneration of the Management Board; to adopt the annual accounts; to allocate profits; to amend the Articles of Association; to approve material transactions of over US\$500 million; to approve M&A to be undertaken by the Group; and to dissolve, merge or demerge Metinvest B.V.

In 2023, shareholder meetings were convened 24 times to make decisions regarding a broad scope of issues, including but not limited to: financial statements; liquidation and establishment of Group companies; material transactions; and changes in the composition of the Supervisory Board.

For details about Metinvest B.V.'s shareholders, please see Notes 1 and 17 to the Summary IFRS Consolidated Financial Statements 2023.

**SUPERVISORY BOARD**

As at the end of the reporting period, the Supervisory Board of Metinvest B.V. had eight members:

six A-Members appointed by the Class A and Class C shareholders:

- Oleg Popov, Chairperson
- Christiaan Norval
- Damir Akhmetov
- Yaroslav Simonov
- Margaryta Povazhna
- Sergii Zuzak

two B-Members appointed by the Class B shareholder:

- Alexey Pertin, Deputy Chairperson
- Gregory Mason

In December 2023, the tenure of two members of the Supervisory Board was terminated, one of whom was an A-Member and the other a B-Member.

Supervisory Board members are appointed indefinitely, unless the decision concerning their appointment specifies otherwise.

The body that has the right to appoint Supervisory Board members may suspend or dismiss them at any time.

While suspension may be extended one or more times, it cannot generally last more than three months. If no final decision has been made by the end of the period, the member shall be reinstated.

In 2023, the Supervisory Board convened 21 times to take decisions regarding a broad scope of issues, including: annual business planning; the financial statements; the annual report; the appointment of an independent external auditor; appointment of the senior management; approval of the senior management's performance; material transactions; liquidation and establishment of Group companies; investment projects; and health, safety and environmental reports.

STRATEGY AND INVESTMENTS COMMITTEE

- Alexey Pertin, Chairperson
- Oleg Popov, Member
- Christiaan Norval, Member
- Damir Akhmetov, Member
- Gregory Mason, Member
- Sergii Zuzak, Member

AUDIT AND FINANCE COMMITTEE

- Christiaan Norval, Chairperson
- Gregory Mason, Member
- Yaroslav Simonov, Member
- Margaryta Povazhna, Member

APPOINTMENTS AND COMPENSATIONS COMMITTEE

- Oleg Popov, Chairperson
- Alexey Pertin, Member
- Yaroslav Simonov, Member

HEALTH, SAFETY AND ENVIRONMENTAL COMMITTEE

- Gregory Mason, Chairperson
- Christiaan Norval, Member
- Margaryta Povazhna, Member
- Sergii Zuzak, Member

MANAGEMENT BOARD

The Management Board comprises two Directors:

- Director A, who is appointed by a joint meeting of holders of Class A shares and holders of Class C shares
- Director B, who is appointed by a meeting of holders of Class B shares

Under Dutch law, the Management Board is responsible for the management of Metinvest B.V., including economic, environmental and social considerations, excluding those matters that are within the remits of the General Meeting of Shareholders and the Supervisory Board.

The Management Board's role in climate-related governance is presented on page 50.

Under its Articles of Association, Metinvest B.V. may be represented by the entire Management Board only (that is, Director A and Director B, acting jointly). In performing their duties, the Directors must act in the best interests of Metinvest B.V. and its business. The Articles of Association of Metinvest B.V. do not determine a specific term of office for members of the Management Board.

As at 31 December 2023:

- Director A and the CEO was Yuriy Ryzhenkov
- Director B was Eliza Désirée den Aantrekker.



The Supervisory Board is tasked with the oversight of the Management Board's activity, as well as the general course of business at Metinvest B.V. and the Group as a whole, including sustainability matters. It approves and updates corporate values, strategies, policies and goals related to the economic, environmental and social aspects of the Group overall.

For more details regarding climate-related governance, please see page 50.

The Supervisory Board also provides advice to the Management Board. Four committees assist the Supervisory Board in its work: the Strategy and Investments Committee; the Audit and Finance Committee; the Appointments and Compensations Committee; and the Health, Safety and Environmental Committee.

The Supervisory Board must approve or ratify through a resolution decisions relating to the following matters, among others: the Group's strategic goals; the Group's investment

programme for each calendar year; the Group's annual business plan; appointments at the level of top management, approval of their compensation system and key performance indicators, and decisions on annual bonuses; appointment of an independent external auditor; approval of the annual consolidated financial statements of Metinvest B.V.; recommendations to the shareholders on approval of the standalone financial statements of Metinvest B.V. and all mergers and acquisitions to be undertaken by the Group;

approval of investment projects with budgets over US\$20 million (up to US\$500 million), material transactions over US\$100 million (up to US\$500 million), external financing over US\$30 million, if included in the annual financing programme approved by the Supervisory Board, and any financing transaction regardless of the amount if they are not included; approval of the annual plan for the Supervisory Board's activities; and approval of the regulations of the committees of the Supervisory Board.

STRATEGY AND INVESTMENTS COMMITTEE

The Committee is tasked primarily with conducting reviews and providing recommendations to the Supervisory Board regarding the Group's strategic objectives, including existing and new businesses, investments, mergers and acquisitions. It is assisted by the Technology Sub-committee, which advises and supports the management in developing and implementing the technological strategy. The role of the Committee and Sub-committee in climate-related governance is presented on page 51.

In 2023, the Strategy and Investments Committee convened three times to discuss the following issues, among others: business planning; the capital investment programme and projects; the technological strategy; mergers and acquisitions; sales and logistics; HR management; new product development; and the Group's carbon footprint.

During the reporting period, the Technology Sub-committee convened four times to discuss the following issues, among others: the capital investment programme; a green steel project in Italy; thickening of beneficiation wastes; product quality enhancement initiatives; the technological strategy; and the repair strategy.

AUDIT AND FINANCE COMMITTEE

The Committee's remit is to oversee all aspects of Metinvest's financial and audit activities in the interests of shareholders and on behalf of the Supervisory Board.

It is responsible primarily for monitoring the budget, financial reporting, risk management, internal controls, the internal audit function and assessment of the external auditor. It is assisted by the Internal Audit Directorate. The Committee's role in climate-related governance is presented on page 51.

In 2023, the Audit and Finance Committee convened seven times to discuss the following issues, among others: internal audit matters; external auditor selection for the 2023 financial year; the financial statements for the 12 months ended 31 December 2022 and the six months ended 30 June 2023; the annual report for 2022; the Compliance Programme; management of financial liabilities and working capital; tax issues; and risks, opportunities and disclosures related to climate change.

HEALTH, SAFETY AND ENVIRONMENTAL COMMITTEE

The Committee is responsible for assisting the executive team in implementing and maintaining the highest standards of a health, labour and environmental safety culture throughout the business.

It also provides oversight on strategy, policies, systems, controls and principles related to health, safety and the environment on behalf of the Supervisory Board. The Committee's role in climate-related governance is presented on page 51.

In 2023, the Health, Safety and Environmental Committee convened four times to discuss the following issues, among others: health and safety performance, including audits; incident investigations; the Safe Workspace programme; health and safety practices at the Group's assets; and environmental safety.

APPOINTMENTS AND COMPENSATIONS COMMITTEE

The Committee is tasked with advising the Supervisory Board regarding dismissals and new appointments for senior positions at Metinvest; KPIs and annual bonuses for senior management; and the Group's motivation, assessment reward systems and succession planning.

In 2023, the Appointments and Compensations Committee convened seven times to discuss the following issues, among others: performance assessment; appointments; remuneration; and HR management approaches.



EXECUTIVE TEAM

The executive team is responsible for overseeing, coordinating and executing Metinvest's day-to-day activities, as well as implementing the strategic decisions made by the Supervisory Board and its committees on a wide range of matters, including economic, environmental and social.

EXECUTIVE PERFORMANCE EVALUATION AND REMUNERATION

Each year, the Supervisory Board establishes team goals for senior management, as well as personal goals for the CEO, who allocates them to each executive team member in alignment with their job functions, subject to Supervisory Board approval.

These goals are incorporated into a KPI scorecard, where each target is weighted based on a manager's ability to influence its achievement. After a year-end, the Supervisory Board conducts an annual performance appraisal for members of the senior management based on their self-assessments.

Contracts with senior management members do not include any pension or other benefits upon termination of service.

For more information, please see Note 26 to the Summary IFRS Consolidated Financial Statements 2023.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Metinvest maintains worldwide directors' and officers' (D&O) liability insurance for all entities, renewing it annually.

This type of insurance covers the liability of everyone appointed as a director and/or officer of a Group entity, including, but not limited to, members of the Supervisory Board, the Management Board and the executive team.

D&O liability insurance provides cover for financial losses and legal expenses resulting from claims made against directors and/or officers arising from an actual or alleged wrongful act committed in their capacity. Key cover areas include management liability, legal representation expenses, special excess protection for directors, company securities liability and additional extensions. Metinvest relies on global insurance brokers to arrange D&O liability cover, which is provided by reputable, international insurers.

TRANSPARENCY AND ACCOUNTABILITY

Internal audit

Metinvest's Internal Audit Directorate serves as an independent appraisal function set up within the Group to scrutinise and assess its operations. To maintain this independence, it reports directly to the Chairperson of the Supervisory Board's Audit and Finance Committee.

The executive team is accountable for promptly addressing concerns identified by the internal audit function. This function oversees the implementation of the respective measures within the Group.

The annual plan for internal audit engagements is formulated taking into account Metinvest's principal risks, strategic goals, significant matters, routine audit assignments, requests from management, as well as input from the Supervisory Board's Audit and Finance Committee. During the reporting period, the Group's internal audit function was mainly focused on assets outside Ukraine, as well as on updating key metrics for non-commercial risks and associated costs. It also addressed requests to analyse regulations pertaining to new business activities.

External audit

Since 2006, for every financial year, Metinvest has prepared consolidated financial statements in accordance with IFRS, as adopted by the EU, and has engaged the services of an independent external auditor for their review.

For the 12 months ended 31 December 2023, the Group appointed PwC to perform this external audit and provide an opinion on the IFRS consolidated financial statements. The most recent Auditor's Report is presented on page 102. The measures in place to safeguard the external auditor's independence and ensure a high quality of service include rules requiring rotating the signing partner and obtaining pre-approval for all non-audit services.

Approach to standalone reporting

To ensure transparency of financial disclosures and compliance with legal requirements, Group companies registered under local jurisdictions prepare standalone financial statements. Specifically, Ukrainian subsidiaries of Metinvest B.V. (depending on the legal form of each entity) prepare their standalone IFRS financial statements, submitting them to the relevant governance bodies, including the National Securities and Stock Market Commission where applicable, and publish them on the respective websites if required. Additionally, these statements are aggregated in relevant financial databases, such as [SMIDA](#) or [Clarity Project](#) and others for public access.



LEADERSHIP

PRINCIPLED STEWARDSHIP

Metinvest's corporate governance bodies have deep industry experience coupled with broad sectoral exposure covering the full range of the needs of the business. Throughout 2023, they applied their knowledge and expertise to guide the Group.

SUPERVISORY BOARD

	CURRENT POSITION AT METINVEST	EXPERIENCE	EDUCATION
<p>OLEG POPOV Chairperson and Class A Member Tenure: nine years</p>	<p>Oleg Popov was appointed as a Class A Member of the Supervisory Board on 14 July 2014 and became Chairperson on 11 August 2018. He chairs the Appointments and Compensations Committee and is a member of the Strategy and Investments Committee.</p>	<p>Oleg has been the Director and CEO of SCM Holdings Limited (Cyprus) since November 2018. He is also a member of the supervisory boards of several companies of System Capital Management group in Ukraine and holding companies of DTEK Group in the Netherlands. Oleg served as Chief Operating Officer of System Capital Management (Ukraine) from 2001 to 2006 and its General Director and CEO from 2006 to February 2022.</p>	<p>Oleg graduated from Donetsk Polytechnic Institute (Ukraine) in 1991 and Donetsk State University (Ukraine) in 1996.</p>
<p>ALEXEY PERTIN Deputy Chairperson and Class B Member Tenure: nine years</p>	<p>Alexey Pertin was appointed as a Class B Member of the Supervisory Board on 14 July 2014. He is Chairperson of the Strategy and Investments Committee and a member of the Appointments and Compensations Committee. He is responsible for the following areas: strategic development, production efficiency, sales and management of investment projects.</p>	<p>Since November 2014, Alexey has been a member of the Board of Directors of Smart Holding (Cyprus). He is also a member of the Board of Directors of Ewell Energy (the United Kingdom) since April 2011. From August 2021 to June 2023, he held the position of Chairperson of the Supervisory Board of Smart Holding (Ukraine). Before that, he served as its CEO from 2008 to 2014 and from 2015 to 2021 and was Chairperson of its Supervisory Board from 2014 to 2015. Alexey's career started in 1995 at Cherepovets Iron and Steel Works. He later continued working at Severstal Group in various positions, including CEO of Izhora Pipe Plant and Deputy CEO for Business Development at Severstal Group.</p>	<p>Alexey graduated from the faculty of General Technology at Cherepovets State University in 1994 and from St Petersburg State Technical University with a major in financial management in 2001. Later, he received a degree in Financial Management from the Institute of Professional Managers and an ACCA Diploma in Accounting and Finance and studied for an MBA at the Newcastle Business School of Northumbria University (UK).</p>



	CURRENT POSITION AT METINVEST	EXPERIENCE	EDUCATION
<p>YAROSLAV SIMONOV Class A Member Tenure: nine years</p>	<p>Yaroslav Simonov was appointed as a Class A Member of the Supervisory Board on 14 July 2014. He is a member of the Audit and Finance Committee and the Appointments and Compensations Committee. He oversees legal matters, compliance and corporate governance.</p>	<p>From August 2017 to January 2022, Yaroslav held the position of Director, Legal Affairs at System Capital Management (Ukraine). From 2008 to 2017, he was Deputy Director of Voropaev and Partners Law Firm. Yaroslav also previously worked at The Silecky Firm (affiliated with Squire Sanders and Dempsey) and Renaissance Capital Ukraine.</p>	<p>Yaroslav graduated from the Law Department of Kyiv National Taras Shevchenko University (Ukraine) and holds an LLM in International Business Law from the Central European University in Budapest (Hungary).</p>
<p>CHRISTIAAN NORVAL Class A Member Tenure: nine years</p>	<p>Christiaan Norval was appointed as a Class A Member of the Supervisory Board on 14 July 2014. He is Chairperson of the Audit and Finance Committee, a member of the Strategy and Investments Committee and a member of the Health, Safety and Environmental Committee. He oversees issues relating to his industrial expertise, the implementation of best practices in management and production, and international affairs.</p>	<p>Christiaan spent a significant part of his career building what is today known as BHP as head of corporate finance. He oversaw most of the transactions to create BHP Billiton, including the IPO of Billiton Plc in 1997. He also served as CEO and President of Sual International Group, a leading aluminium and alumina producer.</p>	<p>Christiaan holds a BCom (Hons) from the Rand Afrikaans University in Johannesburg (South Africa) and is a Chartered Accountant. He is a member of the South African Institute of Chartered Accountants, as well as the Institute of Chartered Accountants in England and Wales.</p>
<p>GREGORY MASON Class B Member Tenure: nine years</p>	<p>Gregory Mason was appointed as a Class B Member of the Supervisory Board on 14 July 2014. He is a member of the Strategy and Investments and the Audit and Finance Committees. Gregory also serves as a Chairperson of the Health, Safety and Environmental Committee, and Technology Sub-committee. He contributes his expertise in strategic and operations management, safety and environmental compliance and is responsible for technological innovation and the implementation of continuous improvement practices.</p>	<p>Gregory was a member of the Supervisory Board of Smart Holding (Ukraine) from 2014 to 2015. He previously served as CEO of Severstal International, managing North American and European operations. Prior to that, he held various positions in steel companies and consulting firms, from engineering and operations management to senior executive roles.</p>	<p>Gregory is a registered professional engineer in the US. He received his master's degree in Electrical Engineering from the Naval University of St Petersburg in 1975.</p>
<p>MARGARYTA POVAZHNA Class A Member Tenure: one year</p>	<p>Margaryta Povazhna was appointed as a Class A Member of the Supervisory Board on 25 April 2022. She is a member of the Health, Safety and Environmental Committee and the Audit and Finance Committee. She oversees the areas of finance, investment strategy and corporate development.</p>	<p>Margaryta is a member of the supervisory boards of numerous companies of SCM. Since September 2015, Margaryta has been the Chief Financial Executive Officer of SCM (System Capital Management) Limited (Cyprus). In March 2003, she was appointed Chief Accountant of System Capital Management (Ukraine) and its Chief Financial Officer from September 2009 to January 2022. Margaryta's professional experience also includes working at large Ukrainian enterprises Scandik Yug and Artemivsk Champagne Wines Factory (1996-2003).</p>	<p>Margaryta graduated from the Donetsk State Commercial Institute with a degree in Industrial Management in 1995. She holds a PhD in Public Administration and an ACCA Diploma in International Financial Reporting.</p>



	CURRENT POSITION AT METINVEST	EXPERIENCE	EDUCATION
DAMIR AKHMETOV Class A Member Tenure: nine years	<p>Damir Akhmetov was appointed as a Class A Member of the Supervisory Board on 14 July 2014. He is a member of the Strategy and Investments Committee. He oversees the areas of strategy, corporate development, governance and production efficiency.</p>	<p>From 2013 to October 2020, he worked at SCM Advisors (UK) Limited, a company leading SCM's venture capital efforts, most recently as its Chairperson. He has also been a member of the supervisory boards of several holding companies of DTEK Group.</p>	<p>Damir has degrees as a Bachelor of Science in Business Studies (2009) and Master of Science in Finance (2010) from City University London, Bayes Business School (UK). He is also a CFA® charterholder, CFA Institute (2017).</p>
SERGII ZUZAK Class A Member Tenure: one year	<p>Sergii Zuzak was appointed as a Class A Member of the Supervisory Board on 18 July 2022. He is a member of the Strategy and Investments Committee and the Health, Safety and Environmental Committee. He oversees strategic development and advises management on evaluating investment projects.</p>	<p>Sergii currently serves on the supervisory boards of numerous companies of SCM. He joined System Capital Management (Ukraine) in 2010, where he was Investment Director from 2018 to February 2022, before which he held the positions of Director for Agribusiness Development and Business Development Director. Prior to that, Sergii worked at Creditanstalt Investment Bank, the Western NIS Enterprise Fund and Horizon Capital.</p>	<p>Sergii graduated from the National University of Kyiv-Mohyla Academy (Ukraine) with a degree in Economics and Entrepreneurship.</p>

MANAGEMENT BOARD

	CURRENT POSITION AT METINVEST	EXPERIENCE	EDUCATION
YURIY RYZHENKOV Chief Executive Officer, Director A of the Management Board Tenure: ten years	<p>Yuriy Ryzhenkov was appointed as Chief Executive Officer of Metinvest Holding in December 2013.</p>	<p>Previously, Yuriy held senior positions at DTEK: namely, Chief Operating Officer and as a member of the executive team from 2010 to 2013 and Chief Financial Officer from 2007 to 2010. Prior to DTEK, he worked as Deputy Chief Financial Officer and Chief Financial Officer of ISTIL Group (Donetsk and London), in the finance business units of Mini Steel Mill ISTIL (Ukraine) and at Donetsk Iron and Steel Works.</p>	<p>Yuriy has degrees in International Economics from Donetsk State Technical University (Ukraine) and in Business Management from King's College (UK). He also holds an MBA from London Business School (UK).</p>
ELIZA DEN AANTREKKER Director B of the Management Board Tenure: three years	<p>Eliza den Aantrekker was appointed as Director B of Metinvest B.V. on 18 May 2021.</p>	<p>Eliza has served as Managing Director of SCM Management B.V. since 2016. Previously, she worked as tax lawyer and account manager for an international tax planning and structuring service provider based in the Netherlands.</p>	<p>Eliza has a master's degree in Tax Law from the State University of Leiden (Netherlands) and graduated from the Dutch Association of Tax Advisers' Post Academic Education Programme for Tax Lawyers.</p>

Note: tenure in full years as of 30 June 2024.



BUSINESS ETHICS AND COMPLIANCE

FUNDAMENTAL PRACTICES

For Metinvest, upholding ethical and compliance norms is one of its core commitments. In 2023, the Group continued to refine its internal regulations to ensure adherence to its values and international best practices.

CODE OF ETHICS

Metinvest's Code of Ethics serves as the backbone of ethical business behaviour throughout the Group. It incorporates fundamental human rights and needs, including freedom of thought, religion, opinion and expression, health and safety, decent work, non-discrimination, access to a healthy environment, social responsibility and privacy. The Group promotes these values through the personal example of leadership, as well as training and communication campaigns to raise awareness about this document.

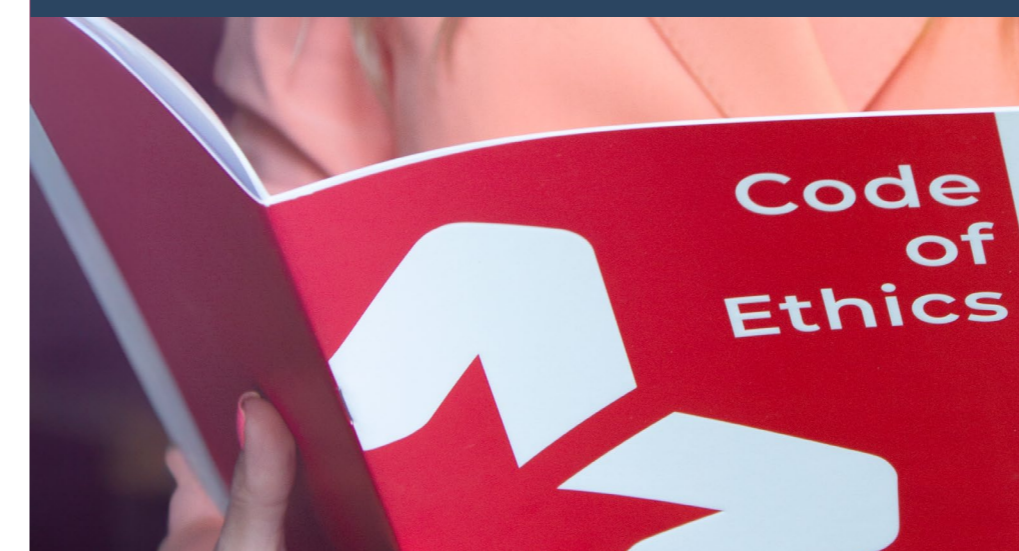
Metinvest trains employees on its Code of Ethics and tests their knowledge of its provisions. Although the Group has paused mandatory Code of Ethics training since the outbreak of the war, around 540 employees voluntarily completed the course during the reporting period.

As part of its ongoing commitment to ethical conduct, Metinvest continues to introduce and update other vital documents that address key aspects of business ethics, reinforcing its dedication to integrity and transparency. They include the Code of Business Partnership and the Human Rights Policy, each playing a crucial role in shaping the ethical foundation of the Group's operations and partnerships.

To foster equitable commercial relationships, Metinvest's Code of Business Partnership establishes explicit criteria for adherence to sustainable practices and business requirements by current and potential suppliers. For more information, please see page 66.

In early 2024, after the reporting period, the Group also adopted the Human Rights Policy, which aims to promote, support and ensure the observance of human rights. Supplementing the Code of Ethics and Code of Business Partnership, it strives to mitigate risks of human rights violations across Metinvest's operations and business partners. For more information, please see page 39.

10TH ANNIVERSARY OF CODE OF ETHICS



In September 2023, Metinvest celebrated the 10th Anniversary since adopting its Code of Ethics. It remains a vital aspect of the Group's corporate culture, reinforcing the core elements of responsible business conduct and reputation. The document defines the following key principles:

- comply with all health and safety regulations, standards, policies and principles applicable to the Group's business
- develop and maintain a work environment free from discrimination
- avoid activities where there are conflicts of interest between employees and Metinvest
- work with counterparties and business partners with reputations free from corruption and bribery

- fully comply with relevant anti-trust laws
- take a proactive stance on ecology and environmental protection, and carefully manage natural resource use
- promote social responsibility among each employee, and encourage them to play active roles in local communities and society
- work with contractors and business partners who share the Group's business standards, including:
 - providing working conditions that meet the highest standards of health and safety
 - minimising negative environmental impacts
 - respecting the rights of employees and the local community

The Group's adherence to the principles embodied in the Code of Ethics has always defined it as a socially responsible business. The document sets the framework of ethical parameters and rules that employees and business partners must use as a guide in their daily work. It reflects the Group's core values: professionalism; customer focus; life, health and environment; leadership; and teamwork.



COMPLIANCE PROGRAMME

Metinvest’s Compliance Programme is a crucial tool that promotes equitable business practices and serves as an anti-corruption mechanism. The Compliance Programme’s progress is reported quarterly at meetings of the Supervisory Board’s Audit and Finance Committee and annually at a meeting of the Supervisory Board. At the executive team level, the Ethics Committee monitors its performance.

The Compliance Officer function oversees compliance strategy, high-risk transactions, legal support and other key matters. Part of the Legal Directorate, it reports to the Ethics Committee, the Audit and Finance Committee and the Supervisory Board.

To enhance efficiency, in 2023 the Group centralised compliance for its Ukrainian assets through the establishment of the Compliance Risks Department at Metinvest Business Services. It focuses primarily on operational issues, sanctions risks, personal data protection and conflict of interest administration.

Across the Group’s non-Ukrainian assets, compliance coordinators are responsible for managing compliance risks and conflicts of interest, as well as promoting an ethical business model through training and communication.

In 2023, counterparty sanctions compliance screening remained a key focus for Metinvest’s activity in this area. At the same time, during the year the Group took the following new measures:

- identified additional risks to be considered during counterparty compliance checks
- developed a risk assessment matrix for counterparties
- introduced new sanctions and anti-corruption clauses for contracts to address relevant compliance risks.

ETHICS COMMITTEE

Metinvest’s Ethics Committee is chaired by the CEO and includes senior management. It convenes quarterly to discuss the functioning of the Compliance Programme across the Group, to make decisions regarding conflicts of interest and to review reports received through the Trust Line.

In 2023, the full-scale war impacted the scope of issues that the Ethics Committee addressed. In addition to standard matters, it covered topics such as the results of economic sanctions checks and blocked counterparties.

BUSINESS ETHICS FRAMEWORK

REGULATORY DOCUMENTS	INSTRUMENTS	GOVERNANCE
<ul style="list-style-type: none"> • Code of Ethics • Code of Business Partnership • Human Rights Policy 	<ul style="list-style-type: none"> • Compliance programme • Compliance checks¹ • Anti-monopoly procedures • Trust Line 	<ul style="list-style-type: none"> • Supervisory Board • Audit and Finance Committee • Ethics Committee

¹ Checks include: conflicts of interest; anti-corruption and anti-bribery; and AML/CFT

DEMANDING JUSTICE

In 2023, Metinvest remained committed to seeking justice and compensation for damages inflicted on its assets by the Russian Aggression through international legal avenues, including the European Court of Human Rights (ECHR) and investment arbitration under the Ukraine-Russia bilateral investment treaty.

The claims centre on Russia’s violation of Metinvest’s rights under Article 1 of Protocol 1 to the European Convention on Human Rights. This includes causing significant damage and destruction to Group assets; denying control over them, in many cases to the point of effectively depriving it of ownership; and depriving it of their business use and income-generating potential.

The Group tasked dedicated personnel to review open sources to record the damage inflicted, primarily on the Mariupol plants. Metinvest also has initiated a number of criminal proceedings. The legal strategy is coordinated in unison with SCM.

This effort underscores Metinvest’s unwavering dedication to upholding its core values and rights under international law, even as it faces protracted legal battles.

**TRUST LINE**

Metinvest uses the Trust Line maintained by SCM, one of the Group's shareholders, to enhance transparency and accountability.

The Trust Line enables stakeholders to anonymously report any legal infractions, violations of business practices and ethical standards, or non-compliance with the norms and principles outlined in the Code of Ethics. It also offers a channel for employees and local communities to voice their concerns, including those related to environmental or safety issues.

The Trust Line is accessible around the clock and an authorised representative is always on hand for consultations. Submissions can be made through various methods, including email and text message, in any of the working languages applied within the Group. The Trust Line's operations are regularly monitored by the Internal Audit Directorate, which reports on the findings to both the Audit and Finance Committee and the Supervisory Board.

Metinvest's Procedure for Routing, Investigating and Closing Reports Received through the Trust Line establishes the requirements and departments responsible for investigations, determines the format and content of reports, and mandates the monitoring of corrective action.

In 2023, the Trust Line received a total of 331 reports, of which 144 were confirmed, compared with a respective 392 and 113 in 2022. The most common matters reported were violations of HR and other internal policies and procedures, as well as breaches of contractual obligations. Overall, during the reporting period, the Group reduced the average amount of time taken to consider Trust Line reports by 22% year-on-year.

THE TRUST LINE IS AVAILABLE THROUGH THE FOLLOWING CHANNELS:

Toll free number within the borders of Ukraine:
0 800 60 07 77

International number: **+38 044 224 72 32**

Email: **trustline@scm.com.ua**

Web: **www.scm.com.cy/trust-line**

CONFLICTS OF INTEREST

Metinvest recognises that employees have valid personal interests and supports their development, especially when they benefit the broader community. It also understands the need for employees to avoid conflicts between their and the Group's interests.

Metinvest's Procedure for Declaring Conflicts of Interest stipulates that employees must promptly inform their direct supervisor and the legal team of any actual or potential conflict of interest. It also mandates that managers submit declarations confirming the absence of conflicts of interest or declaring any issues. The Group requires initial (upon assuming a management role), current (if any real or potential conflict arises during the year) and annual declarations (once a year, irrespective of the existence of a conflict) to be submitted.

During the reporting period, Metinvest piloted a new approach to determining the list of mandatory declarants. Instead of basing the determination on the level of an employee's position, it is now linked to their functions and tasks, as well as the business areas of the asset at which they work. This led to an increase in the number of declarants at the Group's Ukrainian assets. Prior to filing their declarations, 1,354 declarants participated in a voluntary webinar on managing conflicts of interest that clarified the procedure.

In 2023, 92% of declarants submitted annual declarations, compared with 84% in 2022. Overall, 82 forms disclosed a conflict of interest, compared with 35 in 2022.

ANTI-CORRUPTION AND ANTI-BRIBERY

Metinvest strictly complies with applicable relevant anti-corruption and anti-bribery laws in its business activity.

The Group's corruption and fraud-risk strategy is grounded in specific evaluation criteria, unambiguous definitions and well-defined responsibilities for monitoring this risk.

Metinvest applies a multi-tiered anti-corruption approach. It promotes employee awareness of its zero-tolerance corruption policy and conducts mandatory anti-corruption screenings for suppliers and customers. Transactions involving public sector representatives and social project financing programmes receive increased scrutiny.

The Group subjects every internal and external applicant for senior and high-risk positions to compulsory internal security checks. It applies more comprehensive assessment protocols for former government officials and politicians. In 2023, a total of 208 candidates for high-risk positions were screened, compared with 74 in 2022.

In 2023, there were no reported or confirmed cases of corruption violations.

AML/CFT

Metinvest's Procedure on Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) requires that all counterparties undergo comprehensive due diligence screenings, including watchlists related to sanctions, terrorism, money laundering, corruption and other areas of concern. The Group also conducts automated sanctions checks for all counterparties registered in SAP.

In 2023, Metinvest checked more than 8,000 transactions for potential violations of economic sanctions and AML/CFT regulations, of which it blocked 53 counterparties in the SAP system. This was a significant reduction compared with the 4,450 counterparties blocked in 2022, most of which were from or related to Russia and Belarus.

ANTI-MONOPOLY COMPLIANCE

Metinvest recognises the importance of fair competition in its Code of Ethics and adheres to the applicable regulations in the countries in which it operates. The Group has anti-monopoly policies in place at its largest entities.

Metinvest has a dedicated anti-trust compliance function staffed by a legal team that oversees enquiries and requests from relevant government authorities. It also provides expert advice on potential anti-trust risks and conducts clarifications as needed.

In addition, the Group offers annual training to assist managers in identifying and preventing actions that could potentially be deemed breaches of these laws.

In 2023, no fines or other sanctions were imposed on Metinvest for anti-competitive behaviour or violations of anti-trust and monopoly legislation.

ANTI-CRISIS MANAGEMENT

Metinvest's anti-crisis management system plays an important role in maintaining operational stability in the face of challenges. Governed by the Anti-Crisis Management Regulation and Business Security Policy, the system ensures a unified approach to security management across the Group. It strives to minimise the impact of security risks on its operational assets and safeguard employees and material resources.

Metinvest continuously monitors military, socio-political and other factors that may affect its business processes. The Group conducts comprehensive risk assessments and performs audits at its facilities, allowing it to identify potential risks, analyse their impact on business processes and implement appropriate preventive measures. Metinvest classifies crisis situations as operational or strategic, depending on the potential consequences.

Headed by the CEO, the Group's anti-crisis headquarters serves to ensure an appropriate response to urgent situations. There is a 24-hour emergency hotline in place for timely communication on incidents. This reporting channel extends to Metinvest's CEO and upwards to the Supervisory Board members and shareholders. Prompt notifications help the Group to mitigate any threats that may arise.

In the reporting period, the Group conducted employee training at its assets to ensure preparedness in case of crisis situations such as industrial accidents or shelling.



SUPPLY CHAIN MANAGEMENT

DYNAMIC AND RESPONSIVE

Metinvest demonstrated its resilience in managing the supply chain amid significant challenges and emerging opportunities. The Group's adaptation of logistics and procurement strategies helped it to maintain a continuous flow of raw materials, solidifying its steadfast position in a fluctuating global landscape.

A FLEXIBLE APPROACH

Metinvest's supply chain encompasses the purchase of raw materials, goods and services, as well as the procurement, production, marketing and distribution processes. The Group has a procurement management system in place to govern areas such as supplier selection and contract administration.

At the executive team level, Metinvest's procurement function is managed by a number of teams. The Commercial Directorate, in addition to sales, is responsible for procurement of such strategic goods as raw materials, fuel and energy. Other critical purchases are overseen by the Operations Directorate. Other directorates are responsible for procuring relevant products and services.

At the entity level, each production asset has a planning and analysis service, as well as procurement, supply and warehousing. The supply departments of the iron ore assets are part of the Group's shared service centre, which integrates their day-to-day procurement. It also centralises Metinvest's routine procurement operations, including contracting activities, invoice management and supplier pre-qualification support. In 2023, the pre-qualification processes for all Ukrainian assets of the Group were fully integrated into the shared service centre's procurement function.

To foster equitable commercial relationships, Metinvest's Code of Business Partnership delineates explicit standards of compliance that align with sustainable practices and the business needs of both current and prospective suppliers. Its key principles are respect and focus on cooperation, workplace safety, environmental protection, information confidentiality, compliance with the law and the Code of Ethics, as well as social responsibility.

The Group's Procurement Policy and Regulation on Procurement Management guide the internal procedures related to this area. The Procurement Policy is grounded in the principles of ethical business conduct, free competition among suppliers, information transparency, partnership, economic feasibility and efficiency, as well as prioritisation of direct producers. The Regulation on Procurement Management specifies requirements for supplier verification, tender participants' rights and obligations, and business rules, among other matters.

In addition, Metinvest's Procedure for Procurement of Materials and Resources aims to strengthen oversight of the planning, procurement and supply of materials.

To track compliance with its guidelines, in 2023 Metinvest conducted audits to monitor and evaluate its supply chain performance. For example, the Internal Audit Directorate reviewed Kamet Steel's procurement service to improve the efficiency of obtaining services from third parties. An internal audit also assessed the administrative staff's workload across some of the Group's assets to further streamline procurement processes.

**SUPPLIER SELECTION**

Metinvest is committed to advancing practices in supply chain management that are sustainable and requires its suppliers to embrace the same principles.

The Group expects its counterparties to comply with all applicable legislation, including those that cover child labour, minimum living wages, maximum working hours, freedom of association and the right to collective bargaining for their employees.

To ensure fair and transparent procurement processes, a Tender Committee consisting of at least three members from different departments evaluates offers received based on approved criteria such as price, quality, delivery and payment terms. Metinvest publishes information about major future tenders on its website a minimum of three days in advance and uses the SAP Ariba digital solution for secure and efficient communication with bidders. In 2023, Metinvest reduced the standard time for certain tender procedures to adequately address urgent procurement requests and the need for on-site procurement.

To foster long-lasting partnerships with its suppliers and business partners while promoting the highest standards of ethical conduct, the Group uses pre-contract and pre-qualification procedures to identify potential partnership risks. It also checks suppliers of services related to hazardous work to comply with health and safety requirements and verify that they have the necessary qualifications and licences.

Metinvest reserves the right to disqualify suppliers for a specified period or indefinitely if they engage in unfair business practices with its companies. The disqualification criteria are available on the Group's website. It informs counterparties of the reasons and terms of their disqualification to give them the opportunity to receive feedback and improve their corporate governance as necessary.

In 2023, Metinvest conducted almost 7,400 pre-contract assessments and more than 5,600 pre-qualification reviews. Through these processes, it selected 166 new suppliers and disqualified 95 candidates.

The Group also screens suppliers and their products to prevent or mitigate corruption risks and non-compliance with international obligations and sanctions. Suppliers that do not pass the compliance screenings are not eligible to participate in the procurement process.

LOGISTICS

Metinvest-Shipping oversees logistics for the Group's major assets in the EU and Ukraine, managing the full scope of the logistical chain, including road transport, rail transport, transshipment in ports, and vessel chartering under the strategic guidance of the executive team.

Logistics operations are handled by the Commercial Directorate for expeditious management and consolidation, proper communication and reorientation to appropriate markets.

In 2023, Metinvest's logistics function continued to ensure delivery of products to its customers and raw materials to its production assets, maintaining uninterrupted operations.

During the year, the Group's key developments in this area included expanding the capabilities of the supply chains and avoiding disruptions in transportation or transshipment. Its practices in this field continued to be guided by the key priorities of cost optimisation and risk management.

ADAPTING TO CHANGE

In the first half of the year, Metinvest relied primarily on overland rail routes to supply Ukrainian products to customers in nearby European countries, as well as to the seaports in the EU to ship goods to more distant export markets. In addition, to ensure efficiency for deliveries to some destinations in the EU and the MENA region, the Group used Ukraine's IZMAIL and RENI ports on the Danube River.

The resumption of commercial navigation from Ukrainian Black Sea ports late in the year marked a breakthrough, enabling global shipments from Ukraine and significantly relieving constrained land-based routes. This development permitted Metinvest to resume more efficient deliveries of iron ore and steel products all over the world.

The Group was the first shipper to use this navigation corridor to reintroduce large vessels into operations at Ukraine's Pivdennyi port and has been involved in an initiative to rebuild specific infrastructure objects to further streamline associated logistics.

Meanwhile, Metinvest's US asset has been working closely with railroad and port operators to address coking coal delivery issues. United Coal has invested in its own trucking fleet to partially mitigate the risks associated with reducing the availability of third-party providers.

On a separate note, in response to market developments, Metinvest diversified its supply base, securing new sources of coke and ferroalloys essential for crude steel production. For example, after the loss of coke supplies from Avdiivka, the Group expanded agreements with suppliers in Poland, ensuring a supply of critical raw materials. Also, Zaporizhstal mastered production of slabs, which are being used by the Group's Italian re-rollers as feedstock.

Additionally, the Group revised other key aspects of its approach, such as significantly increasing the volume of repair and maintenance work performed in-house, providing services to key production assets of Metinvest in Ukraine. It developed core capabilities in this area within the assets of Zaporizhia Casting and Mechanical Works, 99.72% of which were acquired in March 2023. This reduced Metinvest's reliance on external service providers, enhancing both operational resilience and cost efficiency.

Towards the year-end, road border disruption on the Polish side presented further challenges, increasing delivery times for most imported spare parts. The Group addressed this by rerouting some material deliveries through alternative countries and shifting others to rail transport.

The operating environment also necessitated significant adaptations in the Group's sales strategies. Metinvest not only found new customers but also reestablished relationships with those previously lost due to the war. These measures helped to stabilise revenue streams and expand market reach during a period of uncertainty.



RISK MANAGEMENT

A COMPREHENSIVE APPROACH

In 2023, Metinvest remained committed to robust risk management amid the ongoing war, emphasising adaptability and strategic foresight. The Group's holistic framework for this aspect of the business helped to steer it through war-related risks.

RISK MANAGEMENT PRACTICES

Metinvest's core risk management principles are outlined in its Internal Audit Policy, which incorporates the strategic guidance of the ISO 31000:2018 Risk Management standard. The internal regulations covering dedicated functions also integrate specific risk management aspects related to their business processes, which helps the executive team to make their decisions using the risk-based approach.

Internally, Metinvest distinguishes risks into two main categories: commercial and non-commercial. Commercial risks, which can be quantified, directly relate to the product and financial flows from operations, as well as to investments in tangible and intangible assets. Non-commercial risks are all other risks not classified as commercial.

The Group delineates the primary roles and responsibilities for risk management. All functional directorates are responsible for assessing relevant risks. The task of evaluating and monitoring commercial risks falls to the Economics and Business System Development Directorate. The Internal Audit Directorate holds the responsibility for oversight of non-commercial risks. It also submits the results of the overall risk assessment to the Supervisory Board's Audit and Finance Committee.

Metinvest strives to be proactive in identifying and evaluating the principal risks that impact its operations and financial performance. It integrates these risks within its business planning processes and formulates strategies to mitigate their impact.

In these ongoing efforts, the Group continued to evaluate commercial risks by examining the sensitivity of expected or planned EBITDA to various risk factors. This approach fostered adaptability and agility in the face of the changing risk landscape associated with the war.

For the effective mitigation of non-commercial risks, management employs a corporate framework designed to evaluate their probability and potential impact. Also, in 2023, Metinvest launched a new initiative to devise metrics for evaluating the efficiency of non-commercial risk management and the controlling of costs. This provided senior management with enhanced insights into the current state of risk management systems, enabling prioritisation of goals and objectives.

RISK MANAGEMENT STRUCTURE

SUPERVISORY BOARD AND ITS COMMITTEES

Monitors the risk management system's implementation and operation

CHIEF EXECUTIVE OFFICER

Promotes the risk management philosophy within the Group
Sets priorities for the risk management system based on Metinvest's strategy and goals

Economics and Business
System Development Directorate

Internal Audit
Directorate

Functional management

**SUSTAINABILITY RISK MANAGEMENT**

Ongoing oversight of sustainability risks is essential for maintaining the efficiency of the Group's sustainable development approach. The table presented on this page outlines the underlying causes of each risk and the corresponding mitigation actions implemented.

Metinvest's approach to managing climate-related risks is presented on page 54.

MANAGING RISKS RELATED TO WAR

Throughout 2023, while navigating the second year of the full-scale war in Ukraine, Metinvest continued to apply rigorous risk management strategies to address first-tier risks (outside management's control) and mitigate second-tier risks (related to the normal course of business).

The Group's risk management strategy remained grounded in a risk-oriented, decision-making approach at all levels of management. Core war-related concerns included:

- preserving the safety and well-being of those working within territories affected by hostilities
- organising and providing humanitarian aid to local communities
- determining the optimal use of production capacities
- adapting the logistics model
- conducting essential asset maintenance
- ensuring steady utility supplies
- overseeing financial flows

In the unstable business environment of 2023, Metinvest's flexible approach continued to enable the Group to make critical decisions without requiring fundamental changes to the underlying risk management methodology. During the reporting period, Metinvest conducted regular assessments of identified war-related risks to ensure their relevance and update mitigation measures accordingly.

KEY SUSTAINABILITY RISKS AND MITIGATION EFFORTS IN 2023

RISK AND ITS DESCRIPTION	MEASURES TO MINIMISE RISKS
WORKPLACE SAFETY <ul style="list-style-type: none"> • Workplace injuries and fatalities 	<ul style="list-style-type: none"> • Safe Workspace programme • Projects related to certain critical risk factors under the safety roadmap • Health and safety training and incentive tools for employees • Safety assessment of contractors involved in hazardous work • Trust Line to raise workplace issues
ENVIRONMENTAL ISSUES <ul style="list-style-type: none"> • Environmental impact of the Group's operations, including air emissions, wastewater discharges and waste generation 	<ul style="list-style-type: none"> • Measures to exclude and reduce impact due to shelling of assets in Ukraine • Monitoring compliance with regulatory requirements • Initiatives to improve energy efficiency • Trust Line to raise environmental concerns • Implementing technical measures to reduce environmental impact • Increasing consumption of reused and recycled water • Recycling and reusing production waste • Application of precautionary principle when planning investment projects
CLIMATE CHANGE <ul style="list-style-type: none"> • Impact on business sustainability 	<ul style="list-style-type: none"> • For details, please see page 50.
BUSINESS ETHICS AND COMPLIANCE <ul style="list-style-type: none"> • Fraud and corruption • Conflicts of interest 	<ul style="list-style-type: none"> • Adherence to the Code of Ethics and Code of Business Partnership • Trust Line and incident investigation • Mandatory verification of suppliers and customers for anti-corruption controls • Internal security screenings for all senior and high-risk positions • Administration of declarations • Declarant training • Procedural changes
COUNTERPARTY SANCTIONS RISKS <ul style="list-style-type: none"> • Regulatory penalties and operational disruptions due to non-compliance • Reputational damage 	<ul style="list-style-type: none"> • Monitoring legislative changes in key jurisdictions • Compliance function approval for new counterparties with regard to imposition of sanctions • Verifying and blocking transactions with sanctioned or high-risk counterparties • Checking whether counterparties conduct business with or are registered in sanctioned or high-risk territories • Trust Line to raise counterparty risks
INFORMATION SECURITY <ul style="list-style-type: none"> • Losses due to critical information leaks • Critical equipment or process interruption due to information system failure 	<ul style="list-style-type: none"> • Organisational and technical actions to protect personal data • Analysis of IT infrastructure security • Measures for safe remote work • Training and testing IT user skills to prevent phishing attacks



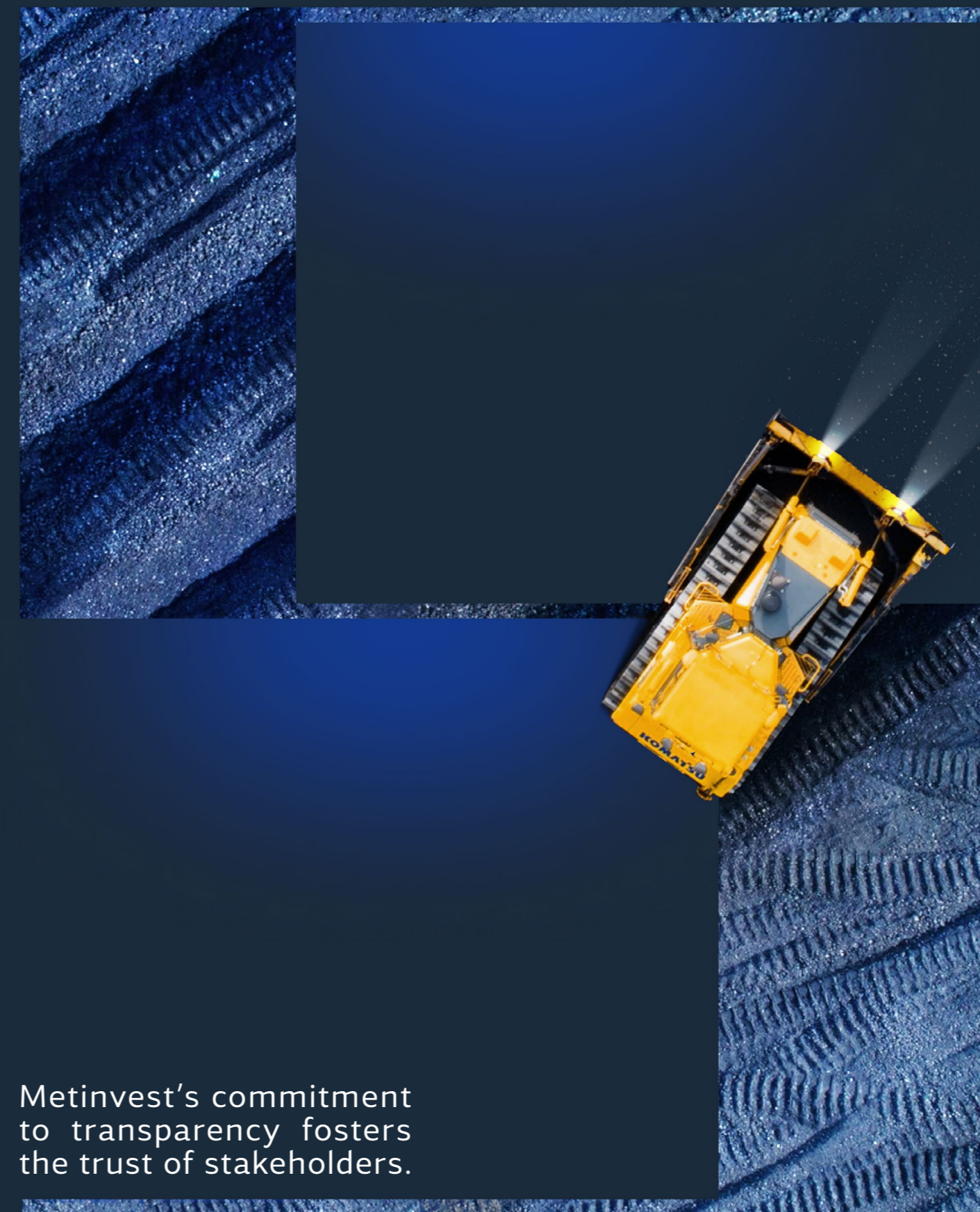
M E T I N V E S T

INFORMATION PILLAR

In 2023, Metinvest maintained its commitment to information transparency.

One of the Group's priorities was to ensure that its stakeholders received a consistent understanding of Metinvest's position and responses to evolving circumstances.

The Group's dedication to sustainability was underscored by its adherence to standards set by the Global Reporting Initiative and Sustainability Accounting Standards Board, as well as its efforts to align with the Task Force on Climate-related Financial Disclosures guidelines.



Metinvest's commitment to transparency fosters the trust of stakeholders.



ANNEX 1 – GRI AND SASB INDEXES

GRI CONTENT INDEX

Statement of use

GRI 1 used

Applicable GRI Sector Standard(s)

Metinvest B.V. has reported in accordance with the GRI Standards for the period starting 1 January 2023 and ending 31 December 2023

GRI 1: Foundation 2021

n/a

DISCLOSURE	LOCATION	COMMENTS
GENERAL DISCLOSURES		
GRI 2: General Disclosures 2021		
2-1 Organisational details	Operational Review, pp. 17, 20 Annex 4 – Parent Company and Principal Subsidiaries, p. 93	
2-2 Entities included in the organisation's sustainability reporting	About the Report, p. 3 Annex 4 – Parent Company and Principal Subsidiaries, p. 93	
2-3 Reporting period, frequency and contact point	About the Report, p. 4 Annex 1 – GRI and SASB Indexes, p. 71	Contact point: ir@metinvestholding.com ; csr@metinvestholding.com Publication date: September 2024.
2-4 Restatements of information	Annex 1 – GRI and SASB Indexes, p. 71 Workplace Safety, p. 42 Annex 2 – Additional Information on Standard Disclosures, p. 88	Spending on workplace safety 2021-2022 was restated to align methodology of coking coal assets in the US and Ukraine. Indicators of the direct energy use for 2021-2022 were restated because of an adjustment to figures for petrol consumption by United Coal.
2-5 External assurance	About the Report, p. 3 Annex 1 – GRI and SASB Indexes, p. 71	Metinvest's sustainability reporting has not been externally assured.
2-6 Activities, value chain and other business relationships	Operational Review, pp. 17-21 Financial Review, p. 22 Supply Chain Management, p. 66	
2-7 Employees	Our People, p. 36 Annex 2 – Additional Information on Standard Disclosures, pp. 84-84	
2-8 Workers who are not employees	Workplace Safety, p. 44	
2-9 Governance structure and composition	Corporate Governance, pp. 56-57 Leadership, pp. 60-62 Response to Climate Change, p. 51	
2-10 Nomination and selection of the highest governance body	Corporate Governance, pp. 56-58	
2-11 Chair of the highest governance body	Annex 1 – GRI and SASB Indexes, p. 71	The Chairperson of the Supervisory Board is not a member of the executive team.
2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance, pp. 56-57 Risk Management, p. 68 Response to Climate Change, p. 51	

**GRI 2: General Disclosures 2021**

DISCLOSURE	LOCATION	COMMENTS
2-13 Delegation of responsibility for managing impacts	Corporate Governance, pp. 56-57 Response to Climate Change, p. 51	
2-14 Role of the highest governance body in sustainability reporting	About the Report, p. 4 Response to Climate Change, p. 51	
2-15 Conflicts of interest	Business Ethics and Compliance, p. 65	
2-16 Communication of critical concerns	Business Ethics and Compliance, p. 65	
2-17 Collective knowledge of the highest governance body	Corporate Governance, p. 58	
2-18 Evaluation of the performance of the highest governance body	Corporate Governance, pp. 57-59	
2-19 Remuneration policies	Corporate Governance, p. 59	
2-20 Process to determine remuneration	-	Data not available due to confidentiality.
2-21 Annual total compensation ratio	-	Data not available due to confidentiality.
2-22 Statement on sustainable development strategy	Chairperson's Statement, p. 7	
2-23 Policy commitments	Business Ethics and Compliance, p. 63	
2-24 Embedding policy commitments	Business Ethics and Compliance, p. 63 Supply Chain Management, p. 66	
2-25 Processes to remediate negative impacts	Support for Ukraine and Communities, p. 33 Our People, p. 36 Workplace Safety, p. 42 Environment, p. 46 Response to Climate Change, pp. 52-54 Business Ethics and Compliance, p. 65	
2-26 Mechanisms for seeking advice and raising concerns	Our People, p. 40 Business Ethics and Compliance, p. 65	
2-27 Compliance with laws and regulations	Annex 1 – GRI and SASB Indexes, p. 72	There were no significant instances of the Group's non-compliance with laws and regulations during the reporting period.
2-28 Membership associations	Annex 1 – GRI and SASB Indexes, p. 72	As of the end of 2023, Metinvest was a member of: the Association of the Dutch Metallurgical Industry (Metaal Nederland), Bulgarian Association of the Metallurgical Industry, European Business Association, European Steel Association, European Steel Technology Platform, Federation of the Italian Steel Companies, International Chamber of Commerce in Ukraine, Metallurgical Coal Producers Association, National Association of Extractive Industry of Ukraine, Ukrainian Chamber of Commerce and Industry, Ukrainian Federation of Metallurgists, Ukrainian Coke Producers' Association, Ukrmetalurgprom Association of Enterprises, UN Global Compact and the World Steel Association.



	DISCLOSURE	LOCATION	COMMENTS
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	Sustainability Approach, p. 30	
	2-30 Collective bargaining agreements	Our People, p. 40	
MATERIAL TOPICS			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	About the Report, p. 5	
	3-2 List of material topics	About the Report, p. 5	
ECONOMIC IMPACTS AND PERFORMANCE			
GRI 3: Material Topics 2021	3-3 Management of material topics	Financial Review, pp. 22, 25	
GRI 201: Economic performance 2016	201-4 Financial assistance received from government	Annex 1 – GRI and SASB Indexes, p. 73	In 2023, the Italian government partly compensated the Group's re-rollers in the country for high energy prices through tax reductions. Other Metinvest entities did not receive financial assistance from any government in the reporting period.
GRI 202: Market presence 2016	202-1 Ratios of standard entry level wage by gender compared with local minimum wage	-	Data is not presented due to the unavailability of industry information about wages as a result of the full-scale war in Ukraine.
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	Support for Ukraine and Communities, p. 33	
	203-2 Significant indirect economic impacts	Support for Ukraine and Communities, p. 33 Environment, p. 46 Annex 1 – GRI and SASB Indexes, p. 73	Metinvest acknowledges the risks associated with its activities' impact on the environment and the well-being of local populations.
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	Annex 1 – GRI and SASB Indexes, p. 73	In 2023, around 80% of raw materials, goods, energy and services purchased in Ukraine were provided by local suppliers, defined as the Group's external suppliers that are registered and operating in Ukraine.
GRI 207: Tax 2019	207-1 Approach to tax	Financial Review, p. 25	
	207-2 Tax governance, control and risk management	Financial Review, p. 25	



	DISCLOSURE	LOCATION	COMMENTS
	EMISSIONS AND CLIMATE CHANGE		
GRI 3: Material Topics 2021 GRI 305: Emissions 2016	3-3 Management of material topics	Environment, p. 46	
	305-1 Direct (Scope 1) GHG emissions	Environment, p. 47 Annex 2 – Additional Information on Standard Disclosures, p. 87	
	305-2 Energy indirect (Scope 2) GHG emissions	Environment, p. 47	
	305-3 Other indirect (Scope 3) GHG emissions	-	Data not available as Metinvest does not collect it.
	305-4 GHG emissions intensity	Environment, p. 47	
	305-6 Emissions of ozone-depleting substances (ODS)	Annex 1 – Index of Standard Disclosures, p. 74	The Group's production assets did not generate emissions of ozone-depleting substances in 2021-2023.
	305-7 Nitrogen oxides (NO _x), sulphur oxides (SO _x) and other significant air emissions	Environment, p. 48 Annex 2 – Additional Information on Standard Disclosures, p. 88	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Environment, p. 47 Annex 2 – Additional Information on Standard Disclosures, p. 88	
	302-2 Energy consumption outside the organisation	-	Data not available as Metinvest does not collect it.
	302-3 Energy intensity	Annex 2 – Additional Information on Standard Disclosures, p. 87	
	302-4 Reduction of energy consumption	Environment, p. 47 Annex 2 – Additional Information on Standard Disclosures, p. 87	
	WATER MANAGEMENT		
GRI 3: Material Topics 2021 GRI 303: Water and effluents 2018	3-3 Management of material topics	Environment, p. 48	
	303-1 Interactions with water as a shared resource	Environment, p. 48 Annex 2 – Additional Information on Standard Disclosures, p. 89	
	303-2 Management of water discharge-related impacts	Environment, p. 48 Annex 1 – GRI and SASB Indexes, p. 74	Metinvest conducts laboratory studies of consumed water and wastewater quality to comply with statutory regulations and environmental standards.
	303-3 Water withdrawal	Environment, p. 48 Annex 2 – Additional Information on Standard Disclosures, p. 89	
	303-4 Water discharge	Environment, p. 48 Annex 1 – Index of Standard Disclosures, p. 74 Annex 2 – Additional Information on Standard Disclosures, p. 89	Metinvest does not publish data on water discharge by category.



	DISCLOSURE	LOCATION	COMMENTS
	303-5 Water consumption	Environment, p. 48 Annex 2 – Additional Information on Standard Disclosures, p. 89	
	WASTE GENERATION		
GRI 3: Material Topics 2021 GRI 306: Waste 2020	3-3 Management of material topics	Environment, p. 48	
	306-1 Waste generation and significant waste-related impacts	Environment, p. 48	
	306-2 Management of significant waste-related impacts	Environment, p. 48 Annex 1 – GRI and SASB Indexes, p. 75	Waste-related data is retrieved from statistical and internal reporting forms maintained in accordance with respective legislation on waste management.
	306-3 Waste generated	Environment, p. 48 Annex 2 – Additional Information on Standard Disclosures, p. 89	
	306-4 Waste diverted from disposal	Environment, p. 48 Annex 2 – Additional Information on Standard Disclosures, p. 89	
	306-5 Waste directed to disposal	Annex 2 – Additional Information on Standard Disclosures, p. 89	
	BIODIVERSITY		
GRI 3: Material Topics 2021 GRI 304: Biodiversity 2016	3-3 Management of material topics	Environment, p. 49	
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environment, p. 49	
	304-2 Significant impacts of activities, products and services on biodiversity	Environment, p. 49	
	304-3 Habitats protected or restored	Environment, p. 49 Annex 1 – GRI and SASB Indexes, p. 75	Land restoration activities were carried out in accordance with the terms of approved projects, as well as government standards and methodologies.
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Environment, p. 49	



	DISCLOSURE	LOCATION	COMMENTS
	HUMAN RIGHTS		
GRI 3: Material Topics 2021	3-3 Management of material topics	Our People, p. 39 Business Ethics and Compliance, p. 63	
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	Our People, p. 38 Annex 2 – Additional Information on Standard Disclosures, p. 84	
	405-2 Ratio of basic salary and remuneration of women to men	Annex 2 – Additional Information on Standard Disclosures, p. 86	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Annex 1 – GRI and SASB Indexes, p. 76	Metinvest did not identify any incidents of discrimination during the reporting period.
GRI 407: Freedom of association and collective bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Our People, p. 40 Annex 1 – GRI and SASB Indexes, p. 76	There were no cases recorded in the reporting period in which the right of employees or suppliers to exercise freedom of association or collective bargaining was violated or at risk.
GRI 408: Child labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Annex 1 – GRI and SASB Indexes, p. 76	Metinvest did not identify any operations or suppliers at significant risk for incidents of child labour in the reporting period.
GRI 409: Forced or compulsory labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Annex 1 – GRI and SASB Indexes, p. 76	Metinvest did not identify any operations or suppliers at significant risk for incidents of forced or compulsory labour in the reporting period.
GRI 410: Security practices 2016	410-1 Security personnel trained in human rights policies or procedures	Our People, p. 40	
GRI 412: Human rights assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	Our People, p. 40 Annex 1 – GRI and SASB Indexes, p. 76	The Group's approach to ensuring the protection of human rights applies to all its entities.
	412-2 Employee training on human rights policies or procedures	Our People, p. 40	
	BUSINESS ETHICS AND ANTI-CORRUPTION, SUPPLY CHAIN		
GRI 3: Material Topics 2021	3-3 Management of material topics	Business Ethics and Compliance, p. 63 Supply Chain Management, p. 66	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Business Ethics and Compliance, p. 65	
	205-2 Communication and training about anti-corruption policies and procedures	Business Ethics and Compliance, pp. 63, 65 Supply Chain Management, p. 66	
	205-3 Confirmed incidents of corruption and actions taken	Business Ethics and Compliance, p. 65	
GRI 206: Anti-competitive behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	Business Ethics and Compliance, p. 65	
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supply Chain Management, p. 66	



	DISCLOSURE	LOCATION	COMMENTS
GRI 414: Supplier social assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	Supply Chain Management, p. 67	
	414-1 New suppliers that were screened using social criteria	Supply Chain Management, p. 67	
	414-2 Negative social impacts in the supply chain and actions taken	Supply Chain Management, p. 67	
EMPLOYMENT PRACTICES			
GRI 3: Material Topics 2021 GRI 401: Employment 2016	3-3 Management of material topics	Our People, p. 36	
	401-1 New employee hires and employee turnover	Annex 2 – Additional Information on Standard Disclosures, pp. 85-86	
GRI 402: Labour/management relations 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our People, p. 39 Annex 1 – GRI and SASB Indexes, p. 77	Temporary and part-time employees are provided with the same social benefits as full-time employees.
	401-3 Parental leave	Annex 1 – GRI and SASB Indexes, p. 77	In 2023, 30 men and 395 women took childcare leave.
	402-1 Minimum notice periods regarding operational changes	Annex 1 – GRI and SASB Indexes, p. 77	In the event of significant changes, Metinvest's employees in Ukraine were notified in accordance with the law "On the organisation of labour relations under martial law", namely, no later than before the introduction of such conditions. This mechanism differs from peacetime requirements, namely two months' notice before changes became effective, which was consistent with the Labour Code of Ukraine. Employees at non-Ukrainian entities were notified of significant changes in line with the applicable local legislation.
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	Our People, p. 40 Annex 2 – Additional Information on Standard Disclosures, p. 86	
	404-2 Programmes for upgrading employee skills and transition assistance programmes	Our People, p. 40	
WORKPLACE SAFETY			
GRI 3: Material Topics 2021 GRI 403: Occupational health and safety 2018	3-3 Management of material topics	Workplace Safety, p. 42	
	403-1 Occupational health and safety management system	Workplace Safety, p. 42	
	403-2 Hazard identification, risk assessment and incident investigation	Workplace Safety, p. 42 Business Ethics and Compliance, p. 65	
	403-3 Occupational health services	Workplace Safety, p. 45	



DISCLOSURE	LOCATION	COMMENTS
403-4 Worker participation, consultation and communication on occupational health and safety	Workplace Safety, p. 44	
403-5 Worker training on occupational health and safety	Workplace Safety, p. 45	
403-6 Promotion of worker health	Workplace Safety, p. 45	
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Workplace Safety, p. 44	
403-8 Workers covered by an occupational health and safety management system	Workplace Safety, p. 44	
403-9 Work-related injuries	Workplace Safety, p. 43 Annex 1 – GRI and SASB Indexes, p. 78 Annex 2 – Additional Information on Standard Disclosures, p. 86	Number of hours worked in 2023: by employees: 71,165,367 by contractors: 11,119,839
403-10 Work-related ill health	Workplace Safety, p. 45 Annex 1 – GRI and SASB Indexes, p. 78	Metinvest does not calculate occupational illness figures for contractor staff, as this falls under the responsibility of contractor organisations.
LOCAL COMMUNITIES		
3-3 Management of material topics	Support for Ukraine and Communities, p. 33	
413-1 Operations with local community engagement, impact assessments and development programmes	Support for Ukraine and Communities, p. 33	
413-2 Operations with significant actual and potential negative impacts on local communities	Support for Ukraine and Communities, p. 33 Annex 1 – GRI and SASB Indexes, p. 78	Metinvest acknowledges the risks of its operations regarding the environment and local community well-being.
QUALITY OF PRODUCTS		
3-3 Management of material topics	Operational Review, p. 18	

GRI 3: Material Topics 2021

GRI 413: Local communities 2016

GRI 3: Material Topics 2021



	DISCLOSURE	LOCATION	COMMENTS
GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Operational Review, p. 18 Annex 1 – GRI and SASB Indexes, p. 79	In 2023, there were no incidents reported of Metinvest’s products having negative health or safety impacts that can affect customers. Throughout the year, Metinvest’s steel assets used automatic equipment to monitor vehicle radiation levels upon entry and exit, in line with internal procedures. The Group strictly prohibits entry or exit of railcars and vehicles with high radiation levels. Any vehicle exceeding radiation thresholds is immediately isolated, its shipment stopped, and regulatory and local authorities notified. In 2023, no cases of contaminated scrap were detected.
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Annex 1 – GRI and SASB Indexes, p. 79	In the reporting period, Metinvest did not receive any complaints or claims regarding any negative impacts of its products on consumers’ health and safety, nor was the Group fined for non-compliance with legal provisions concerning product safety for customers.
GRI 417: Marketing and labelling 2016	417-1 Requirements for product and service information and labelling	Operational Review, p. 18	
	417-2 Incidents of non-compliance concerning product and service information and labelling	Annex 1 – GRI and SASB Indexes, p. 79	In 2023, Metinvest did not identify incidents of non-compliance with regulations concerning product information and labelling.
	417-3 Incidents of non-compliance concerning marketing communications	Annex 1 – GRI and SASB Indexes, p. 79	In 2023, Metinvest did not identify incidents of non-compliance with regulations concerning marketing communications.
GRI 418: Customer privacy 2018	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Annex 1 – GRI and SASB Indexes, p. 79	Metinvest did not identify any substantiated complaints concerning breaches of customer privacy in the reporting period.



SASB IRON AND STEEL 2018, SASB METALS AND MINING 2021

	CODE AND ACCOUNTING METRIC	DESCRIPTION	LOCATION AND COMMENTS
Greenhouse gas emissions	EM-IS-110a.1; EM-MM-110a.1 Metric tonnes (t) CO ₂ e, Percentage (%)	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Environment, p. 47 Metinvest does not report the percentage of emissions that are covered under emissions-limiting regulations.
	EM-IS-110a.2; EM-MM-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Environment, p. 47 Response to Climate Change, p. 52
Air quality	EM-IS-120a.1; EM-MM-120a.1 Metric tonnes (t)	Air emissions of the following pollutants: CO, NO _x (excluding N ₂ O), SO _x , particulate matter (PM ₁₀), mercury (Hg), manganese (Mn), lead (Pb), volatile organic compounds (VOCs) and polycyclic aromatic hydrocarbons (PAHs)	Environment, p. 48 Annex 2 – Additional Information on Standard Disclosures, p. 88 In 2023, the Group's air emissions of pollutants were as follows: - lead – 0.030 tonnes - mercury – 0.003 tonnes - manganese – 1.831 tonnes - PAHs – 0.029 tonnes - VOCs – 88.801 tonnes
Energy management	EM-IS-130a.1; EM-MM-130a.1 Terajoules (TJ), Percentage (%)	(1) total energy consumed (2) percentage grid electricity (3) percentage renewable	Environment, p. 47 Percentage of electricity in total energy consumed in 2023 was 23%. Metinvest did not disclose the percentage of renewable energy consumption as it is not material.
	EM-IS-130a.2 Terajoules (TJ), Percentage (%)	(1) total fuel consumed (2) percentage metallurgical coal (3) percentage natural gas (4) percentage renewable	Annex 2 – Additional Information on Standard Disclosures, p. 88 Percentage of metallurgical coal in total fuel consumed in 2023 was 6% (excluding electricity). Percentage of natural gas in total fuel consumed in 2023 was 26% (excluding electricity). Metinvest did not disclose the percentage of renewable energy consumption as it is not material.

**Water management**

CODE AND ACCOUNTING METRIC	DESCRIPTION	LOCATION AND COMMENTS
EM-IS-140a.1; EM-MM-140a.1 Million cubic metres (mcm), Percentage (%)	(1) total fresh water withdrawn (2) total fresh water consumed (3) percentage of each in regions with High or Extremely High Baseline Water Stress	Annex 2 – Additional Information on Standard Disclosures, p. 89 Total fresh water consumed in 2023 was 108 mcm, which is 100% of the total water consumed. Metinvest does not operate in regions with High or Extremely High Baseline Water Stress.
EM-MM-140a.2	Number of incidents of non-compliance associated with water quality permits, standards and regulations	In 2023, Metinvest did not have any incidents of non-compliance associated with water quality permits, standards or regulations.

Waste and hazardous materials management

EM-IS-150a.1 Metric tonnes (t), Percentage (%)	Amount of waste generated, percentage hazardous, percentage recycled	Environment, p. 48 Annex 2 – Additional Information on Standard Disclosures, p. 89
EM-MM-150a.4 Metric tonnes (t)	Total weight of non-mineral waste generated	Total weight of non-mineral waste generated in 2023 was 8 million tonnes.
EM-MM-150a.5 Metric tonnes (t)	Total weight of tailings produced	Total weight of tailings produced in 2023 was 15 million tonnes.
EM-MM-150a.6 Metric tonnes (t)	Total weight of waste rock generated	Total weight of waste rock generated in 2023 was 81 million tonnes.
EM-MM-150a.7 Metric tonnes (t)	Total weight of hazardous waste generated	Environment, p. 48 Annex 2 – Additional Information on Standard Disclosures, p. 89 Total weight of hazardous waste generated in 2023 was 0.05 million tonnes.
EM-MM-150a.8 Metric tonnes (t)	Total weight of hazardous waste recycled	Total weight of hazardous waste recycled in 2023 was 0.005 million tonnes.
EM-MM-150a.9	Number of significant incidents associated with hazardous materials and waste management	In 2023, there were no incidents at the Group's assets associated with hazardous materials and waste management.
EM-MM-150a.10	Description of waste and hazardous materials management policies and procedures for active and inactive operations	Environment, p. 48



	CODE AND ACCOUNTING METRIC	DESCRIPTION	LOCATION AND COMMENTS
Biodiversity impacts	EM-MM-160a.1	Discussion and Analysis	Environment, p. 49
		Description of environmental management policies and practices for active sites	
	EM-MM-160a.2	Percentage of mine sites where acid rock drainage is: (1) predicted to occur, (2) actively mitigated, and (3) under treatment or remediation	In 2023, Metinvest did not have any identified cases of acid rock drainage.
	EM-MM-160a.3 Percentage (%)	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	Metinvest did not operate in any protected natural areas or in areas of very high biodiversity value. The Group's activities did not affect the habitats of species on the IUCN Red List or national conservation list.
Security, human rights and rights of indigenous peoples	EM-MM-210a.2 Percentage (%)	Percentage of (1) proved and (2) probable reserves in or near indigenous land	Metinvest did not have production operations or proved or probable reserves in or near indigenous lands.
	EM-MM-210a.3	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights and operation in areas of conflict	Our People, p. 39 Metinvest did not have production operations or proved or probable reserves in or near indigenous lands.
Community relations	EM-MM-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	Support for Ukraine and Communities, p. 33 Our People, p. 36 Environment, p. 48
Labour relations	EM-MM-310a.1 Percentage (%)	Percentage of active workforce covered under collective bargaining agreements	Our People, p. 38
	EM-MM-310a.2	Number and duration of strikes and lockouts	There were no strikes or lockouts in the reporting period involving 1,000 or more workers.
Workforce health and safety	EM-IS-320a.1; EM-MM-320a.1	(1) MSHA all-incidence rate, (2) fatality rate, (3) near miss frequency rate (NMFR) and (4) average hours of health, safety and emergency response training for (a) full-time employees and (b) contract employees	Workplace Safety, p. 43



	CODE AND ACCOUNTING METRIC	DESCRIPTION	LOCATION AND COMMENTS
Business ethics and transparency	EM-MM-510a.1	Description of the management system for prevention of corruption and bribery throughout the value chain	Business Ethics and Compliance, p. 65
	EM-MM-510a.2	Production in countries that rank in the lowest 20 places in Transparency International's Corruption Perceptions Index	Metinvest does not have production operations in countries that rank in the lowest 20 places in Transparency International's Corruption Perceptions Index.
Tailings storage facilities management	EM-MM-540a.1	Tailings storage facility inventory table: (1) facility name, (2) location, (3) ownership status, (4) operational status, (5) construction method, (6) maximum permitted storage capacity, (7) current amount of tailings stored, (8) consequence classification, (9) date of most recent independent technical review, (10) material findings, (11) mitigation measures, (12) site-specific Emergency Preparedness and Response Plan (EPRP)	Environment, p. 48 Annex 2 – Additional Information on Standard Disclosures, p. 90
Activity metrics	EM-IS-000.A Metric tonnes (t), Percentage (%)	Raw steel production, percentage from: (1) basic oxygen furnace processes, (2) electric arc furnace processes	In 2023, Metinvest produced 100% of its steel products through BOF processes.
	EM-IS-000.B Metric tonnes (t)	Total iron ore production	Operational Review, p. 18
	EM-IS-000.C Metric tonnes (t)	Total coking coal production	Operational Review, pp. 19, 21
	EM-MM-000.A Metric tonnes (t) saleable	Production of (1) metal ores and (2) finished metal products	Operational Review, p. 21
	EM-MM-000.B Number, Percentage (%)	Total number of employees, percentage contractors	Our People, p. 36 Workplace Safety, p. 44



ANNEX 2 – ADDITIONAL INFORMATION ON STANDARD DISCLOSURES

PEOPLE

Total employee, executive team and Supervisory Board gender diversity¹

	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total employees	68%	32%	86,955	69%	31%	74,416	70%	30%	70,134
Executive team	75%	25%	12	73%	27%	11	64%	36%	11
Supervisory Board	90%	10%	10	90%	10%	10	87%	13%	8

Total employee, executive team and Supervisory Board age diversity¹

	2021			2022			2023		
	< 30 years	30-50 years	> 50 years	< 30 years	30-50 years	> 50 years	< 30 years	30-50 years	> 50 years
Total employees	13%	62%	25%	12%	62%	26%	10%	62%	28%
Executive team	-	83%	17%	-	82%	18%	-	73%	27%
Supervisory Board	-	50%	50%	-	50%	50%	-	38%	62%

Total employee gender diversity by business area¹

	2021		2022		2023	
	Men	Women	Men	Women	Men	Women
Mining	72%	28%	73%	27%	72%	28%
Metallurgical	66%	34%	66%	34%	67%	33%
Sales	60%	40%	65%	35%	66%	34%
Administrative	39%	61%	39%	61%	37%	63%
Social sphere	54%	46%	54%	46%	56%	44%
Repair	79%	21%	80%	20%	80%	20%
Logistics	58%	42%	61%	39%	61%	39%

Total employees by gender and by region¹

	2021	2022	2023
Ukraine	84,606	72,252	68,299
Men	57,564	49,699	47,306
Women	27,042	22,533	20,993
Other Europe	1,177	1,139	1,169
Men	931	900	929
Women	246	239	240
US and other	1,172	1,025	666
Men	998	1,005	648
Women	174	20	18

¹As at year-end.

**Total employees by employment type and gender¹**

	2021	2022	2023
Full-time employees	86,077	72,477	69,262
Men	59,115	50,786	48,448
Women	26,962	21,691	20,814
Part-time employees	878	1,939	872
Men	378	818	445
Women	500	1,121	427

Total employees by employment contract type and gender¹

	2021	2022	2023
Employees with a permanent employment contract	85,135	72,787	68,971
Men	58,581	50,679	48,159
Women	26,554	22,108	20,812
Employees with a temporary employment contract	1,820	1,629	1,163
Men	912	925	734
Women	908	704	429

Total employees by employment contract type and region¹

	2021	2022	2023
Employees with a permanent employment contract	85,135	72,787	68,971
Ukraine	82,852	70,653	67,136
Other Europe	1,148	1,109	1,169
US and other	1,135	1,025	666
Employees with a temporary employment contract	1,820	1,629	1,163
Ukraine	1,754	1,599	1,163
Other Europe	29	30	-
US and other	37	-	-

New employee hires by age, gender and region²

	2021	2022	2023
Age group	9,936	6,817	5,577
Under 30 years	3,075	1,827	1,159
30-50 years	5,713	4,028	3,317
Over 50 years	1,148	962	1,101
Gender	9,936	6,817	5,577
Male	6,938	5,152	3,673
Female	2,998	1,665	1,904
Region	9,936	6,817	5,577
Ukraine	9,353	6,154	5,102
Other Europe	133	134	216
US and other	450	529	259

²Excluding effect of M&A, but including intragroup movements.

**Employee turnover and employees who left the Group**

	2021	2022	2023
Number of employees who left the Group ³	11,120	17,527 ⁴	10,073 ⁴
Employee turnover rate ⁵	7%	11%	10%
General staff turnover rate	14%	28%	24%

Comparison of average monthly salary for men and women, US\$

	2021	2022	2023
Men	1,140	935	1,198
Women	673	507	607
Average monthly salary in the Group	998	801	1,014

Average number of training hours by gender and employee category

	2021	2022	2023
By gender			
Men	77	39	56
Women	37	22	38
By employee category			
Production personnel	78	39	57
Administrative and managerial personnel	28	17	31

Employee training sessions and spending on employee training

	2021	2022	2023
Employee training sessions	112,682	57,986	65,048
Spending on employee training, US\$ mn	5	1	1

The war's impact on personnel and families, as at 31 December 2023

Group people, total fatalities	681
of which, family members	231
JV people, total fatalities	82
of which, family members	11
Group people, total wounded	951
of which, family members	129
JV people, total wounded	209
of which, family members	11

³Excluding intragroup movements.⁴The indicator does not include employees from Mariupol and Avdiivka with which the Group has suspended labour relations.⁵Calculated under a methodology based on guidelines from the Ukrainian Ministry of Justice (no. 286 of 28 September 2005).**HEALTH AND SAFETY****Lost-time injury incidents**

	2021	2022	2023
Metinvest	99	75	57
Contractors	10	3	3

Fatal incidents

	2021	2022	2023
Metinvest	8	2	11
Contractors	6	2	1

**ENVIRONMENT****Direct GHG emissions, mt of CO₂e⁶**

	2021	2022	2023
Carbon dioxide (CO ₂), including:	24.8	6.7	5.4
stationary emissions ⁷	24.3	6.4	5.2
mobile emissions ⁸	0.5	0.3	0.3
Methane (CH ₄) ⁹	1.8	2.1	1.7
Total	26.6	8.8	7.1

Energy intensity ratio

Iron ore concentrate output (electricity), GJ per tonne

	2021	2022	2023
Northern Iron Ore	0.363	0.476	0.548
Central Iron Ore	0.373	0.418	0.469
Inhulets Iron Ore	0.543	0.770	0.808

Pellet output (electricity and natural gas), GJ per tonne

	2021	2022	2023
Northern Iron Ore	0.751	0.787	0.636
Central Iron Ore	0.373	0.363	0.352

Steel production (electricity, natural gas, coal, pulverised coal and coke), GJ per tonne

	2021	2022	2023
Kamet Steel	n/a	26.110	22.830

Total energy saved as a result of energy efficiency measures, TJ

	2021	2022	2023
Fuel	4,319	228	835
Electric power	803	303	163
Heat energy	57	2	1
Total	5,179	533	999

⁶Emissions of nitrous oxide (N₂O) are less than 0.005 mt of CO₂e for 2023, less than 0.003 mt of CO₂e for 2022, and less than 0.04 mt of CO₂e for 2021 and are excluded from the presentation. They are presented as part of the total line. Note on calculation methodology and conversion factors: CO₂ equivalent = VGHG x KGWP, where VGHG = volume of greenhouse gases, tonnes; KGWP = the global warming potential (GWP) rate. KGWP of greenhouse gases: Carbon dioxide (CO₂) – 1; Methane (CH₄) – 21; Nitrous oxide (N₂O) – 310.

⁷Scope 1 stationary CO₂ emissions for the Group's assets are calculated based on the applicable national methodologies. The indicator for 2022 includes data from the Group's steelmaking assets in Mariupol only for January 2022.

⁸Scope 1 mobile CO₂ emissions are calculated in accordance with the Greenhouse Gas Protocol. The indicators for 2022 and 2023 exclude data from the Group's assets in Mariupol. The indicator for 2022 was restated due to the correction of the calculation of Scope 1 mobile CO₂ emissions of United Coal.

⁹The indicators for 2022 and 2023 exclude the Group's assets in Mariupol.

**Energy saved as a result of energy efficiency measures (fuel only), TJ**

	2021	2022	2023
Natural gas	1,794	205	804
Metallurgical coal	1,468	-	-
Coke	1,057	23	31
Total	4,319	228	835

Direct energy use, TJ¹⁰

	2021	2022	2023
Coke	110,794	41,291	28,258
Metallurgical coal	43,650	10,558	2,568
Natural gas	43,098	12,503	11,865
Electricity	33,093	14,314	13,298
Diesel fuel	6,207	3,454	3,064
Petrol	67	48	45
Total (fuel)	203,817	67,854	45,801
Total	236,910	82,168	59,099

Air emissions (excluding GHG emissions), kt¹¹

	2021	2022	2023
Carbon monoxide (CO)	317	56	60
Dust	29	13	14
Sulphur oxides (SO ₂)	21	6	7
Nitrogen oxides (NO ₂)	16	4	4
Other	5	0	0
Total	388	80	86

Water intake by source, mcm¹²

	2021	2022	2023
Surface water	580	76	85
Ground water	4	1	1
Utilities	43	10	10
Other sources	28	28	25
Total	655	115	121

¹⁰The indicators of diesel fuel and petrol consumption of the Mariupol assets were excluded from the total energy use because of unavailability. The indicators for 2021-2022 were restated because of United Coal's correction of petrol consumption data. The coefficient used for conversion from TOE to TJ is 1 TOE = 0.0293076 TJ. Metinvest does not use higher heating values (HHV), also known as gross calorific values (GCV), in its calculations of energy consumption from fuel.

¹¹The air emissions indicators for 2022 exclude data from the Group's assets in Mariupol.

¹²The indicators for 2022 exclude data from the Group's assets in Mariupol and Avdiivka Coke.

**Water consumption by source, mcm¹²**

	2021	2022	2023
Surface water	578	76	84
Ground water	3	1	1
Utilities	43	10	10
Other sources	15	14	13
Total	639	101	108

Water discharge by area, mcm¹²

	2021	2022	2023
Surface water	528	69	77
Ground water	-	-	-
Third-party water	4	8	6
Total	532	77	82

Freshwater utilisation, %¹²

	2021	2022	2023
Share of freshwater intake	25%	100%	100%
Share of freshwater consumption	24%	100%	100%

Waste generated by type, mt¹³

	2021	2022	2023
Non-hazardous	266	111	104
Hazardous	4	0	0
Total	270	111	104

Waste by disposal method, mt^{13,14}

	2021	2022	2023
Landfill waste	194	78	83
Waste transferred to third parties	12	1	1
Recycled waste	69	32	20
Total	275	111	104

¹²The indicators for 2022 exclude data from the Group's assets in Mariupol and Avdiivka Coke.

¹⁴This may include waste generated in previous periods. These data cannot be used for the purposes of taxation or other withholdings.

**Water sources used in Ukraine**

	Mining segment	Metallurgical segment
Surface water sources	Karachunivske Reservoir	Dnipro River
Underground water sources	Wells	Wells
Public utilities and other entities	Public Utility "Kryvbasvodokanal"	JSC "Ukrainian Railways" of the City of Zaporizhzhia
	Public Utility "Petrivske"	JSC Ukrainian Railways Concern "Municipal heat networks"
	Public Utility "Pokrovskovodokanal"	Public Utility of the Dnipropetrovsk Regional Council "Aulsky vodovid"
		JSC "Smoly"
		LLC Company "Energomax"
		Public Utility "Kryvbasvodokanal"
Other sources	Open-pit mine, mine, pond and other wastewater	Own and communal wastewater
	Drainage water	Drainage water

Tailings storage facilities (TSFs) management as of 31 December 2023

Indicators	TSF 1	TSF 2	TSF 3
Asset name	Central Iron Ore	Northern Iron Ore	Inhulets Iron Ore
Location	Kryvyi Rih, Dnipropetrovsk Region, Ukraine		
Operational status	In operation		
Type	Upstream		
Maximum permitted storage	430 mcm	638 mcm	716 mcm
Current amount of tailings stored	377 mcm	613 mcm	605 mcm
Classification	According to Ukrainian state construction regulation B.1.2-14-2009 "General principles of ensuring the reliability and safety of buildings and building structures", the TSFs are classified as CC3 (significant impact)		
Site-specific Emergency Preparedness and Response Plan (EPRP)	The EPRPs are in place and approved by the State Emergency Service of Ukraine		



ANNEX 3 – ADDITIONAL INFORMATION ON TCFD DISCLOSURES

Physical risks

TYPE	RISK	DESCRIPTION
Acute	Floods due to heavy precipitation	Increased precipitation may lead to additional volumes of water collecting at the open pits and could require expenditures on equipment and energy to pump the water out. It may also disrupt the Group's logistics.
Chronic	Average temperature increase	Temperature changes as a result of long-term shifts in climate patterns can impact the productivity of Metinvest's employees working outside, as well as increase electricity consumption for cooling facilities and processes.
Acute	Droughts	Droughts may limit the Group's water supply, affecting operations reliant on ample water supplies by disrupting production processes. However, Metinvest's production assets are mainly located in close proximity to cities, where exposure to droughts is equal to zero according to the UNCCD Drought Toolbox .
Chronic	Change in average precipitation and groundwater levels	Increased precipitation in some regions of Ukraine and the US (where Metinvest's assets are located) may lead to additional volumes of water collecting at the open pits. It may require expenditures on equipment and energy to pump the water out and to prevent floods. In addition, reduced precipitation in the areas where the Group's Bulgarian and Italian assets operate may lead to lower availability of water supplies.
Acute	Storms	Storm frequency and intensity could potentially have direct or indirect impacts on Metinvest's operations, including across crucial logistics hubs, threatening the Group's value chain.

**Transition risks**

TYPE	RISK	DESCRIPTION
Policy and legal	Increased pricing of GHG emissions	Enhancement of the EU ETS and the gradual reduction of free allowances starting from 2026 with expected growth of carbon pricing could impact the financial performance of the Group's assets in the EU. It is also expected that the implementation of the ETS in Ukraine may increase production costs and decrease profitability of products made in Ukraine.
Policy and legal	CBAM	CBAM may affect profitability for carbon-intensive businesses by adding a tax on products supplied to the EU from 2026, when the gradual withdrawal of free allocations is expected to start. It could impact the business activities of Metinvest, leading to lower margins. CBAM currently covers six types of the Group's product exports to the EU.
Technological	Costs to transition to lower emissions technology	Movement towards circular economy practices with the ultimate goal of transitioning to lower emissions technology and increased demand for steel produced with a lower carbon emissions footprint requires significant investments to shift from the BF-BOF production route to low-carbon technologies such as DRI-EAF. This transformation would also require Metinvest to improve the quality of its iron ore products.
Market	Increased cost of raw materials	Rising carbon prices, following increased demand for low-carbon products, are likely to lead to an increase in costs of raw materials. The expanding demand for scrap due to the accelerated transition to green steel production may lead to higher scrap prices and shortages. These changes may also affect the quality and availability of other essential resources.
Market	Changing customer preferences to low-carbon products	An increase in positive sentiment towards green steel from consumers assumes an associated growth in demand for climate action transparency. Customers may request Metinvest to adhere to low-carbon standards because of new product regulations. A failure to adjust to customer preferences could cause the Group to lose customers from the regions demanding low-carbon products and face heightened scrutiny.
Market	Restricted access to capital	Growing positive sentiment towards green steel from investors and creditors, backed by tighter climate regulations, could increase capital costs, impact the capital structure or limit access to financing. Also, the credibility of the decarbonisation plan could affect the Group's ESG ratings.
Market	Lower demand for coking coal products	The Group's performance could be impacted by reduced market demand for carbon-intensive products, including coking coal, due to the energy transition and resulting substitution of the fossil fuel by renewables and/or lower-carbon energy sources and accompanying changes in coking coal market dynamics due to reduced demand from the steel industry.



ANNEX 4 – PARENT COMPANY AND PRINCIPAL SUBSIDIARIES

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SALES

Please refer to [Annex 5](#) for details.



ANNEX 5 – SALES OFFICES

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ANNEX 6 – GLOSSARY

Bars

Long steel products that are rolled from billets. Merchant bar and reinforcing bar (rebar) are two common categories. Merchant bar includes rounds, bulb flats, angles, squares and channels that are used by fabricators to manufacture a wide variety of products, such as frames, joists, ceilings, storage racks, stair railings, fencing, farm equipment, auto parts and shipbuilding components. Rebar is used to strengthen concrete in highways, bridges and buildings.

Basic oxygen furnace (BOF)

A pear-shaped furnace, lined with heat-resistant (refractory) bricks, that refines molten iron from the blast furnace and scrap into steel through the oxidising action of oxygen blown into the melt under a basic slag. The basic oxygen process is a widely used steelmaking method. About 70% of the crude steel in the world is made in BOFs.

Beneficiation (enrichment, concentration)

Complex treatment of mined material to make it more concentrated or richer. Uses crushing, grinding and often froth flotation to remove waste rock from ore. The metal content increases as waste is removed.

BF-grade pellets

Pellets that have the chemical composition and physical properties required for the reduction of iron in blast furnaces. The iron content in BF grade pellets usually does not exceed 66%, while the basicity is greater than 0.1 and can vary.

Blast furnace (BF)

A towering cylinder lined with heat-resistant (refractory) bricks and used by integrated steel mills to smelt iron from ore. Its name comes from the 'blast' of hot air and gases forced up through the iron ore, coke and limestone that are charged into the furnace. Under extreme heat, chemical reactions among the ingredients release liquid iron from the ore.

Bloom

A semi-finished continuous cast or rolled steel product with a round, square or rectangular cross-section that is used for rolling heavy long products with large dimensions.

Coils

Hot- or cold-rolled flat products supplied in regularly wound coils. These flat products can also be treated with metallic or organic coatings.

Coke

The solid product obtained from the dry distillation of coking coal in the absence of oxygen. Depending on its properties, coke is known as hard coke, soft coke and metallurgical coke.

Coking coal

Coal suitable for making into coke. Coking coal needed to produce blast furnace coke (the type of fuel/reductant needed for a blast furnace) is characterised by certain specific properties in terms of composition: for example, low ash (no more than 10%), volatile matter (17% to 26%), and low sulphur and phosphorous.

Cold rolling

Plastic deformation of a metal at room temperature that might result in substantial increases in strength and hardness. The end product is characterised by improved surface, desired thickness and enhanced mechanical properties compared to hot-rolled steels. Cold-rolled products typically include sheets, coils, strips and rebar.

Continuous casting

A method of casting steel into a slab, bloom or billet directly from its molten form. Continuous casting avoids the need for large, expensive mills for rolling ingots into semi-finished products. Continuously cast slabs and billets also solidify in a few minutes, compared with several hours for an ingot. As a result, the chemical composition and mechanical properties are more uniform. Steel from the basic oxygen or electric arc furnace is poured into a tundish (a shallow vessel that looks like a bathtub) atop the continuous caster.

As steel carefully flows from the tundish down into the water-cooled copper mould of the caster, it solidifies into a ribbon of red-hot steel to form slabs or blooms.

Crude steel

Steel in the first solid state after melting, suitable for further processing or for sale. Synonymous with raw steel.

Crusher and conveyor system (CCS)

Equipment for ore size reduction and a transportation system used to move bulk materials from mine shafts and open pits to the surface for further processing.

Customer relations management (CRM) system

An information technology system used to manage customer data and support the sales teams, delivering analytical insights for improving work with existing and potential clients.

Decarbonisation

The process of reducing greenhouse gas emissions into the atmosphere caused by human activity with the goal of achieving net zero carbon emissions.

Direct reduced iron (DRI)

The solid metallic iron product obtained through the direct reduction of high-grade iron ore in a solid state without being converted into liquid form as happens in a blast furnace. DRI is also known as sponge iron because of its spongy microstructure. Merchant DRI product is delivered mainly in the form of pellets or briquettes.

DR-grade pellets

Higher-quality pellets that are used for iron production by direct reduction technologies. These pellets usually have a basicity less than 0.1 and typical Fe content of at least 67%.

Downstream

In manufacturing, this term refers to processes that happen later in a production sequence or production line.

Electric arc furnace (EAF)

A furnace that uses heat generated by an electric arc to melt metals and other materials. The EAF and basic oxygen processes are the two modern ways of making steel.

Enterprise resource planning (ERP)

An integrated system of software applications used by companies to monitor all core aspects of their business. These include purchasing, manufacturing and sales, facilitating information sharing and allowing managers to make decisions informed by a global view of the supply chain.

Environmental, social and governance (ESG) reporting

A system of reporting built around three central factors underlying sustainability. ESG reporting covers both mandatory and best-practice voluntary reporting of the non-financial, sustainability aspects of a company's performance. Effective ESG reporting is a central component for a company's adoption of integrated reporting, an emerging global set of standards for demonstrating in company disclosures how financial and non-financial factors contribute to create value in an organisation.

Fatality frequency rate (FFR)

An internationally recognised safety indicator, also called the fatal accident frequency rate. The FFR is the ratio of fatalities per million hours worked.

Fe content

The chemical symbol for iron, Fe comes from the Latin word 'ferrum'. Fe content refers to the percentage of iron in the ore.

Ferroalloys

Alloys consisting of certain elements (such as manganese, silicon, molybdenum, vanadium, nickel, boron and chromium) combined with iron and used in steelmaking to reach the necessary chemical composition and properties of steel products. In some cases, ferroalloys may serve as deoxidisers.

**Finished products**

Products that emerge at the end of a manufacturing process. In metallurgy, they are obtained from hot rolling, cold rolling, forging and other processing of semi-finished steel (slabs, blooms and billets). They cover two broad categories of products, namely long and flat.

Flat products

Finished steel products having rectangular cross sections, the width being much greater than the thickness. These are supplied in hot-rolled, cold-rolled or in coated condition, depending on the requirement. Flat products include plates, sheets, and wide and narrow strips, that are produced from slabs on rolling mills.

Forging

Shaping ferrous and non-ferrous metals and alloys while hot by repeated hammer blows.

Fresh water

Water with concentration of total dissolved solids equal to or below 1,000 mg/l.

Galvanised steel

Steel coated with a thin layer of zinc to provide corrosion resistance.

Greenhouse gas (GHG)

For a steelmaker, the main type of GHG emissions is carbon dioxide (CO₂), although they also include methane (CH₄). They are generated primarily from blast furnaces, but also from mining, transportation and office energy consumption.

Hard coking coal (HCC)

A type of coking coal with better coking properties. It is traditionally measured by coke strength, which is usually about 60% for HCC.

Heavy plate

Thick, flat finished product with widths from 500 millimetres to five metres and a thickness of at least three millimetres. Heavy plate is normally produced and supplied in hot-rolled condition with or without specific heat treatment. It is mainly used for construction, machinery, shipbuilding or large-diameter pipe fabrication.

Hot rolling

Rolling of steel at above the recrystallisation temperature (normally above 1,000°C) to produce

hot-rolled flat or long products from semis. Ingots are also hot rolled to obtain semis.

Human capital management

An approach to employees that views people as human capital consisting of knowledge and skills, enhanced by training.

Human resources (HR)

The people who make up the workforce of a company. The term also frequently refers to the management function responsible for ensuring the recruitment and retention of qualified employees, managing goal setting and assessments, overseeing the process of training and further education to meet company needs and employee potential, and other processes required to maintain an effective workforce.

Integrated steelmaking plant

A plant that converts iron ore materials into semi-finished or finished steel products. Traditionally, this process requires coke ovens, sintering machines, blast furnaces, steelmaking furnaces, including EAF, and rolling mills.

Iron ore

A naturally occurring mineral from which iron (Fe) is extracted in various forms, mainly for producing hot metal and direct-reduced iron.

Iron ore concentrate

Iron ore containing the valuable minerals of an ore from which most of the waste material has been removed.

JORC Code

The code of the Joint Ore Reserves Committee (JORC) of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and The Minerals Council of Australia for reporting of exploration results, mineral resources and ore reserves. It is an internationally recognised reporting standard for mineral exploration results, mineral resources and ore reserves that is adopted worldwide for market-related public reporting and financial investments. The code was first published in 1989 and was last updated in 2012.

Liquid steel

The immediate hot molten steel product during steelmaking.

Long products

Finished steel products normally produced by hot rolling or forging blooms, billets or 'pencil ingots' into useable shapes and sizes, such as rounds, bulb flats, angles, squares, rebars and channels. They are normally supplied in cut lengths, except wire rod which is wound in coils. Long products are used in all industrial sectors, particularly construction and engineering.

Lost-time injury frequency rate (LTIFR)

An internationally recognised safety indicator, the LTIFR is the ratio of lost-time injuries per million hours worked. It is calculated using the total number of incidents leading to the loss of one day/shift or more from work.

Merchant

A term used to differentiate products sold to third parties from those consumed internally.

Mineral

A natural, inorganic substance having a definite chemical composition and physical characteristics, or any chemical element or compound occurring naturally as a product of inorganic processes.

Mineral resources

A concentration or occurrence of solid material with geological characteristics known, estimated or interpreted from specific geological evidence and knowledge and having reasonable prospects for economic extraction. For coal, the term "Coal resources" could be used interchangeably with "Mineral resources".

Operational efficiency

The ability of a business to deliver outputs, for example products and services for customers or returns for debt and equity providers, more efficiently by reducing relative costs, often through such processes as automation, centralisation or improved working practices. Also known as operational improvement or operational excellence.

Ore reserves (proven, probable)

Proven ore reserves are the part of measured resources that can be mined in an economically viable fashion. They include diluting materials and allowances for losses that occur when the material is mined. Proven ore reserves represent the highest confidence category of a reserve estimate. Probable ore reserves are the part of indicated and, in some circumstances,

measured mineral resources that can be mined in an economically viable fashion. They include diluting material and allowances for losses, which may occur when the material is mined. Probable ore reserves have a lower level of confidence than proven ones but are of sufficient quality to serve as the basis for a decision to develop a deposit. For coal, the term "Coal reserves" could be used interchangeably with "Ore reserves".

Overburden

Used in mining to describe material that lies above a zone of economic interest: for example, the rock and soil above an iron ore body. Overburden is removed during surface mining, but is typically not contaminated with toxic components and may be used to restore a mining site to a semblance of its appearance before mining began.

Pelletising

The process of compressing or moulding a product into the shape of a pellet. When doing so with iron ore concentrate, spheres of typically eight millimetres to 18 millimetres (0.31 inches to 0.71 inches) in diameter are produced. The process combines agglomeration and thermal treatment to convert the raw ore into pellets with characteristics appropriate for use in blast furnace and DRI processes.

Pelletising machine

Equipment designed for production of pellets (see Pelletising).

Pellets

An enriched form of iron ore shaped into small balls that are used as raw material in the iron making process (see Pelletising). There are two types of pellets: BF-grade pellets, which are used in blast furnaces, and DR-grade pellets, which have a quality suitable for use in the direct iron reduction process.

Permit-to-work procedure

A process used to control work that is identified as possibly hazardous.

Pickling line

Specialised equipment for the chemical removal of surface oxides (scale) and other contaminants such as dirt from a steel product by immersion in an aqueous acid solution. The most common pickling solutions are sulphuric and hydrochloric acids.

**Pig iron**

High-carbon (above 2.14%) iron alloy made by reducing iron ore in a blast furnace. A product in solid form is obtained on solidification of hot metal in a pig casting machine.

Pulverised coal injection (PCI)

Technologies whereby pulverised, granulated or dust coal is injected into a blast furnace through the tuyeres (nozzles) along with the blast to replace natural gas and a part of the coke requirement.

Resale

The act of selling third-party products.

Roasting machine

One type of equipment used in the process of thermal treatment of iron ore pellets.

Rolled products

Products obtained from hot rolling semi-finished steel (blooms, billets and slabs) or cold rolling hot-rolled steel.

Scrap

Steel waste that is not usable in its existing form and is sold or re-melted to produce crude steel. Depending on its form and type, it is classified as heavy melting scrap, light melting scrap or turnings/borings and other categories.

Sections

Hot-rolled long products obtained by rolling blooms or billets. They include angles, channels, girders, joists, I-beams, H-beams and rails. Some sections can also be produced by welding together pieces of flat products. They are used for a wide variety of purposes in the construction, machinery and transportation industries.

Semi-finished products (semis)

Intermediate solid steel products in the form of slabs, blooms or billets obtained by hot rolling or forging ingots, or by continuously casting liquid steel. They are intended for further rolling or forging to produce finished steel products.

Sinter

An aggregate that is normally produced from relatively coarse fine iron ore, mixed with coke breeze (fine coke), limestone, dolomite fines and various metallurgical return wastes used as an input/raw material in blast furnaces. Sinter improves blast furnace operation and productivity and reduces coke consumption.

Slab

A semi-finished rectangular steel product used to make finished hot-rolled flat products such as plates, sheets and coils.

Smelter (ore-thermal furnace)

A closed electric arc furnace for melting and reduction processes. It is equipped with a roof with seals. The furnace steel shell is lined inside with refractory (heat resistant) materials. Electric current is fed into the bath filled with charge through self-sintering electrodes. Charge materials are heated and melted mainly by a powerful electric arc, but also by heat released when current passes through the charge and melt. The temperature in the melting zone is 1,500-2,000°C. Melt and slag are tapped alternately through tapholes, as in a blast furnace. Smelting is considered a low-carbon technology.

Square billet

A semi-finished steel product with a square cross section of up to 200 millimetres x 200 millimetres. This product is used as input material to make finished long steel products such as bars, rods and light sections.

Stakeholder

According to the GRI, this term is defined as an individual or group that has an interest that is affected or could be affected by an organisation's activities. Stakeholders can include business partners, civil society organisations, consumers, customers, employees and other workers, governments, local communities, non-governmental organisations, shareholders and other investors, suppliers, and trade unions, among others.

Tails and tailings

Waste generated by mine processing plants consisting of ground rock and effluent and are stored as tailings in special ponds or dumps secured behind dams. The flow between the plants and tailings is maintained as a closed cycle of clarified water to prevent contamination of nearby ground and river water. Tailings ponds and dams must be regularly monitored to ensure their stability and the safety of surrounding facilities and communities.

Water consumption

The use of water withdrawn from water bodies in production operations.

Water discharge

Sum of effluents, used water and unused water released to surface water, ground water or sea water, for which the organisation has no further use, over the course of the reporting period.

Water intake

Withdrawal from water bodies for consumption or storage.

Wire

A broad range of products produced by cold-reducing hot-rolled wire rod through a series of dies or rolls to improve surface finish, dimensional accuracy and the physical properties. Typical applications include nets, screws, rivets, upholstery springs, furniture wire, concrete wire, electrical conductors, rope wire and structural cables.

Wire rod

Hot-rolled coiled plain bar and rods of up to 18.5 millimetres in diameter. Wire rod is normally used to make steel wire, cold-rolled rebar and hardware, such as nuts, bolts, screws and latches.



ANNEX 7 – ABBREVIATIONS

COMPANY ABBREVIATIONS

Avdiivka Coke

PJSC 'AVDIIVKA COKE'

Azovstal

PJSC 'AZOVSTAL IRON & STEEL WORKS'

Central Iron Ore

PJSC 'CENTRAL GOK'

Ferriera Valsider

FERRIERA VALSIDER S.P.A.

Ilyich Steel

PJSC 'ILYICH IRON AND STEEL WORKS OF MARIUPOL'

Inhulets Iron Ore

PJSC 'INGULETS GOK'

Kamet Steel

PJSC 'KAMET-STEEL'

Kryvyi Rih Machining and Repair Plant

'METINVEST – KMRP', LLC

Metinvest

Metinvest Group

Metinvest Business Services

'MBS', LLC

Metinvest Digital

'METINVEST DIGITAL', LLC

Metinvest Holding

'METINVEST HOLDING', LLC

Metinvest International

METINVEST INTERNATIONAL SA

Metinvest Polytechnic

'TECHNICAL UNIVERSITY
'METINVEST POLYTECHNIC'', LLC

Metinvest Polska

METINVEST POLSKA SP. Z O.O.

Metinvest-Promservice

'METINVEST-PROMSERVICE', LLC

Metinvest-SMC

'METINVEST-SMC', LLC

Metinvest-Shipping

'METINVEST-SHIPPING', LLC

Metinvest Trametel

METINVEST TRAMETAL S.P.A.

Northern Iron Ore

PJSC 'NORTHERN GOK'

Pokrovske Coal

Coking coal assets in Ukraine, the most significant being Pokrovske Colliery and Sviato-Varvarynska Beneficiation Factory

Pokrovske Colliery

PJSC 'COLLIERY GROUP 'POKROVS'KE''

Promet Steel

PROMET STEEL JSC

SCM

A group of companies beneficially owned by Mr Rinat Akhmetov and commonly referred to as System Capital Management

Metinvest Sichsteel

'Metinvest Sichsteel', LLC

Southern Coke

PJSC 'YUZHKOVS'

Southern Iron Ore

JSC 'YUZHNIY GOK'

Spartan UK

SPARTAN UK LIMITED

Sviato-Varvarynska Beneficiation Factory

'CONCENTRATING FACTORY
'SVIATO-VARVARYNSKA', LLC

Unisteel

'UNISTEEL', LLC

United Coal

UNITED COAL COMPANY, LLC

Zaporizhia Casting and Mechanical Works

'ZAPORIZHZHYA CASTING AND MECHANICAL WORKS', LLC

Zaporizhia Coke

PJSC 'ZAPORIZHCOKE'

Zaporizhia Refractories

PJSC 'ZAPOROZHOGNEUPOR'

Zaporizhstal

PJSC 'ZAPORIZHSTAL'

OTHER TERMS

AI

Artificial intelligence

ACCA

Association of Chartered Certified Accountants

AML

Anti-Money Laundering

CAPEX

Capital expenditure

CBAM

Carbon Border Adjustment Mechanism

CEO

Chief Executive Officer

CFA®

Chartered Financial Analyst

CFR

Cost and freight

CFT

Countering the Financing of Terrorism

CH₄

Methane

CIS

Commonwealth of Independent States

CO, CO₂

Carbon monoxide, carbon dioxide

CO₂e

Carbon dioxide equivalent

CPI

Consumer price index

CSRD

Corporate Sustainability Reporting Directive

dmt

Dry metric tonne

DRI

Direct reduced iron

D&A

Depreciation and amortisation

D&O

Directors and officers

EBITDA

Earnings before interest, taxes, depreciation and amortisation

ECA

Export credit agency

ECHR

European Court of Human Rights

EDP

Environmental Product Declaration

EPRP

Emergency Preparedness and Response Plan

ESG

Environment, Social, Governance

EU

European Union

FCA

Free carrier

FEM

Magnetic iron



FET
Total iron

FOB
Free on board

FOREX
Foreign exchange

GDP
Gross domestic product

GDPR
General Data Protection Regulation

GJ
Gigajoule

GRI
Global Reporting Initiative

G7
The Group of Seven

HBI
Hot Briquetted Iron

HCC
Hard coking coal

HRC
Hot-rolled coil

HSE
Health, safety and the environment

IA
Intangible assets

IDP
Internally displaced person

IEA
International Energy Agency

IFRS
International Financial Reporting Standards

ILO
International Labour Organization

IMF
International Monetary Fund

IPCC
Intergovernmental Panel on Climate Change

IRENA
International Renewable Energy Agency

ISO
International Organisation for Standardisation

IT
Information technology

IUCN
International Union for Conservation of Nature

JSC
Joint-stock company

JV
Joint venture

KPI
Key performance indicator

kt
One thousand metric tonnes

LHS
Left-hand side

LLC
Limited liability company

LOTOTO
Lock out, tag out, try out safety procedure

LV
Low volatility

mcm
Million cubic metres

M&A
Mergers and acquisitions

MDG
Master data governance

MENA
Middle East and North Africa

MSHA
Mine Safety and Health Administration

mn
Million

mt
One million metric tonnes

NBU
National Bank of Ukraine

NGFS
Network for Greening the Financial System

NGO
Non-governmental organisation

NO₂, NO_x, N₂O
Nitrogen dioxide, nitrogen oxides, nitrous oxide

PJSC
Public or private joint-stock company

pp
Percentage point

PPE
Property, plant and equipment

PRI
Principles for Responsible Investment

PXF
Pre-export finance

RCP
Representative Concentration Pathway

RHS
Right-hand side

SAP
Systems, Applications and Products in data processing

SASB
Sustainability Accounting Standards Board

SDGs
Sustainable Development Goals

SO₂, SO_x
Sulphur dioxide, sulphur oxides

TCFD
Task Force on Climate-related Financial Disclosures

TJ
Terajoule

TOE
Tonne of oil equivalent

TSF
Tailings storage facility

UAH
Ukrainian hryvnia

UEX
Ukrainian Industry Expertise

UN
United Nations

USAID
United States Agency for International Development

USEC
United States East Cost

US\$, USD
US dollar

WEO
World Energy Outlook

WHO
World Health Organization

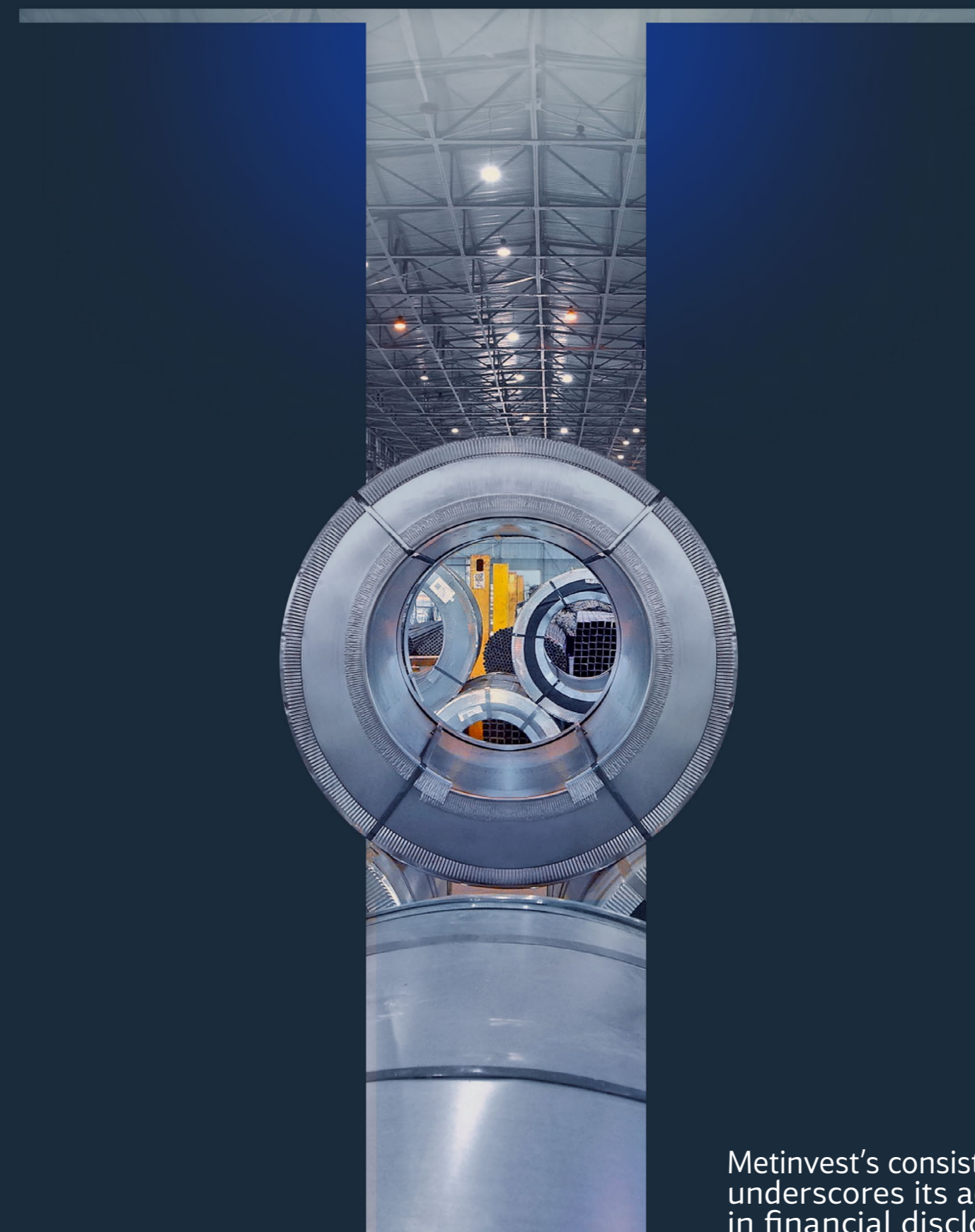
WSA
World Steel Association



M E T I N V E S T

FINANCIAL PILLAR

The Financial Statements contain summary IFRS consolidated financial statements for 2023, as well as an independent auditor's report. Metinvest has published audited and consolidated IFRS financial statements covering each financial year since 2006.



Metinvest's consistent reporting underscores its accountability in financial disclosures.



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INDEPENDENT AUDITOR'S REPORT

TO: THE DIRECTORS
AND THE SUPERVISORY
BOARD OF METINVEST B.V.

REPORT ON THE SUMMARY
IFRS CONSOLIDATED
FINANCIAL STATEMENTS
FOR 2023

OUR OPINION

In our opinion, the accompanying summary IFRS consolidated financial statements for 2023 of Metinvest B.V., are consistent, in all material respects, with the audited statutory financial statements, in accordance with the basis described in note 1 to the summary IFRS consolidated financial statements.

THE SUMMARY IFRS CONSOLIDATED FINANCIAL STATEMENTS

The summary IFRS consolidated financial statements of Metinvest B.V., Amsterdam ('the company'), derived from the audited statutory financial statements for 2023, comprise:

- the summary consolidated balance sheet as at 31 December 2023;
- the summary consolidated income statement for the year then ended;
- the summary consolidated statement of comprehensive income for the year then ended;
- the summary consolidated statement of changes in equity for the year then ended;
- the summary consolidated statement of cash flows for the year then ended; and
- the related notes to the summary IFRS consolidated financial statements.

The summary IFRS consolidated financial statements do not contain all of the disclosures required by International Financial Reporting Standards as adopted by the European Union and Part 9 of Book 2 of the Dutch Civil Code. Reading the summary IFRS consolidated financial statements, therefore, is not a substitute for reading the audited financial statements of Metinvest B.V. and the auditor's report thereon.

The audited statutory financial statements and the summary IFRS consolidated financial statements do not reflect the events that occurred subsequent to the date of our report on the audited financial statements.

THE AUDITED STATUTORY FINANCIAL STATEMENTS AND OUR AUDITOR'S REPORT THEREON

We expressed an unmodified audit opinion on the audited statutory financial statements in our report dated 15 March 2024. The report also includes:

- a 'Material uncertainty related to going concern' section that draws attention to the going-concern paragraph included in Note 5 of the financial statements which indicates that since 24 February 2022, the Group's and the Company's operations are significantly affected by the ongoing military invasion of Ukraine and that the nature of the further developments of this invasion and its impact on the Group and the Company are uncertain. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter;
- a section 'Audit approach', including sections communicating the materiality and scope of the group audit;
- a section 'Audit approach fraud risks';
- a section 'Audit approach going concern';
- the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the audited financial statements of the current period.

RESPONSIBILITIES OF DIRECTORS AND THE SUPERVISORY BOARD FOR THE SUMMARY IFRS CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summary IFRS consolidated financial statements in accordance with the basis described in note 1 to the summary IFRS consolidated financial statements.

The supervisory board is responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary IFRS consolidated financial statements are consistent, in all material respects, with the audited statutory financial statements based on our procedures, which were conducted in accordance with Dutch Law, including the Dutch Standard 810 'Engagements to report on summary financial statements'.

Rotterdam, 15 March 2024

PricewaterhouseCoopers Accountants N.V.

Original has been signed by A.F. Westerman RA

NLE00024408.1.1

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**METINVEST B.V.****SUMMARY CONSOLIDATED
BALANCE SHEET**

All amounts in millions of US Dollars

	Note	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Goodwill	9	669	650
Other intangible assets	10	897	955
Property, plant and equipment	11	2,271	2,480
Investments in associates and joint ventures	12	916	1,186
Deferred tax asset	25	109	167
Income tax prepaid		10	-
Trade and other receivables	15	358	147
Total non-current assets		5,230	5,585
Current assets			
Inventories	14	791	912
Income tax prepaid		51	59
Trade and other receivables	15	2,415	1,880
Cash and cash equivalents	16	646	349
Total current assets		3,903	3,200
TOTAL ASSETS		9,133	8,785
EQUITY			
Share capital	17	-	-
Share premium	17	6,225	6,225
Other reserves	18	(13,342)	(13,164)
Retained earnings		9,716	9,791
Equity attributable to the owners of the Company		2,599	2,852
Non-controlling interest		24	18
TOTAL EQUITY		2,623	2,870
LIABILITIES			
Non-current liabilities			
Loans and borrowings	19	1,768	1,811
Retirement benefit obligations	20	250	239
Deferred tax liability	25	199	200
Other non-current liabilities	21	112	74
Total non-current liabilities		2,329	2,324
Current liabilities			
Loans and borrowings	19	213	266
Income tax payable		18	50
Trade and other payables	22	3,950	3,275
Total current liabilities		4,181	3,591
TOTAL LIABILITIES		6,510	5,915
TOTAL LIABILITIES AND EQUITY		9,133	8,785

Signed and authorised for release on behalf of Metinvest B.V. on 15 March 2024:

Originally signed by Managing Director A, Yuriy Ryzhenkov

Originally signed by Managing Director B, Eliza Désirée den Aantrekker

The accompanying notes form an integral part of these summary consolidated financial statements

**METINVEST B.V.****SUMMARY CONSOLIDATED
INCOME STATEMENT**

All amounts in millions of US Dollars

	Note	Year ended 31 December 2023	Year ended 31 December 2022
Revenue	7	7,397	8,288
Net operating costs (excluding items shown separately)	23	(6,817)	(7,477)
Allowance for impairment of assets	8	(12)	(2,224)
Impairment of financial assets	15	(123)	(13)
Operating profit / (loss)		445	(1,426)
Finance income	24	31	43
Finance costs	24	(279)	(661)
Share of result of associates and joint ventures	12	(232)	(6)
Profit / (loss) before income tax		(35)	(2,050)
Income tax expense	25	(159)	(143)
Profit / (loss) for the period		(194)	(2,193)
Profit / (loss) attributable to:			
Owners of the Company		(200)	(2,186)
Non-controlling interests		6	(7)
Profit / (loss) for the period		(194)	(2,193)

**CONSOLIDATED STATEMENT
OF COMPREHENSIVE INCOME**

All amounts in millions of US Dollars

	Note	Year ended 31 December 2023	Year ended 31 December 2022
Profit / (loss) for the period		(194)	(2,193)
Other comprehensive loss:			
<i>Items that will not be reclassified to profit or loss:</i>			
Revaluation decreases that offset previous increases in the carrying amount of property, plant and equipment	11	-	(1,283)
Remeasurement of retirement benefit obligations	20	2	364
Share in other comprehensive income / (loss) of joint ventures and associates	12	-	(6)
Income tax related to items that will not be reclassified subsequently to profit or loss	25	-	172
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation differences		(55)	(1,154)
Total other comprehensive income / (loss)		(53)	(1,907)
Total comprehensive income / (loss) for the period		(247)	(4,100)
Total comprehensive income / (loss) attributable to:			
Owners of the Company		(253)	(4,089)
Non-controlling interest		6	(11)
Total comprehensive income / (loss) for the period		(247)	(4,100)

The accompanying notes form an integral part of these summary consolidated financial statements

**METINVEST B.V.****SUMMARY CONSOLIDATED
STATEMENT OF CASH FLOWS**

All amounts in millions of US Dollars

	Note	Year ended 31 December 2023	Year ended 31 December 2022
Cash flows from operating activities			
Profit / (loss) before income tax		(35)	(2,050)
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment and amortisation of intangible assets	23	403	619
Impairment of property, plant and equipment and intangible assets	10,11	18	1,553
Loss / (Gain) on disposal of property, plant and equipment, net		(5)	2
Finance income	24	(31)	(43)
Finance costs	24	279	661
Foreign exchange losses less gains / (gains less losses), net	23	56	333
Net change in retirement benefit obligations, except for interest costs, remeasurements and currency translation	20	(27)	(19)
Share of result of associates and joint ventures	12	232	6
Impairment of financial assets		123	13
Write-down of inventories, net		(31)	725
Write-offs of trade and other payables	23	(4)	(1)
Loss from deconsolidation of subsidiaries located in Russia and Belarus	8	-	17
Other non-cash operating expenses / (income), net		(42)	98
Operating cash flows before working capital changes		936	1,914
Decrease / (increase) in inventories		189	(337)
(Increase) / decrease in trade and other accounts receivable		(893)	165
Increase in trade and other accounts payable		787	104
Cash generated from operations		1,019	1,846
Income taxes paid		(145)	(282)
Interest paid		(167)	(161)
Net cash from operating activities		707	1,403
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(305)	(381)
Proceeds from sale of property, plant and equipment		7	1
Interest received		6	16
Proceeds from repayments of loans issued		-	67
Acquisition of subsidiaries	13	(5)	-
Other payments		-	(5)
Net cash used in investing activities		(297)	(302)
Cash flows from financing activities			
Proceeds from loans and borrowings	19	10	3
Repayment of loans and borrowings	19	(195)	(63)
Net trade financing (repayment) / receipt	19	70	(48)
Dividends paid	19	-	(1,769)
Other finance costs		-	-
Net cash used in financing activities		(115)	(1,877)
Effect of exchange rate changes on cash and cash equivalents		2	(41)
Net increase / (decrease) in cash and cash equivalents		297	(817)
Cash and cash equivalents at the beginning of the year		349	1,166
Cash and cash equivalents at the end of the period		646	349

The accompanying notes form an integral part of these summary consolidated financial statements

**METINVEST B.V.****SUMMARY CONSOLIDATED
STATEMENT OF CHANGES
IN EQUITY**

All amounts in millions of US Dollars

	Attributable to owners of the Company					Non-controlling interest (NCI)	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Total		
Balance at 1 January 2022	-	6,225	(9,045)	10,761	7,941	29	7,970
Revaluation of property, plant and equipment (Note 11)	-	-	(1,283)	-	(1,283)	-	(1,283)
Share in other comprehensive income of joint venture and associates (Note 12)	-	-	(32)	26	(6)	-	(6)
Remeasurement of retirement benefit obligation (Note 20)	-	-	-	358	358	6	364
Income tax related to items included in other comprehensive income (Note 25)	-	-	231	(58)	173	(1)	172
Currency translation differences	-	-	(1,145)	-	(1,145)	(9)	(1,154)
Other comprehensive income / (loss) for the period	-	-	(2,229)	326	(1,903)	(4)	(1,907)
Profit / (loss) for the period	-	-	-	(2,186)	(2,186)	(7)	(2,193)
Total comprehensive loss for the period	-	-	(2,229)	(1,860)	(4,089)	(11)	(4,100)
Realised revaluation reserve, net of tax	-	-	(1,890)	1,890	-	-	-
Dividends declared	-	-	-	(1,000)	(1,000)	-	(1,000)
Balance at 31 December 2022 / 1 January 2023	-	6,225	(13,164)	9,791	2,852	18	2,870
Remeasurement of retirement benefit obligation (Note 20)	-	-	-	2	2	-	2
Income tax related to items included in other comprehensive income (Note 25)	-	-	-	-	-	-	-
Currency translation differences	-	-	(55)	-	(55)	-	(55)
Other comprehensive loss for the period	-	-	(55)	2	(53)	-	(53)
Profit / (loss) for the period	-	-	-	(200)	(200)	6	(194)
Total comprehensive loss for the period	-	-	(55)	(198)	(253)	6	(247)
Realised revaluation reserve, net of tax	-	-	(123)	123	-	-	-
Balance at 31 December 2023	-	6,225	(13,342)	9,716	2,599	24	2,623

**METINVEST B.V.****NOTES TO THE SUMMARY
CONSOLIDATED FINANCIAL
STATEMENTS
31 DECEMBER 2023**

All 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 2023 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 2023	as at 31 December 2022		
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 Trameal 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 "Pokrovs'ke"	100.0%	100.0%	Mining	Ukraine
Concentrating Factory "Sviato-Varvarynska" LLC	100.0%	100.0%	Mining	Ukraine

As at 31 December 2023, the Group employed approximately 70 thousand people (31 December 2022: 74 thousand).

During the periods presented in these consolidated financial statements the Company's registered address was Gustav Mahlerplein 74B, 1082MA, Amsterdam. From 1 March 2024 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, Italy, the UK and the USA.

**METINVEST B.V.****NOTES TO THE SUMMARY
CONSOLIDATED FINANCIAL
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31 DECEMBER 2023
(CONTINUED)**

All amounts in millions of US Dollars

2. OPERATING ENVIRONMENT OF THE GROUP

On 24 February 2022, Russia launched a full-scale military invasion of Ukraine. As a response, Ukraine declared martial law which is still in place as of the date of signing of these consolidated financial statements. The military actions are still ongoing in the Eastern and Southern parts of Ukraine along the frontline, some towns and cities in these regions remain temporarily occupied while Russia conducts sporadic bombardments throughout the whole Ukrainian territory.

On 30 September 2022 Russia declared its annexation of the Donetsk, Luhansk, Zaporizhzhia and Kherson regions of Ukraine into the Russian Federation. Ukraine does not recognize the legality of the annexation and will use all available legal and other means to reverse it. On 12 October 2022, as part of Eleventh Emergency Special Session of the United Nations General Assembly regarding the aggression of Russian Federation against Ukraine, the General Assembly, with 143 member States voted in favour, adopted the resolution "Territorial integrity of Ukraine: defending the principles of the Charter of the United Nations". A resolution calls on all states, the UN and international organisations not to recognize any of Russia's annexation claim and demands the immediate reversal of its annexation declaration.

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 limited railway capacity with Western countries has restricted the ability to replace seaborne throughput. On 22 July 2022, the representatives of Ukraine, Türkiye and the UN Secretary-General signed in Istanbul the Initiative on the Safe Transportation of Grain and Foodstuffs from Ukrainian Ports, which allowed only for exports of grain and related food products from the ports of Odesa, Chornomorsk and Pivdennyi ("Grain deal"). On 17 July 2023, the Grain deal was not renewed, following the refusal of Russia to extend the agreement. Since then, Russia has launched a series of air attacks on Ukraine, focusing, among others, on damaging Danube and Black Sea ports infrastructure.

On 10 August 2023 the Naval Forces of the Armed Forces of Ukraine announced the creation of a maritime corridor for merchant vessels heading to and from Ukrainian ports. On 16 August 2023, the first ship left the Ukrainian port and arrived in Istanbul, Türkiye, on 18 August 2023. As according to the Ministry of Infrastructure since August until the end of December 2023 about 14 million tonnes of cargo (including agricultural goods, steel, iron ore and coal products) were exported through the Black Sea. As of the date of these financial statements, this corridor continues to operate.

In February 2024 Ukrainian Armed Forces' withdrew from Avdiivka and retreated to more secure defensive lines outside the city. Immediately after this 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 invaded Ukraine.

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

After the commencement of the Russian invasion, the National bank of Ukraine (NBU) abandoned its inflation targeting policy and effective from 3 June 2022 increased its key policy rate to 25%, though in time of war the monetary transmission mechanism remains weakened as structural imbalances in the economy caused by war-related disruptions in production, logistic and financial chains impact the inflation significantly more than the policy rate. As such, the actual consumer inflation rate (CPI) in Ukraine for the year ended 31 December 2022 stood at 20.2% y-o-y (for the month of December 2022: 26.6% y-o-y). During 2023, the CPI decreased substantially and stood at 12.8% y-o-y for the year ended 31 December 2023 (for the month of December 2023: 5.1% y-o-y) according to the State Statistics Service of Ukraine. The decrease in inflation, along with other contributing factors, enabled the NBU to start the easing of its monetary policy. This involved a reduction of the policy rate by 3 percentage points to 22% starting from 28 July 2023, followed by subsequent decreases to 20% from 15 September 2023, 16% from 27 October 2023, and ultimately to 15% effective from 15 December 2023, onwards.

Ukrainian real GDP increased y-o-y by 5.7% in 2023 marking a significant recovery from the 28.8% y-o-y decrease in 2022. As per the NBU forecast, GDP is anticipated to continue its upward trend with a growth rate of 3.6% in 2024.

In order to stabilise the Ukrainian financial system during the war, the NBU fixed the official hryvnia exchange at UAH 36.57 per USD from 21 July 2022. In July 2023, the NBU announced the plans regarding easing of foreign currency restrictions and the return to floating exchange rate and inflation targeting, which will be done gradually and subject to some preconditions being in place. From 3 October 2023 the National Bank of Ukraine adopted a managed floating exchange rate regime. 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 is at the level of UAH 38.69 per USD 1.

After the full-scale military invasion Ukraine introduced a number of measures to stabilise the financial system, amongst others, restrictions on the foreign exchange transactions and capital movements including restrictions on interest and dividends payments in foreign currencies outside Ukraine, were imposed. A trend towards the relaxation of some restrictions by NBU is observed during 2023. In particular, from 21 June 2023 Ukrainian entities are able to make transfers abroad for the purpose of servicing and repaying new external loans, received after 20 June 2023. Also, some of the tax legislation simplifications, implemented by Ukraine following the start of the full-scale invasion, were revoked from 1 August 2023, in particular, the moratorium on the tax audits was partially cancelled and the simplified tax (single tax) regime was suspended. Further the NBU introduced new relaxations effective since 1 December 2023 that relate inter alia to cancellation of foreign currency sale limits for banks and non-banking financial institutions and permission to Export credit agency to transfer funds abroad for compensations and premium payments based on insurance/reinsurance contracts.

The yield to maturity ("YtM") on the Ukrainian Government's USD-denominated Eurobonds (for 5-year maturity instruments) varied during 2023 but remained almost unchanged at 51.1% as of 31 December 2023 when compared with 51.8% as at 31 December 2022. At the same time, the yield of the UAH-denominated domestic Ukrainian sovereign bonds (for a 5-year maturity) amounted to 18% as at 31 December 2023 (22% as at 31 December 2022).

**METINVEST B.V.****NOTES TO THE SUMMARY
CONSOLIDATED FINANCIAL
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31 DECEMBER 2023
(CONTINUED)**

All amounts in millions of US Dollars

2. OPERATING ENVIRONMENT OF THE GROUP (CONTINUED)

From the start of the war the Ukrainian budget experiences a deficit, which is financed by international financial assistance, national borrowings, and direct deficit monetisation by the NBU as a measure of last resort. Since the beginning of the full-scale invasion by Russia and till 31 December 2023, the total amount of funds received by Ukraine from international partners amounted to USD 73.6 billion, approximately 35% out of which were in the grant format. International support is crucially important for Ukraine's ability to continue fighting against the aggression and funding the budget deficit and on-going debt repayments. As of 31 December 2023, Ukraine's international reserves reached USD 40.5 billion, rising 42% during the year 2023.

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 utilisation rates, raw material costs, currency exchange rates and improvements in steel-making processes.

Compared with the average for 2022, the benchmark hot-rolled coil price (Platts HRC EXW Italy) in 2023 decreased by 17% to an average of USD 751 per tonne, the benchmark iron ore price (Platts 62% Fe CFR China) approximately remained at the level of previous year — average of USD 120 per dry tonne, while the benchmark coking coal price (HCC Premium LV, FOB Australia) decreased by 19% to an average USD 296 per tonne.

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. 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 2023	31 December 2022
1 USD to UAH	37.98	36.57
1 EUR to UAH	42.21	38.95

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).

**METINVEST B.V.****NOTES TO THE SUMMARY
CONSOLIDATED FINANCIAL
STATEMENTS
31 DECEMBER 2023
(CONTINUED)**

All amounts in millions of US Dollars

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.

(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.

The Group also engages in sale and purchase transactions the objective of which is to manage cash flows and/or to sell the products of its joint ventures through the Group's sales channels and where the Group acts as an agent. Such sales are not treated as gross revenue generated by the Group and accordingly such sales and purchases are presented on a net basis with any gain or loss presented in revenue. Accounts receivable and payable from such transactions are presented gross.

(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 recognised 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.

**METINVEST B.V.****NOTES TO THE SUMMARY
CONSOLIDATED FINANCIAL
STATEMENTS
31 DECEMBER 2023
(CONTINUED)**

All amounts in millions of US Dollars

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.

Considering the continuing war in Ukraine which impacted the logistical chains and operating model of the Group as well as volatility on some key markets the Group operates in during 2023, the Group considered that these events constitute signs of impairment of property, plant and equipment, goodwill and other intangible assets as at 31 December 2023 and conducted an impairment test at that date. The results and the main assumptions applied are disclosed in the Note 11 of these consolidated financial statements.

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 18). The expected credit loss allowance was recognised in respect of balances due from related parties as disclosed in Note 15 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 20.

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 20.

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 27).

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. 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 (Note 2). Also, as explained in Note 8, 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, recognised the impairment through Other Comprehensive Income to the extent of existing revaluation reserve and recognised 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.

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

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 short-term perspective to conduct normal production operations, 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 for 2022.

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.

As such, during 2022 management of the Group has performed an impairment assessment of respective property, plant and equipment, thus recognising USD 1,154 million as decrease of previously recognised revaluation in Other Comprehensive Income and USD 1,414 million as impairment charge in profit and loss during 2022. Would the judgement be made that the assets are derecognised before they are impaired, the whole amount of USD 2,568 million of decrease of carrying value of property, plant and equipment would need to be charged as impairment in profit and loss during 2022 (Note 8).

5. GOING CONCERN

As explained in Notes 2 and 8 of these consolidated financial statements, on 24 February 2022 Russia initiated a full-scale military invasion of Ukraine, which was followed up by the immediate enactment of martial law by the Ukrainian President's Decree approved by the Parliament of Ukraine and the corresponding introduction of the related temporary restrictions that impact the economic environment and business operations. There remains significant uncertainty over the future development of the military invasion, its duration and impact on the Group, its people, operations, liquidity and assets. There could be multiple scenarios for further developments of the current situation with unknown likelihood and the magnitude of the impact on the Group might vary.

Despite the significant challenges the Group adjusted its business processes to support the continuity of its operational activities, while businesses in Italy, the UK and the US switched to third party supplies and sales.

As a result of the invasion, part of the assets belonging to the Group, ended up on the occupied territories and so, the Group had to suspend production operations of these assets. In addition, some assets located on territories controlled by the Ukrainian government as of the date of signing of these consolidated financial statements decreased the production output due to consequential logistical constraints, primarily related to Black Sea ports unavailability for shipments.

As mentioned in the Note 2, since August 2023 a maritime corridor for merchant vessels heading to and from Ukrainian ports has been in operation, which enabled the export of commercial cargos through the Black Sea and was not limited to agricultural products only. This enabled the Group to increase the capacity utilization of its iron ore production plants in Ukraine in the last quarter of 2023 and sales volumes respectively due to partial release of the logistical bottleneck.

Management of the Group continues to monitor the situation and to take the necessary measures to further adapt its operations to the circumstances and facilitate the Group's uninterrupted operations to the extent possible.

Metinvest prudently manages its financing risks, including compliance with covenants.

The Group has ensured that certain waivers are proactively obtained from its lenders with respect to a number of financing instruments.

In particular, in 2022 and 2023 the Group obtained waivers from a lender under a bilateral term loan in favour of certain Ukrainian subsidiaries covering, amongst others, compliance with certain financial maintenance covenants (including a requirement to maintain a minimum level of tangible net worth), which cover the relevant periods till 31 December 2023. Later in 2023, amendments to this loan's documentation were agreed with the bank to replace covenants involving tangible net worth with the current ratio (as determined by the facility agreement). During the reporting period a non-compliance of certain non-financial covenants occurred under the loan agreements with one of the Ukrainian lenders, under which the outstanding balance as of the end of reporting period was less than 1% of the Group's total debt. The Group continues negotiations with the respective Ukrainian lender in order to get a waiver for the entire period of non-compliance. The Group intends to proactively obtain similar waivers for further periods, should the need arise, in order to avoid potential non-compliance with financial covenants under the loans and borrowings of the Group.

During the reporting period, Metinvest fully repaid 2023 bonds (USD 145 million of principal outstanding as of 31 December 2022) via both open market purchases and redemption at maturity. The Group has no scheduled material principal repayments until June 2025, which gives the Group more flexibility in managing its liquidity position in the uncertain environment.

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5. GOING CONCERN (CONTINUED)

The Group generated positive cash flows from operating activities in the amount of USD 707 million for the year ended 31 December 2023 (31 December 2022: USD 1,403 million). As at 31 December 2023, the Group's current liabilities exceeded its current assets by USD 278 million (31 December 2022: 391 million) and it generated a net loss of USD 194 million for the year ended 31 December 2023 (31 December 2022: net loss of USD 2,193 million). As at 31 December 2023 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 2022: 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 2023. In view of the Company's current situation, the Directors, in accordance with applicable provisions of the Dutch Civil Code, carefully consider and evaluate, based on cash flow forecast available at the time of making a decision, as to make any dividend distribution to the shareholders of the Company, taking into consideration reasonably foreseeable downside scenarios, whether there are objective and substantiated grounds to believe that the Company is still likely to be able to continue operating and pay its debts when they fall due following any such distribution.

For the purposes of assessing the going concern assumption, management has prepared a cash flow projection scenario for the 15 months period ended March 2025 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 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;
- the Group retains the ability to operate production entities in Ukraine, other than PJSC Azovstal Iron and Steel works and PJSC Illich Iron and Steel Works and PJSC Avdiivka Coke Plant. However, the production entities in Ukraine, mentioned above, are operating at reduced capacity;
- the ability to produce and sell hard coking coal by the Pokrovske coal business; the availability of production staff to meet planned production output;
- US coking coal business and re-rolling mills in the EU and UK continue to operate in the ordinary course of business;
- 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;
- capital expenditures, related to the operating assets as at the date of these consolidated financial statements, were incorporated into the projection.

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) in the projected 15-month period.

The management of the Group performed the following actions with the intention to minimise the controllable risks and preserve the cash flows:

- minimising stocks of finished products in the supply chain by adjusting production volumes in real time, as well as monitoring and accelerating the movement of finished products in the supply chain;
- maximising utilisation of existing resources and production capacities while minimising purchases from third parties and optimising costs within the available raw material base;
- arranging imported electricity purchases during the heating period in order to avoid operations disruption due to power shortages to ensure stable level of production for the entities in Ukraine;
- optimising capital expenditures to keep the assets operating at a reduced level, scrutinising of fixed costs;
- redeeming the remaining principal amount of bonds due 2023 on time and in full in April 2023, proactively managing the debts maturities;
- maximising the substitution of equipment and spare parts, which were produced in the temporarily occupied territories or in Russia/Belarus by organising the production of equivalents at Group's machining and repair plants;
- supporting a "supplier ecosystem": proactive management of accounts payable, selective ordering to maintain expertise of critical suppliers;
- developing and implementing a mechanism to prioritise production and order delivery times to minimise the risk of overdue shipment;
- to minimise the risk of the Pokrovske coal business not having the production staff to meet planned coal output, the management is taking measures to maintain stable workforce;
- established the Anti-Crisis Headquarters which develops, monitors, and organises the interaction between all functions for the effective management in the time of war;
- carried out scenario planning and liquidity management.

While management expects that the situation will improve and Ukraine will recover control over currently occupied territories, allowing for ramping-up of operations, its significant aggravation with potential implication on ability to generate sufficient cash flow to fund operations and comply with financial covenants, may cast significant doubt about 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 about the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Despite this material uncertainty, management is continuing taking actions to minimise the impact of these developments on the Group and thus believes that application of the going concern assumption for the preparation of these consolidated financial statements is appropriate.

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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 2023:

- **Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2:** Disclosure of Accounting policies (issued on 12 February 2021). IAS 1 was amended to require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendment provided the definition of material accounting policy information. The amendment also clarified that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. The amendment provided illustrative examples of accounting policy information that is likely to be considered material to the entity's financial statements. Further, the amendment to IAS 1 clarified that immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information. To support this amendment, IFRS Practice Statement 2, 'Making Materiality Judgements' was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

As a result of this amendment the Group updated its disclosure in Note 3 to disclose only material accounting policies.

- **Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors:** Definition of Accounting Estimates (issued on 12 February 2021). The amendment to IAS 8 clarified how companies should distinguish changes in accounting policies from changes in accounting estimates.

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

- **Amendments to IAS 12 Income Taxes:** Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021). The amendments to IAS 12 specify how to account for deferred tax on transactions such as leases and decommissioning obligations. In specified circumstances, entities are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations — transactions for which both an asset and a liability are recognised. The amendments clarify that the exemption does not apply and that entities are required to recognise deferred tax on such transactions. The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

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

- **IFRS 17 Insurance Contracts (issued on 18 May 2017) including Amendments to IFRS 17 (issued on 25 June 2020), Amendments to IFRS 17 Insurance contracts:** Initial Application of IFRS 17 and IFRS 9 — Comparative Information (issued on 9 December 2021). IFRS 17 replaces IFRS 4, which has given companies dispensation to carry on accounting for insurance contracts using existing practices. Under IFRS 17 measurement model all cash flows are based on current assumptions and revenue recognition rules are more consistent with IFRS 15, excluding deposit components, and revenue is not recognized on a cash basis. Some insurance contracts are scoped out of IFRS 17 either mandatorily or optionally and are accounted under other applicable standards such as IFRS 15.

The application of these amendments had no material impact on the Group's consolidated financial statements as the Group does not issue any insurance contracts in the scope of IFRS 17.

- **Amendments to IAS 12 Income taxes:** International Tax Reform — Pillar Two Model Rules (issued on 23 May 2023). In May 2023, the IASB issued narrow-scope amendments to IAS 12, 'Income Taxes'. This amendment was introduced in response to the imminent implementation of the Pillar Two model rules released by the Organisation for Economic Co-operation and Development's (OECD) as a result of international tax reform. The amendments provide a temporary exception from the requirement to recognise and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules. In accordance with IASB effective date, the companies may apply the exception immediately, but disclosure requirements are required for annual periods commencing on or after 1 January 2023.

The Group is within the scope of the Pillar Two model rules, its impact is disclosed in Note 25.

New accounting pronouncements. Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2024 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 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)
- **Amendments to IAS 1 Presentation of Financial Statements:**
 - Classification of Liabilities as Current or Non-current (issued on 23 January 2020 and effective for annual periods beginning on or after 1 January 2024);
 - Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 15 July 2020 and effective for annual periods beginning on or after 1 January 2024);
 - Non-current Liabilities with Covenants (issued on 31 October 2022 and effective for annual periods beginning on or after 1 January 2024).

The Group will provide extended disclosures of borrowing terms when these amendments become effective.

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

- **Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates:** Lack of Exchangeability (issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025)
- **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).

The Group is currently assessing the impact of the amendments 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.

From 2023 UCC is treated to be the part of mining operating segment considering some changes in the corporate governance structure of the asset and management approaches, which had been driven by the challenges the Group faces in the result of full-scale invasion of Ukraine. This change, however, has no impact on the reportable segments presentation as while historically management reviewed financial information of UCC separately from other mining operations, UCC operating segment had been aggregated with the Group's Ukrainian mining operations into the Mining reportable segment considering the aggregation criteria anticipated by IFRS.

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 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
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
<i>Reconciling items:</i>					
Depreciation and amortisation	(64)	(324)	(15)	-	(403)
Impairment of property, plant and equipment and other intangible assets (Impairment)/reversal of impairment of inventories and replaceable equipment located on the occupied territory	(17)	(2)	1	-	(18)
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)

The accompanying notes form an integral part of these summary consolidated financial statements

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7. SEGMENT INFORMATION (CONTINUED)

	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

Segment information for the year ended 31 December 2022 was as follows:

2022	Metallurgical	Mining	Corporate overheads	Eliminations	Total
Sales – external	5,716	2,572	-	-	8,288
Sales to other segments	87	901	-	(988)	-
Total of the reportable segments' revenue	5,803	3,473	-	(988)	8,288
Timing of revenue recognition					
At a point in time	5,332	2,269	-	-	7,601
Over time	384	303	-	-	687
Total of the reportable segments' external revenue	5,716	2,572	-	-	8,288
Adjusted EBITDA	262	1,448	(103)	162	1,769
Share in EBITDA of joint ventures	5	99	-	-	104
Adjusted EBITDA including share in EBITDA of joint ventures	267	1,547	(103)	162	1,873
<i>Reconciling items:</i>					
Depreciation and amortisation	(151)	(436)	(32)	-	(619)
Impairment of property, plant and equipment and other intangible assets	(1,447)	(6)	(100)	-	(1,553)
Impairment of inventories and replaceable equipment located on the occupied territory (Note 8)	(697)	(9)	41	-	(665)
Share of result of associates and depreciation, amortisation, tax, finance and other income and costs in joint ventures					(110)
Finance income					43
Finance costs					(661)
Operating foreign exchange losses less gains, net					(333)
Loss from change in fair value of financial instruments					(13)
Deconsolidation of subsidiaries					(17)
Gain from revaluation of share in associate					5
Other					5
Profit / (loss) before income tax					(2,050)

	Metallurgical	Mining	Corporate	Total
Capital expenditure	99	244	11	354
Significant non-cash items included into adjusted EBITDA:				
- reversal of impairment/ (impairment) of financial assets	(13)	(9)	9	(13)
- write-off of trade and other payables	(1)	-	-	(1)

The accompanying notes form an integral part of these summary consolidated financial statements

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7. SEGMENT INFORMATION (CONTINUED)

Analysis of revenue by category:

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

2022	Metallurgical	Mining	Total
Sales of own products	4,086	2,415	6,501
- Steel products	3,458	-	3,458
- Iron ore products	-	1,220	1,220
- Coal and coke	380	1,187	1,567
- Other	248	8	256
Resale of purchased goods	1,630	157	1,787
- Steel products	1,577	-	1,577
- Coal and coke	43	94	137
- Other	10	63	73
Total	5,716	2,572	8,288

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

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 ("CIS")	57	-	57
North America	330	117	447
Other countries	37	35	72
Total	4,846	2,551	7,397

2022	Metallurgical	Mining	Total
Ukraine	1,734	567	2,301
Rest of Europe	2,781	1,303	4,084
Middle East and Northern Africa	579	45	624
Rest of Asia	-	332	332
Commonwealth of Independent States ("CIS")	223	-	223
North America	335	148	483
Other countries	64	177	241
Total	5,716	2,572	8,288

The accompanying notes form an integral part of these summary consolidated financial statements

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7. SEGMENT INFORMATION (CONTINUED)

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

As at 31 December 2023, 89% of the Group's non-current assets, other than financial instruments and deferred tax assets, were located in Ukraine (31 December 2022: 90%).

In 2023, average number of employees (full-time equivalent) attributable to Metallurgical segment amounted to 19 thousand and Mining segment — 20 thousand (2022: Metallurgical segment — 29 thousand and Mining segment — 24 thousand). 12 employees are hired in the Netherlands as of 31 December 2023 (31 December 2022: 6 employees).

8. ALLOWANCE FOR IMPAIRMENT OF ASSETS

On 24 February 2022, Russia launched a full-scale military invasion of Ukraine. As a result of the military invasion, the Group's facilities in Mariupol have been affected and Mariupol has been temporarily occupied as of the date of signing of these consolidated financial statements. As a result of the military invasion, for the purposes of preparing these consolidated financial statements the Group determined that it is not in a position to continue normal production operations of the entities which assets are located on the temporarily occupied territory, including assets of PrJSC Azovstal Iron and Steel Works, PrJSC Ilyich Iron and Steel Works and LLC Metinvest Mariupol Machining and Repair plant.

During the year ended 31 December 2022 the Group generated USD 1,095 million external revenue on sales of goods produced by the subsidiaries which production assets are located on the territory temporarily occupied since 24 February 2022, slabs sales to the other Group's subsidiaries amounted to USD 210 million.

As at 24 February 2022, these subsidiaries' aggregate consolidated tangible assets located on the temporarily occupied territory amounted to USD 3,181 million (22% of the Group's total consolidated assets). Due to inability to continue normal production operations of the assets located on the temporarily occupied territory, management of the Group determined that these assets are fully impaired. This resulted in the recognition impairment of property, plant and equipment amounting to USD 2,568 million, out of which USD 1,154 million through other comprehensive income and of inventory and replaceable equipment amounting to USD 622 million.

Due to uncertainty related to PJSC Azovstal Iron and Steel Works, PrJSC Ilyich Iron and Steel Works, LLC Metinvest Mariupol Machining and Repair plant future taxable income, the Group reassessed the realisability of deferred tax assets and derecognized deferred tax asset in amount of USD 34 million mainly related to retirement benefit obligations. Also, the Group did not recognise deferred tax asset of USD 336 million relating to the 2022 losses.

The above events have also affected other subsidiaries of the Company. As a result, during 2022 the Group charged an allowance for impairment on their tangible assets located on the territory controlled by Ukraine, which were heavily affected by hostilities, including those from physical damage. This resulted in recognition of additional property, plant and equipment impairment of USD 257 million and impairment of inventory and replaceable equipment of USD 43 million.

The items described above impacted the Consolidated Statement of Comprehensive Income of the Group for the year ended 31 December 2022 as follows:

	Recognised in profit and loss	Recognised in Other comprehensive income	Total
Allowances and remeasurements on assets and liabilities located in Mariupol:			
Impairment of property plant and equipment and intangible assets	1,414	1,154	2,568
Impairment of inventories and replaceable equipment	622	-	622
Total allowances and remeasurements on assets and liabilities located in Mariupol	2,036	1,154	3,190
Other allowances and remeasurements:			
Impairment of property plant and equipment	128	129	257
Impairment of inventories and replaceable equipment	43	-	43
Total allowances and remeasurements on assets and liabilities located in other cities in Ukraine	171	129	300
Result of deconsolidation of subsidiaries located in Russia and Belarus	17	35	52
Total allowances and remeasurements	2,224	1,318	3,542

In 2022 the Group deconsolidated subsidiaries located in Russia and Belarus (Metinvest Eurasia LLC and Metinvest Distribution LLC) as the Group determined that it is not controlling operative and financial activities of these companies and ceased the operations in Russia and Belarus followed by the launch of liquidation of its subsidiaries located there. The loss on deconsolidation of USD 52 million is resulting mainly from derecognition of inventories of USD 75 million, trade and other accounts receivable of USD 51 million and trade and other payables of 70 million.

In February 2024 the liquidation process over Metinvest Distribution LLC was completed.

During 2022 Metinvest subsidiaries filed the applications to the European Court of Human Rights (ECHR) against Russian Federation, seeking full compensation for damages caused by Russia's aggression to the Group's assets and business.

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9. GOODWILL

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

	2023	2022
As at 1 January		
Original amount	1,305	1,430
Accumulated impairment	(655)	(685)
Net carrying amount	650	745
Currency translation differences	19	(95)
As at 31 December		
Original amount	1,344	1,305
Accumulated impairment	(675)	(655)
Net carrying amount	669	650

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

	31 December 2023	31 December 2022
Metallurgical segment	532	508
Iron Ore Enrichment Works	35	36
Pokrovske coal business	102	106
Total	669	650

Goodwill related to UCC have been fully impaired in the previous years and it's carrying amount is zero as at both 31 December 2023 and 31 December 2022.

Taking into account the events and circumstances, as described in Note 2, management performed impairment testing of the Goodwill related to Metallurgical and Mining segments as at 31 December 2023 and concluded that the recoverable amount exceeds the current carrying amount, thus no impairment should be recognised during the year ended 31 December 2023.

The recoverable amount of each CGU was determined based on fair value less cost to sell calculations and value in use approaches (applicable for Pokrovske coal business). The details of key assumptions used for impairment testing and the results obtained are reflected in the Note 11 of these consolidated financial statements.

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10. OTHER INTANGIBLE ASSETS**Accounting policy**

All of the Group's other intangible assets have definite useful lives and primarily include capitalized 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 2022				
Cost	418	1,557	295	2,270
Accumulated amortisation	(418)	(268)	(260)	(946)
Net carrying amount	-	1,289	35	1,324
Additions	-	-	10	10
Currency translation differences	-	(323)	(9)	(332)
Impairment	-	-	(7)	(7)
Amortisation	-	(29)	(11)	(40)
As at 31 December 2022				
Cost	418	1,162	274	1,854
Accumulated amortisation and impairment	(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	(418)	(238)	(259)	(915)
Net carrying amount	-	881	16	897

The table above includes USD 828 million (2022: USD 881 million) of net carrying amount of the mining license of the Pokrovs'ke coal business, which is being amortised using units-of-production method over its remaining useful life of approximately 37 years. The iron ore license of PrJSC Ingulets Iron Ore Enrichment Works with net carrying amount of USD 49 million (2022: USD 51 million) is being amortised using units-of-production method over its remaining useful life of approximately 24 years.

The coal reserves were acquired as part of the acquisition of UCC in 2009. As at 31 December 2023 and 31 December 2022 these reserves were fully impaired.

Management concluded that there were signs of potential impairment of other intangible assets as at 31 December 2023 and conducted an impairment test at the respective date. Other intangible assets were included into carrying value of the respective CGUs. For results of these impairment tests refer to Note 11.

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11. 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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11. 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 2022	59	2,950	5,240	168	1,335	9,752
Additions	-	-	-	-	344	344
Transfers	-	176	237	14	(427)	-
Disposals of subsidiaries	-	(1)	(1)	-	-	(2)
Disposals	-	(26)	(197)	(1)	(1)	(225)
Acquisition of subsidiary	-	-	-	-	-	-
Reclassification to inventory	-	-	-	-	(29)	(29)
Revaluation decreases that offset previous increases	-	(365)	(910)	(3)	(5)	(1,283)
Currency translation differences	(3)	(708)	(1,226)	(40)	(295)	(2,272)
As at 31 December 2022	56	2,026	3,143	138	922	6,285
Additions	-	-	-	-	279	279
Transfers	-	274	141	14	(429)	-
Disposals of subsidiaries	-	-	-	-	-	-
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
Accumulated depreciation and impairment						
As at 1 January 2022	-	(931)	(2,023)	(97)	(123)	(3,174)
Depreciation charge for the year	-	(185)	(388)	(15)	-	(588)
Disposals	-	24	190	1	1	216
Disposals of subsidiaries	-	1	1	-	-	2
Transfers	-	-	2	(2)	-	-
Impairment	-	(305)	(894)	(25)	(322)	(1,546)
Currency translation differences	-	360	813	30	82	1,285
As at 31 December 2022	-	(1,036)	(2,299)	(108)	(362)	(3,805)
Depreciation charge for the year	-	(150)	(217)	(12)	-	(379)
Disposals	-	18	80	2	1	101
Disposals of subsidiaries	-	-	-	-	-	-
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)
Net book value as at						
31 December 2022	56	990	844	30	560	2,480
31 December 2023	58	1,080	746	36	351	2,271

The accompanying notes form an integral part of these summary consolidated financial statements

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11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The table above includes USD 2,107 million (2022: USD 2,188 million) of cost and accumulated depreciation of the assets, located on temporarily occupied territory, being fully impaired since 31 December 2022 (Note 8).

As at 31 December 2023 and 2022, construction in progress balance includes prepayments for property, plant and equipment of USD 19 million and USD 52 million, respectively.

As at 31 December 2023, the Group has recognised right-of-use asset in the amount of USD 38 million within Property, plant and equipment, mainly attributable to plant and machinery (as at 31 December 2022: USD 41 million).

Considering the continuing war in Ukraine which impacted the logistical chains and operating model of the Group as well as volatility on some key markets the Group operates in during 2023, the Group considered that these events constitute signs of impairment of property, plant and equipment, goodwill and other intangible assets as at 31 December 2023 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.

1) Metallurgical segment

The following table and further paragraphs summarise 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 2023	31 December 2022
Metallurgical		
Post-tax discount rate (USD)	20.9%	23.5%
Growth rate in perpetual period	3%	3%

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) are USD 106 per tonne in 2024 decreasing to USD 90 per tonne in 2025, 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 premiums usual for those markets.

The starting point for forecasted benchmark coking coal prices are for premium low volatile hard coking coal FOB Queensland of USD 250 per tonne in 2024, USD 221 per tonne in 2025, USD 205 per tonne in 2026, USD 200-205 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.

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 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 PJSC Kamet-Steel will gradually return to its full operating capacity within 3 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.

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11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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. In particular, the CBAM Regulation was signed on 10 May 2023 by the European Parliament and the Council of the European Union following the global initiative towards the reduction in greenhouse gas emissions and achieving the carbon neutrality in 2050. The CBAM regime entered in force in its transitional phase as of 1 October 2023 and anticipates that, starting from 2026, EU importers will pay a specific financial adjustment applicable to the carbon content embedded in the goods imported in the EU.

During the transition phase importers will have to report at the end of each quarter emissions embedded in their goods subject to CBAM without paying any financial adjustment. Considering the early stage of implementation, 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 37.98 UAH for 1 USD as at 31 December 2023 is expected to gradually increase to 52.2 UAH for 1 USD in 2033.

As at 31 December 2023, the Metallurgical segment's recoverable amount, determined based on fair value less cost to sell estimations, is USD 1,194 million (31 December 2022: USD 1,182 million) and exceeds its total carrying amount by USD 41 million (31 December 2022: USD 134 million).

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 intangible assets) related to the Metallurgical segment:

<i>Ukrainian entities:</i>	31 December 2023	31 December 2022
Volumes of production/sales		
Decrease in all the periods by 3.3%	Recoverable amount equals carrying amount	-
Decrease in all the periods by 11.5%	Impairment of USD 104 million required	Recoverable amount equals carrying amount
Decrease in all the periods by 15.0%	Impairment of USD 148 million required	Impairment of USD 41 million required
Steel prices		
Decrease in all the periods by 0.7%	Recoverable amount equals carrying amount	-
Decrease in all the periods by 2.8%	Impairment of USD 119 million required	Recoverable amount equals carrying amount
Decrease in all the periods by 4.0%	Impairment of USD 191 million required	Impairment of USD 58 million required
Iron ore prices		
Increase in all the periods by 6.8%	Recoverable amount equals carrying amount	-
Increase in all the periods by 23.5%	Impairment of USD 103 million required	Recoverable amount equals carrying amount
Increase in all the periods by 45.0%	Impairment of USD 239 million required	Impairment of USD 124 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 9.4%	Impairment of USD 109 million required	Recoverable amount equals carrying amount
Increase in all the periods by 21.0%	Impairment of USD 309 million required	Impairment of USD 171 million required
Discount rates		
Increase in all the periods by 3.2 pp	Recoverable amount equals carrying amount	-
Increase in all the periods by 5.9 pp	Impairment of USD 28 million required	Recoverable amount equals carrying amount
Increase in all the periods by 10.0 pp	Impairment of USD 62 million required	Impairment of USD 60 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 2023	31 December 2022
Metallurgical		
Post-tax discount rate (local currencies)	8.9-10.1%	9-10.4%
Growth rate in perpetual period	1.5%-2%	1.5%

The accompanying notes form an integral part of these summary consolidated financial statements

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11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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 2023	31 December 2022
Volumes of production/sales		
Decrease in all the periods by 3.3%	Recoverable amount equals carrying amount	-
Decrease in all the periods by 11.5%	Impairment of USD 103 million required	Recoverable amount equals carrying amount
Decrease in all the periods by 25%	Impairment of USD 271 million required	Impairment of USD 158 million required
Steel prices		
Decrease in all the periods by 0.5%	Recoverable amount equals carrying amount	-
Decrease in all the periods by 1.3%	Impairment of USD 68 million required	Recoverable amount equals carrying amount
Decrease in all the periods by 5.0%	Impairment of USD 379 million required	Impairment of USD 378 million required
Variable costs		
Increase in all the periods by 0.55%	Recoverable amount equals carrying amount	-
Increase in all the periods by 1.5%	Impairment of USD 66 million required	Recoverable amount equals carrying amount
Increase in all the periods by 5.0%	Impairment of USD 316 million required	Impairment of USD 318 million required
Discount rates		
Increase in all the periods by 0.5 pp	Recoverable amount equals carrying amount	-
Increase in all the periods by 2.75 pp	Impairment of USD 137 million required	Recoverable amount equals carrying amount
Increase in all the periods by 5.0 pp	Impairment of USD 223 million required	Impairment of USD 69 million required
Growth rate in perpetual period	No reasonable changes would lead to impairment	No reasonable changes would lead to impairment

2) Mining segment.

Iron Ore Enrichment Works. The following table and further paragraphs summarise 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 2023	31 December 2022
Mining (Iron Ore Enrichment Works)		
Post-tax discount rate (USD)	20.9%	23.5%
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 3 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.

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11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

As at 31 December 2023, the recoverable amount of the Mining segment (Iron Ore Enrichment Works), determined based on the fair value less cost to sell estimations, was USD 1,228 million (31 December 2022: USD 1,326 million) and exceeded its total carrying amount by USD 217 million (31 December 2022: USD 113 million).

The table below summarises 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 2023	31 December 2022
Volumes of production/sales		
Decrease in all the periods by 3.6%	-	Recoverable amount equals carrying amount
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	Impairment of USD 197 million required
Iron ore prices		
Decrease in all the periods by 2.05%	-	Recoverable amount equals carrying amount
Decrease in all the periods by 3.1%	Recoverable amount equals carrying amount	-
Decrease in all the periods by 10.0%	Impairment of USD 485 million required	Impairment of USD 436 million required
Discount rates		
Increase in all the periods by 1.5 pp	-	Recoverable amount equals carrying amount
Increase in all the periods by 3.2 pp	Recoverable amount equals carrying amount	-
Increase in all the periods by 7.5 pp	Impairment of USD 203 million required	Impairment of USD 331 million required
Growth rate in perpetual period	No reasonable changes would lead to impairment	No reasonable changes would lead to impairment

Pokrovs'ke coal business. The following table summarise key assumptions on which management has based its cash flow projections to undertake the impairment testing:

	31 December 2023	31 December 2022
Pre-tax discount rate (USD)	29.9%	34.31%
Growth rate in perpetual period	3%	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	USD 298 per tonne in 2023, USD 248-235 in 2024-2025, USD 208-188 in 2026-2028, starting from 2029 prices are adjusted for the level of inflation in the USA

Benchmark applied for the coal prices forecast is the same as disclosed in "Metallurgical segment" section above.

Pokrovs'ke coal business is 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 Pokrovs'ke coal business, determined based on pre-tax value in use estimations, was USD 1,656 million (31 December 2022: USD 1,729 million), which exceeded the carrying amount by USD 26 million (31 December 2022: USD 45 million).

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

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11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	31 December 2023	31 December 2022
Coking coal prices		
Decrease in all the periods by 0.9%	Recoverable amount equals carrying amount	-
Decrease in all the periods by 1.6%	Impairment of USD 23 million required	Recoverable amount equals carrying amount
Decrease in all the periods by 7.0%	Impairment of USD 188 million required	Impairment of USD 153 million required
Volumes of production/sales		
Decrease in all the periods by 1.0%	Recoverable amount equals carrying amount	-
Decrease in all the periods by 1.8%	Impairment of USD 20 million required	Recoverable amount equals carrying amount
Decrease in all the periods by 7.6%	Impairment of USD 168 million required	Impairment of USD 147 million required
Discount rates		
Increase in all the periods by 0.5 pp	Recoverable amount equals carrying amount	-
Increase in all the periods by 1.02 pp	Impairment of USD 28 million required	Recoverable amount equals carrying amount
Increase in all the periods by 2 pp	Impairment of USD 77 million required	Impairment of USD 40 million required

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 2023, the recoverable amount of UCC is USD 144 million (31 December 2022: USD 168 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 recognised during 2023 year. The discount rate used for the impairment testing of UCC was 8.4% (31 December 2022: 9.6%).

The table below summarises 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 2023	31 December 2022
Coking coal prices		
Decrease in all the periods by 3.0%	Impairment of USD 143 million required	Impairment of USD 133 million required
Cash costs		
Increase in all the periods by 3.0%	Impairment of USD 156 million required	Impairment of USD 159 million required
Discount rates		
Increase in all the periods by 1 pp	Impairment of USD 22 million required	Impairment of USD 6 million required

As at 31 December 2023, the Group determined that the fair value of property, plant and equipment is not substantially different from its carrying value and no revaluation is required for these consolidated financial statements. In this consideration, management took into account the results of impairment test performed which indicated that recoverable values of the major Ukraine-based assets are reasonably close to the carrying values of the assets and in the situation of significant uncertainty of the military and economic environment in Ukraine revaluation unlikely to result in substantial uplift in fair value in excess of carrying value. For the assets abroad the development of economic environment since the dates of the last revaluation performed, evidenced by the various relevant price indices, doesn't provide a major increase as compared to the consolidated carrying value of property, plant and equipment.

During 2023, USD 3 million of borrowing costs were capitalised as part of property, plant and equipment, capitalisation rate was 8% (2022: USD 7 million, capitalisation rate was 8%).

As at 31 December 2023, USD 58 million of property, plant and equipment were pledged as collateral for loans and borrowings (31 December 2022: USD 64 million).

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12. 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 2023 and 2022:

Name	Type of relationship	Segment	31 December 2023		31 December 2022	
			% of ownership	Carrying value	% of ownership	Carrying value
Zaporizhstal Group	Joint venture	Metallurgical	49.99%	556	49.99%	633
PrJSC Yuzhkoks	Associate	Metallurgical	23.71%	2	23.71%	21
PJSC Southern Iron Ore Enrichment Works	Joint venture	Mining	45.87%	358	45.87%	532
Total				916		1,186

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 PJSC 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 2023 and 2022, 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.

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

	31 December 2023		31 December 2022	
	Joint ventures	Associates	Joint ventures	Associates
Carrying amount at 1 January	1,165	21	1,571	36
Share of after tax results of associates and joint venture	(213)	(19)	-	(6)
Share of other comprehensive income of joint ventures and associates	-	-	(6)	-
Share of other equity movements of associates and joint ventures	-	-	-	-
Dividends declared	-	-	-	-
Currency translation differences	(38)	-	(403)	(9)
Other movements	-	-	3	-
Carrying amount at 31 December	914	2	1,165	21

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12. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

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

	Zaporizhstal Group		Southern Iron Ore Enrichment Works Group	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Balance sheet:				
Non-current assets	617	687	757	481
Cash and cash equivalents	31	21	4	28
Other current assets	1,423	1,255	161	840
Total current assets	1,454	1,276	165	868
Other non-current liabilities	45	42	26	112
Other non-current financial liabilities	10	15	-	-
Total non-current liabilities	55	57	26	112
Trade and other payables and provisions	976	716	115	78
Other current financial liabilities	58	54	-	-
Total current liabilities	1,034	770	115	78
Net assets	982	1,136	781	1,159

As at 31 December 2023, the temporary differences associated with interests in joint ventures for which deferred tax liabilities have not been recognised amounted to 40 million (2022: USD 29 million).

	Zaporizhstal Group		PJSC Southern Iron Ore Enrichment Works	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Profit or loss for the year ended (selected items):				
Revenue	1,543	1,445	164	422
Depreciation and amortisation	(65)	(82)	(60)	(77)
Finance income		1	1	1
Finance costs	(16)	(48)	(6)	(6)
Income tax expense	6	32	87	(44)
Profit or loss	(107)	(219)	(347)	263
Statement of comprehensive income for the year ended:				
Other comprehensive income	(47)	(474)	(31)	(344)
Total comprehensive income	(154)	(693)	(378)	(81)
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 associates 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 and associate presented above to the carrying amounts of the respective investments is presented below:

	Zaporizhstal Group		PJSC Southern Iron Ore Enrichment Works	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Net assets	982	1,136	781	1,159
Group's ownership, %	49.99%	49.99%	45.87%	45.87%
Group's interest in net assets	491	568	358	532
Goodwill	65	65	-	-
Carrying value	556	633	358	532

The accompanying notes form an integral part of these summary consolidated financial statements

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12. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)**Impairment assessment of investments in joint ventures****Southern Iron Ore Enrichment Works Group**

As at 31 December 2023, 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 summarises key assumptions on which management has based its cash flow projections to undertake the impairment testing of the investment:

	31 December 2023	31 December 2022
Post-tax discount rate (USD)	23.42%	27.03%
Selling prices	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 premiums usual for those markets.	Forecasted benchmark iron prices for Fe 62% fines (CFR North China) are USD 101 per tonne for 2023 decreasing to USD 90 per tonne in 2024, USD 83-81 per tonne in 2025-2026 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.
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 3 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 2023	31 December 2022
Volumes of production/sales		
Decrease in all the periods by 8.8%	Recoverable amount equals carrying amount of investment	-
Decrease in all the periods by 14.5%	Impairment of USD 35 million required	Recoverable amount equals carrying amount of investment
Decrease in all the periods by 20.0%	Impairment of USD 68 million required	Impairment of USD 26 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 9.1%	Impairment of USD 52 million required	Recoverable amount equals carrying amount of investment
Decrease in all the periods by 15.0%	Impairment of USD 119 million required	Impairment of USD 46 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 5.8 pp.	Impairment of USD 48 million required	Recoverable amount equals carrying amount of investment
Increase in all the periods by 15.0 pp.	Impairment of USD 142 million required	Impairment of USD 68 million required
Growth rate in perpetual period	No reasonable changes would lead to impairment	No reasonable changes would lead to impairment

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12. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)**Zaporizhstal Group**

As at 31 December 2023, 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 2023	31 December 2022
Post-tax discount rate (USD)	20.0%	23.5%
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 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 products to HRC, logistics adjustments, specific discounts or premiums, related to the products quality and other specific characteristics.	Forecasted prices for billets used in the impairment test were estimated based on the benchmark FOB Black Sea. Forecasted prices are expected to reach USD 471 per tonne in 2023 with a further decrease to USD 460 per tonne in 2024, USD 452 in 2025 and USD 448 per tonne in 2026 with further increase by 2% per year. Forecasted prices for other steel products are based on historic discounts or premiums to prices for billet.
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 2023	31 December 2022
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 8.1%	Impairment of USD 45 million required	Recoverable amount equals carrying amount of investment
Decrease in all the periods by 20.0%	Impairment of USD 148 million required	Impairment of USD 101 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 1.9%	Impairment of USD 74 million required	Recoverable amount equals carrying amount of investment
Decrease in all the periods by 5.0%	Impairment of USD 236 million required	Impairment of USD 109 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 6.0%	Impairment of USD 78 million required	Recoverable amount equals carrying amount of investment
Increase in all the periods by 20.0%	Impairment of USD 325 million required	Impairment of USD 159 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 2.4 pp	Impairment of USD 19 million required	Recoverable amount equals carrying amount of investment
Increase in all the periods by 10.0 pp	Impairment of USD 116 million required	Impairment of USD 141 million required
Growth rate in perpetual period	No reasonable changes would lead to impairment	No reasonable changes would lead to impairment

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13. BUSINESS COMBINATION

In March 2023 the Group acquired 99.72% of LLC Zaporizhzhya Casting and Mechanical Works "ZLMZ" party for a consideration of USD 5 million, obtaining 100% of direct ownership of this entity. Before the transaction has occurred the Group indirectly owned about 50% in ZLMZ having no control over the entity.

The entity's net assets as at the acquisition date amounted to USD 1 million. Main assets and liabilities acquired consisted of inventory in the amount of USD 12 million, trade and other accounts receivable in the amount of USD 11 million, property, plant and equipment in the amount of USD 7 million, trade and other accounts payable in the amount of USD 29 million. No goodwill or gain from a bargain purchase was recognised as a result of the acquisition.

LLC Zaporizhzhya Casting and Mechanical Works generated revenue of USD 30 million and net financial result of about zero USD million in the period from March to December 2023, as at 31 December 2023 total assets of the entity amounted to USD 48 million.

14. INVENTORIES**Accounting policy**

Cost of inventory is determined on the weighted average principle.

	31 December 2023	31 December 2022
Finished goods and work in progress	355	389
Raw materials	269	319
Ancillary materials, spare parts and consumables	88	108
Goods for resale	79	96
Total inventories	791	912

In 2023, the Group recognised reversal of write-downs of inventories to net realizable value in the amount of USD 31 million (2022: write-downs in the amount of USD 47 million).

As at 31 December 2023, inventories totalling USD 105 million (31 December 2022: USD 93 million) have been pledged as collateral for borrowings (Note 19).

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15. 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 recognised 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 2023	31 December 2022
Non-current trade and other receivables		
Loans issued to SCM (USD denominated, 9% effective interest rate)	-	51
Loans issued to SMART (UAH denominated)	10	-
Other non-current financial assets	261	5
Other non-current non-financial assets	18	20
Recoverable value added tax	69	71
Total non-current trade and other receivables	358	147
Current financial assets		
Trade receivables and receivables on commission sales	1,579	1,048
Loans issued to related party SCM (USD denominated, 8% effective interest rate (2022: 9%))	197	133
Loans issued to related party SCM and SMART (UAH denominated)	17	32
Loans issued to joint venture (USD denominated, 11% effective interest rate (2022: 9%), mature in 2024, renegotiated in 2023)	58	53
Other receivables	63	105
Total current financial assets	1,914	1,371
Current non-financial assets		
Recoverable value added tax	250	273
Prepayments made	110	111
Covered letters of credit related to inventory purchases and restricted cash	57	57
Prepaid expenses and other non-financial receivables	84	68
Total current non-financial assets	501	509
Total current assets	2,415	1,880
Total trade and other receivables (including non-current assets)	2,773	2,027

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 recognised 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.

Recoverable VAT mainly relates to Ukrainian subsidiaries of the Group. During 2023, VAT refunds of USD 250 million were received by the Group (2022: USD 342 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.

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15. TRADE AND OTHER RECEIVABLES (CONTINUED)

Analysis by credit quality of financial trade and other receivables and expected credit loss allowance 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	

Loss rate for trade and other receivables from key customers approximated 14.87% (2022: 17.2%) and determined based on corporate bonds ratings of the international rating agencies, for credit impaired balances from key customers loss rate is within the range 10%-100%.

Loss rate for trade and other receivables from related parties approximated 13.67% (2022: 16%) 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.

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15. TRADE AND OTHER RECEIVABLES (CONTINUED)

Analysis by credit quality of financial trade and other receivables as at 31 December 2022 is as follows:

	Loss rate	Gross carrying amount	Lifetime ECL	Carrying amount	Basis
Loans issue to related parties	16.0%	341	(72)	269	Corporate bonds ratings of the international rating agencies
Total loans issued		341	(72)	269	
Trade and other receivables from key customers including credit impaired		467	(449)	18	
Trade and other receivables from related parties including credit impaired		951	(20)	931	
Total trade and other receivables for which individual approach for ECL is used		1,418	(469)	949	
Ukraine - less than 30 days overdue	0.50%	14	-	14	Historical payment discipline
Ukraine - overdue more than 30 days	16%	8	(1)	7	Historical payment discipline
Ukraine - credit impaired		36	(36)	-	
Other countries - less than 30 days overdue	0.09%	182	-	182	Historical payment discipline
Other countries - overdue more than 30 days	8%	6	-	6	Historical payment discipline
Other countries - credit impaired		3	(3)	-	
Total trade and other receivables for which provisional matrix is used		249	(40)	209	
Total		2,008	(581)	1,427	

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 2022	11	82	611	704
Net new originated/(derecognised) during the period	11	(9)	4	6
Changes in estimates and assumptions	-	-	7	7
Write-offs	-	-	(5)	(5)
Forex movements	(9)	-	(122)	(131)
Balance at 31 December 2022	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

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15. TRADE AND OTHER RECEIVABLES (CONTINUED)

As at 31 December 2023, amount of sold trade receivables which were still unsettled to the third party was USD 322 million (31 December 2022: USD 194 million). The carrying amount of the assets and liabilities that represent the entity's continuing involvement in the derecognised assets is USD 13 million (31 December 2022: USD 3 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 vehicles. The Group receives up to 85% 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 recognise the receivables to the extent of its continuing involvement. USD 83 million (2022: USD 453 million) of trade receivables were sold through securitization vehicle, as at 31 December 2023 outstanding balance of related unsettled receivables was USD 0 million (31 December 2022: USD 65 million).

As at 31 December 2023, trade and other receivables totalling USD 172 million (31 December 2022: USD 105 million) have been pledged as collateral for borrowings (Note 19).

16. 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 recognise 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 2023	31 December 2022
Current accounts in banks	646	344
Cash in transit	-	5
Total cash and cash equivalents	646	349

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 2023	31 December 2022
<i>As rated by Moody's:</i>		
- A1	178	3
- A2	-	163
- A3	-	3
- Baa1	59	34
- Baa3	82	2
- Ba1	32	-
- Ba2	70	17
- B1	-	9
Not rated — FUIB	164	68
Not rated — US and European banks	46	45
Not rated — Other Ukrainian banks	15	-
Cash in transit (various banks)	-	5
Total cash and cash equivalents	646	349

As at 31 December 2023 and 2022, 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 2023, included into line "Not rated - US and European banks" USD 136 million of cash and cash equivalents placed in European banks (31 December 2022: USD 45 million). As of the reporting date, these banks display no signs of insolvency.

As at 31 December 2023, included in Ba2 rating are USD 70 million and in A1 rating USD 15 million related to balances in Switzerland subsidiaries of two international banks (2022: included in Ba2 rating are USD 17 million), which do not have own credit rating and for which rating was based on their parents' rating.

As at 31 December 2023, cash and cash equivalents totalling USD 8 million (31 December 2022: USD 2 million) have been pledged as collateral for borrowings (Note 19).

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17. 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 2023	6,750	2,251	474	0	6,225	6,225
At 31 December 2022	6,750	2,251	474	0	6,225	6,225

As at 31 December 2023 and 2022, 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.

18. 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 2022	153	4,230	(3,038)	(10,390)	(9,045)
Total comprehensive income/ (loss) for the period	(32)	(1,052)	-	(1,145)	(2,229)
Depreciation transfer, net of tax	-	(1,890)	-	-	(1,890)
Balance as at 31 December 2022	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)

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 19, 5).

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19. LOANS AND BORROWINGS**Accounting policy**

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred and subsequently carried at amortised 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 2023	31 December 2022
Non-current		
Bonds issued	1,645	1,627
Bank loans	105	140
Lease liability	18	26
Non-bank borrowings	-	18
	1,768	1,811
Current		
Bonds issued	17	166
Bank loans	51	42
Trade finance	116	45
Lease liability	11	13
Non-bank borrowings	18	-
	213	266
Total loans and borrowings	1,981	2,077

During the reporting period, Metinvest fully repaid 2023 bonds (USD 145 million of principal outstanding as of 31 December 2022) via both open market purchases and redemption at maturity. Total gain on extinguishment amounted to USD 2 million and was recognised in the income statement as part of finance income.

All outstanding bonds benefited from suretyships typical for such instruments; they were granted by three entities (PJSC Ingulets Iron Ore Enrichment Works, PJSC Central Iron Ore Enrichment Works and PJSC Northern Iron Ore Enrichment Works) for the whole reporting period, and by PJSC Avdiivka Coke Plant until 5 May 2023. On 5 May 2023, the latter was designated as Unrestricted Subsidiary as defined by the Terms and Conditions of each bond series. As a result of such designation, its suretyships in respect of each bond series were automatically released. Subsequently, on 17 May 2023, Private Joint-Stock Company "Colliery Group "Pokrovs'ke" was appointed as Additional Guarantor (as defined by the Terms and Conditions of each bond series) and entered into surety agreements with respect to each bond series. The above designation and appointment have been made in accordance and in compliance with the requirements set out in respective Terms and Conditions of the bonds.

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 event 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 5.

As at 31 December 2023, 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 2023		31 December 2022	
	Fair value	Premium / (Discount)	Fair value	Premium / (Discount)
Bonds due in 2023	-	-	121	-18.90%
Bonds due in 2025	261	-20.8%	161	-45.60%
Bonds due in 2026	355	-29.3%	268	-46.50%
Bonds due in 2027	221	-35.3%	179	-47.40%
Bonds due in 2029	307	-39.1%	257	-49.10%
Total	1,144		986	

Fair value of bank loans as at 31 December 2023 amounted to USD 132 million (2022: 141 million). The fair values are based on cash flows discounted using a rate based on the borrowing rate of 19% (2022: 22%) and are within level 3 of the fair value hierarchy.

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19. LOANS AND BORROWINGS (CONTINUED)

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:

<i>In % per annum</i>	31 December 2023				31 December 2022			
	USD	EUR	UAH	GBP	USD	EUR	UAH	GBP
Bank loans	5%	6%	-	-	4%	6%	-	-
Bonds issued	9%	6%	-	-	9%	6%	-	-
Trade finance	8%	6%	-	-	8%	4%	-	-
Lease liability	6%	9%	14%	5%	7%	9%	10%	5%
Reported amount	1,500	471	9	1	1,574	494	9	-

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 2022	(200)	(1,858)	(95)	(71)	(18)	(1,264)	(3,506)
Interest paid	4	139	7	2	-	-	152
Other cash flows	12	39	48	9	-	1,769	1,877
Interest accrued	(4)	(142)	(7)	(4)	-	-	(157)
Gain from financial instrument repurchase	-	9	-	-	-	-	9
Currency translation differences	10	20	2	9	-	19	60
Equipment received as lease asset	-	-	-	(11)	-	-	(11)
Dividends declared	-	-	-	-	-	(1,000)	(1,000)
Other movements	(4)	-	-	27	-	-	23
Liabilities from financing activities as at 31 December 2022	(182)	(1,793)	(45)	(39)	(18)	(476)	(2,553)

	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)

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20. 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 recognised 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 recognised immediately in profit or loss.

The Group's defined benefit obligations relate to:

	31 December 2023	31 December 2022
State-defined early pensions for employees working in hazardous and unhealthy working in hazardous and unhealthy working conditions	231	223
Long-term employee benefits under collective bargaining agreements	19	16
Total defined benefit obligations	250	239

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:

	2023	2022
Defined benefit obligation as at 1 January	239	671
Acquisition of subsidiary	1	-
Current service cost	8	20
Remeasurements of the defined benefit liability resulting from:		
- changes in financial assumptions	(7)	(298)
- changes in demographic assumptions	2	(38)
- experience adjustments	3	(28)
Past service cost	-	(2)
Interest cost	49	62
Benefits paid/invoices received	(36)	(37)
Currency translation difference	(9)	(111)
Defined benefit obligation as at 31 December	250	239

As at 31 December 2023 the outstanding balance payable to the pension fund amounted to USD 24 million (2022: USD 18 million).

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

	2023	2022
Current service cost	8	20
Past service cost	-	(4)
Interest cost	49	62
Total	57	78

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20. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

The principal actuarial assumptions used were as follows:

	31 December 2023	31 December 2022
Nominal discount rate	21.00%	23.00%
Nominal salary increase	0% in 2024, 10% in 2025-2026, 6% in 2027 and further	0% in 2023, 10% in 2024-2026, 5% in 2027 and further
Nominal pension entitlement increase (indexation)	8,5% in 2024, 5,5% in 2025-2028, 6,6% in 2029 and further,	17,47% in 2023-2024, 9,03% in 2025-2026, 6,97% in 2027-2029, 5,00% in 2030 and further.
Long-term inflation	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.	18,9% in 2023, 15,8% in 2024, 9,6% in 2025, 6,8% in 2026, 5,0% in 2027 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 2023	31 December 2022
Nominal discount rate increase / decrease by 1 pp	(11.5) / 13.4	(11.7) / 12.6
Nominal salary increase / decrease by 1 pp	5.4 / (4.6)	5.1 / (4.2)
Inflation increase / decrease by 1 pp	0.8 / (1.1)	0.5 / (0.7)

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 2023, the weighted average maturity of the Group's defined benefit obligations is 5.9 years and it varies across different Group's subsidiaries from 4.5 to 8.2 years (31 December 2022: 5.7 years, varying from 4.3 to 7.7 years). Payments in respect of defined benefit obligations expected to be made during the year ending 31 December 2024 are USD 31 million (2022: USD 29 million).

21. OTHER NON-CURRENT LIABILITIES

	31 December 2023	31 December 2022
Asset retirement obligations	49	57
Tax liabilities under moratorium (Note 27)	5	5
Other non-current liabilities	58	12
Total other non-current liabilities	112	74

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22. TRADE AND OTHER PAYABLES

	31 December 2023	31 December 2022
Trade payables and payables on sales made on commission	2,681	2,026
Dividends payable to shareholders of Metinvest B.V.	417	417
Dividends payable to non-controlling shareholders of Company subsidiaries	57	59
Payable for acquired property, plant and equipment and other intangible assets	87	111
Other financial liabilities	121	115
Total financial liabilities	3,363	2,728
Prepayments received	110	82
Accruals for employees' unused vacations and other payments to employees	81	94
Other taxes payable, including VAT	247	202
Wages and salaries payable	17	14
Other allowances and provisions	132	155
Total trade and other payables	3,950	3,275

23. NET OPERATING COSTS (EXCLUDING ITEMS SHOWN SEPARATELY)

	2023	2022
Raw materials including change in finished goods and work in progress	1,803	1,859
Goods and services for resale, excluding related transportation	1,772	1,526
Energy materials including gas, electricity and fuel	683	1,019
Transportation services	757	574
Wages and salaries	506	632
Depreciation and amortisation	403	619
Services and other costs	364	391
Repairs and maintenance expenses	157	164
Taxes and duties	109	119
Pension and social security costs	85	112
Charity and expenses on social activities	71	71
Maintenance of social infrastructure	18	27
Pension costs — defined benefit obligations (Note 20)	8	18
VAT on sales below cost and VAT write-off	5	4
Impairment of property, plant and equipment and intangible assets	6	11
Other operating expenses/ (income)	33	(16)
Change in the fair value of financial instruments	(10)	13
Write-off of trade and other payables	(4)	(1)
Loss/Gain on disposal of property, plant and equipment, net	(5)	2
Operating foreign exchange losses, net	56	333
Total net operating costs (excluding items shown separately)	6,817	7,477

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

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

	2023	2022
Audit of the financial statements (including audit fee of PricewaterhouseCoopers Accountants N.V. of USD 0.2 million in 2023 and USD 0.2 million in 2022)	1.8	1.8
Other non-current liabilities	0.22	-
Total	2.02	1.8

During 2023, tax and other non-audit services expensed in the consolidated income statement amounted to USD 0.17 million and USD 0.04 million, respectively (2022: USD 0.18 million and USD 0.03 million), including USD 0 million of other non-audit services fees of signing firm during 2023 (USD 0 million during 2022).

24. FINANCE INCOME AND FINANCE COSTS

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

	2023	2022
Interest income:		
- loans issued	19	22
- bank deposits	6	7
- imputed interest on other financial instruments	2	-
Other finance income	4	14
Total finance income	31	43

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

	2023	2022
Net foreign exchange loss	57	437
Interest expense		
- borrowings	18	12
- bonds	128	135
Interest cost on retirement benefit obligations	49	62
Other finance costs	27	15
Total finance costs	279	661

During 2023 and 2022, other finance costs mainly include trade finance and financial lease, factoring fees and discounting of the financial instruments, interest on letters of credit.

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

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25. INCOME TAX

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

	2023	2022
Current tax	101	158
Deferred tax	58	(15)
Income tax expense	159	143

The Group is subject to taxation in several tax jurisdictions, depending on the residence of its subsidiaries. In 2023 and 2022, 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.

	2023	2022
IFRS (loss)/profit before tax	(35)	(2,050)
Tax calculated at domestic tax rates applicable to profits in the respective countries	(42)	(388)
Tax effect of items not deductible or assessable for taxation purposes:		
- other non-deductible expenses	54	-
- non-taxable income	-	(24)
Under/(over) provision of current tax in prior years	(6)	3
Tax effect related to the change in legislations	2	56
Write-down / (reversal of write-down) of deferred tax assets, net	151	496
Income tax expense	159	143

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.

	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 accompanying notes form an integral part of these summary consolidated financial statements

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25. INCOME TAX (CONTINUED)

Deferred tax asset on unused tax losses and temporary differences not recognised as at 31 December 2023 comprised USD 588 million (31 December 2022: USD 479 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 2022	Credited/ (charged) to income statement	Credited/ (charged) to other comprehensive income	Acquisition/ disposal of subsidiaries	Currency translation difference	31 December 2022
Tax effect of deductible temporary differences						
Property, plant and equipment and intangible assets	9	9	7	-	(3)	22
Long-term receivables	-	-	-	-	-	-
Inventory valuation	44	(26)	-	-	-	18
Trade and other accounts receivable	111	4	-	(1)	(30)	84
Accrued expenses	3	(1)	-	-	(1)	1
Tax losses carried forward	9	86	-	(3)	(2)	90
Retirement benefit obligations	107	(8)	(58)	-	(17)	24
Other	48	19	-	(1)	(17)	49
Gross deferred tax asset	331	83	(51)	(5)	(70)	288
Less offsetting with deferred tax liabilities	(241)	55	41	-	24	(121)
Recognised deferred tax asset	90	138	(10)	(5)	(46)	167
Tax effect of taxable temporary differences						
Property, plant and equipment and intangible assets	(564)	(14)	223	-	106	(249)
Inventory tax differences	(14)	3	-	-	1	(10)
Other	(8)	(57)	-	-	3	(62)
Gross deferred tax liability	(586)	(68)	223	-	110	(321)
Less offsetting with deferred tax assets	241	(55)	(41)	-	(24)	121
Recognised deferred tax liability	(345)	(123)	182	-	86	(200)

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

	2023			2022		
	Before tax	Deferred tax charge	After tax	Before tax	Deferred tax charge	After tax
Revaluation decreases that offset previous increases in the carrying amount of property, plant and equipment	-	-	-	(1,283)	230	(1,053)
Remeasurement of retirement benefit obligation	2	-	2	364	(58)	306
Other comprehensive income	2	-	2	(919)	172	(747)

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25. 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.

Since the Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure. The Group applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

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 2023 results, only Metinvest International S.A. and Barlenco Limited are profitable in 2023. Hence, the top-up taxation may be applied only to these companies.

For 2023 the effective tax rates are expected to be as follows:

	Metinvest International S.A. operating in Switzerland
	USD million
Tax expense for year ending 31 December 2023	19
Profit before tax for year ending 31 December 2023	143
Effective tax rate for year ending 31 December 2023	13.5%
<hr/>	
	Barlenco Limited operating in Cyprus
	USD million
Tax expense for year ending 31 December 2023	1
Profit before tax for year ending 31 December 2023	10
Effective tax rate for year ending 31 December 2023	12.5%

We do not expect any material impacts from Pillar 2 legislation which is supposed to be enacted on the basis of the 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.

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26. 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 2023 and 2022, significant balances outstanding with related parties are detailed below:

	31 December 2023					31 December 2022				
	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	-	-	-	-	2	-
Non-current trade and other receivables, including:	-	-	-	261	10	-	-	-	59	-
Long-term loans issued	-	-	-	-	10	-	-	-	51	-
Other non-current financial assets	-	-	-	256	-	-	-	-	-	-
Other non-current non-financial assets	-	-	-	5	-	-	-	-	8	-
Current trade and other receivables, including:	145	418	934	158	1	136	294	621	102	14
Trade receivables and receivables on commission sales	-	399	825	39	1	-	251	567	41	1
Prepayments made	-	7	50	5	-	-	16	-	2	-
Loans issued	142	1	58	72	-	133	-	53	19	13
Other financial receivables (short-term, non-interest bearing)	3	11	1	42	-	3	27	1	40	-
Cash and cash equivalents	-	-	-	164	-	-	-	-	68	-

	31 December 2023					31 December 2022				
	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	364	1,912	235	73	345	270	1,342	159	73
Dividends payable to shareholders of Metinvest B.V.	344	-	-	-	73	344	-	-	-	73
Dividends payable to non-controlling shareholders of Company's subsidiaries	-	-	46	11	-	-	-	47	10	-
Trade payables and payables on sales made on commission	-	341	1,736	214	-	-	246	1,155	139	-
Prepayments received	-	18	1	7	-	-	19	-	4	-
Other allowances	-	-	106	1	-	-	-	123	-	-
Other financial liabilities	1	5	23	2	-	1	5	17	6	-

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26. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Significant transactions (excluding purchases) with related parties during 2023 and 2022 are detailed below:

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)
Expected credit losses	-	(21)	2	(98)	(4)	(121)
Finance income	9	2	5	9	1	26
Finance costs	-	-	-	(1)	-	(1)

2022	SCM	Associates	Joint ventures	Entities related to SCM	SMART	Total
Sales, including:	-	198	820	121	2	1,141
Steel	-	0	22	97	2	121
Scrap metal	-	-	7	-	-	7
Coke and coking coal	-	196	463	-	-	659
Iron ore	-	-	145	1	-	146
Other	-	2	183	23	-	208
Other operating income/(expenses), net	-	1	(3)	5	-	3
Expected credit losses	12	(3)	(1)	(5)	(2)	1
Finance income	8	-	8	11	1	28

The following is a summary of purchases from related parties in 2023 and 2022:

2023	Associates	Joint ventures	Entities related to SCM	Total
Purchases, including:	204	1,722	717	2,643
Metal products	-	1,470	3	1,473
Coke and coking coal	198	13	162	373
Iron ore	-	181	-	181
Raw materials and spare parts	-	6	22	28
Electricity	-	1	348	349
Gas	-	1	109	110
Fuel	-	-	1	1
Services	1	21	59	81
Other	5	29	13	47

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26. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

2022	Associates	Joint ventures	Entities related to SCM	Total
Purchases, including:	204	1,598	1,022	2,824
Metal products	-	1,437	5	1,442
Coke and coking coal	202	17	174	393
Iron ore	-	73	-	73
Raw materials and spare parts	-	33	38	71
Electricity	-	-	352	352
Gas	-	-	331	331
Fuel	-	-	6	6
Services	-	7	43	50
Other	2	31	73	106

Not included in the tables above are the Group's transactions on purchase and further re-sale of iron ore, coal and steel products from or to joint ventures where the Group is acting as an agent and not as principal. Income and costs related to such transactions are presented net within revenue. The Group's net gain on such transactions was USD 0 million in 2023 (2022: USD 54 million).

In 2023, the remuneration of key management personnel of the Group comprised current salaries and related bonuses accrued totalling USD 10 million (in 2022: USD 13 million).

As at 31 December 2023 and 2022, 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.

27. 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

The management estimates that the Group has possible obligations from exposure to transfer pricing risk amounting to USD 0 million (31 December 2022: USD 20 million) based on the results of tax audit of certain subsidiaries. In addition, there are other potential obligations from exposure to other possible tax risks of USD 13 million (31 December 2022: 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 2023, the amount of financial and tax liabilities related to the bankruptcy proceedings recorded in these consolidated financial statements is USD 7 million (31 December 2022: USD 7 million), out of which USD 5 million (31 December 2022: USD 5 million) are presented as non-current tax liabilities under moratorium (Note 21).

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.

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27. 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 summarisation.

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 hearing in the appeal proceedings has been scheduled for September 2024. There are no new restrictions on operations of the Group.

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 recognised 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 2023, the Group has contractual capital expenditure commitments in respect of property, plant and equipment totalling USD 200 million (31 December 2022: USD 288 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 5.

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.

28. 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.

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28. FINANCIAL RISK MANAGEMENT (CONTINUED)

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

	31 December 2023			31 December 2022		
	Monetary financial assets	Monetary financial liabilities	Net position	Monetary financial assets	Monetary financial liabilities	Net position
EUR	1,044	(1,301)	(257)	614	(958)	(344)
USD	991	(2,628)	(1,637)	546	(2,378)	(1,832)
CHF	1	(1)	-	2	(238)	(236)
UAH	530	(16)	514	548	(20)	528
PLN	11	(0)	11	64	(138)	(74)
Other	14	(4)	10	24	(5)	19
Total	2,591	(3,950)	(1,359)	1,798	(3,737)	(1,939)

At 31 December 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 higher / lower (2022: 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 267 million higher / lower), 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 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 higher / lower (2022: 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 71 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 2023, 88% of the total borrowings were provided to the Group at fixed rates (31 December 2022: 90%). During 2023 and 2022, 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 favourable 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 2023, if interest rates on USD, EUR and GBP denominated floating rate borrowings had been by 1 pp higher / lower (2022: 1 pp) with all other variables held constant, post-tax loss for the year would have been USD 2 million higher / lower (2022: 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 utilisation of credit limits is regularly monitored.

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28. 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 2023 is USD 2,831 million (2022: USD 1,776 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 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Bank loans	60	37	62	23
Trade finance	116	-	-	-
Bonds issued	125	448	1,016	536
Lease liability	14	9	7	-
Non-bank borrowings	18	-	-	-
Financial trade and other payables	3,363	5	1	3
Total	3,696	499	1,086	562

At 31 December 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Bank loans	52	42	94	32
Trade finance	45	-	-	-
Bonds issued	277	124	1,417	574
Lease liability	16	8	13	-
Non-bank borrowings	-	18	-	-
Financial trade and other payables	2,728	3	1	8
Total	3,118	195	1,525	614

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29. 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 2023	31 December 2022
Total loans and borrowings (Note 19)	1,981	2,077
Less: cash and cash equivalents (Note 16)	(646)	(349)
Net debt	1,335	1,728
Total equity	2,623	2,870
Total capital	3,958	4,598
Gearing ratio	34%	38%

30. 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 19, 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.

31. RECONCILIATION OF CLASSES OF FINANCIAL INSTRUMENTS WITH MEASUREMENT CATEGORIES

All of the Group's financial assets and financial liabilities are carried at amortised cost, except for investments in associates and joint ventures which are accounted for by the equity method of accounting, trade receivables subject to factoring, which are accounted at fair value through profit and loss. As at 31 December 2023, the carrying amount of the balances subject to factoring amounted to USD 65 million (31 December 2022: USD 21 million).

32. EVENTS AFTER THE BALANCE SHEET DATE

Subsequently to reporting period end EUR 61.4 million of 2025 bonds were repurchased via open market purchases. All of the purchased bonds were cancelled promptly afterwards.

There were no other events after the balance sheet date which has to be disclosed in these consolidated financial statements.

