METINVEST

STAYING THE COURSE

Annual Report 2024

This combined annual report for 2024 demonstrates Metinvest's hardiness and adaptability amid a third year of the full-scale war in Ukraine.

The title, 'Staying the Course', speaks first to people. Thousands of employees in Ukraine kept plants, mines and offices running under the constant threat of shelling. Hundreds of veterans returned to rejoin their teams. Colleagues serving in Ukraine's defence forces exemplified the country's resilience. The employees of non-Ukrainian production assets and trading arms supported the Group's business performance and humanitarian initiatives. Their collective determination stood behind every tonne shipped and every order fulfilled in 2024.

The theme is also anchored in logistics. During the year, the full effect of restored Black Sea navigation, achieved in late 2023, flowed through to volumes, operational improvements and financial results.

Yet seaborne trade was only part of the picture. Metinvest benefited from diverse factors that allowed it to stay the course. They are depicted visually in this report: a vessel, carrying the Group's products; a reconstructed bridge linking Metinvest's operations in Ukraine to local ports; resilient production at Pokrovske Coal; reinforced operation of the Group's iron ore facilities; and the strategic support of its assets outside Ukraine.

Together, the words and imagery aim to honour the Group's efforts. They represent the grit and determination that allowed it to deliver results in 2024 while helping Ukraine to withstand the challenges of the full-scale invasion.

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ABOUT THE REPORT

GENERAL APPROACH

In line with established practice, Metinvest presents its annual and sustainability reporting as a single, integrated document. This format enhances stakeholder communication by offering an overview of the Group's business activities.

Covering the period from 1 January 2024 to 31 December 2024, the report discloses Metinvest's financial and operational, as well as environmental, social and governance (ESG) performance with the relevant key metrics. It also includes material developments that occurred after the reporting period, up to 30 June 2025. It has been prepared primarily in line with the Global Reporting Initiative (GRI) Standards and incorporates guidance from the Sustainability Accounting Standards Board (SASB).

In addition, the Group strives to align with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and has begun working towards compliance with European Sustainability Reporting Standards (ESRS) under the Corporate Sustainability Reporting Directive (CSRD). The report also addresses the Group's contributions to the UN Sustainable Development Goals (SDGs).

Metinvest's IFRS consolidated financial statements for the 12 months ended 31 December 2024, which form part of this report, were audited by PwC, an appointed independent auditor. For a comprehensive view of the Group's financial position and operational results, these should be read in conjunction with Metinvest's audited financial statements for the period ending 31 December 2024. They contain all disclosures mandated 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 presented on page 5. The internal audit function verified the accuracy of numerical data provided by business units responsible for sustainable development prior to publication. Non-financial data has not been independently assured.

Due to rounding, figures in the report may not sum exactly, and percentages may not match absolute numbers precisely.

REPORT BOUNDARIES

The report discloses 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. can be found on page 106.

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 understands the vital importance of effective engagement with its diverse categories of internal and external stakeholders: employees, customers, suppliers and contractors, local communities, equity and debt providers, government authorities and the media.

For more information about the Group's stakeholder engagement efforts, please see page 31.

MATERIALITY ASSESSMENT

At the beginning of 2025, Metinvest enhanced its non-financial reporting practices by launching an updated campaign for the selection of material sustainability topics relevant to various stakeholder groups during the reporting period amid the evolving business landscape.

The updated assessment involved the estimation of the Group's effects on the environment and society in terms of their actual and potential impacts. This approach has reinforced Metinvest's commitment to transparency and responsible business practices.

MATERIALITY ASSESSMENT PROCESS

Step 1: Understanding the Group's context and its stakeholders

This stage involved a comprehensive review of Metinvest's business model, encompassing both its upstream and downstream activities. The assessment not only covered the Group's own operations but also considered the impacts related to its products and services.

A dedicated working group at Metinvest performed an in-depth study of industry trends, which was benchmarked against its peers, mapped the Group's operations, and reviewed regulatory frameworks, including CSRD, GRI, IFRS and the UN SDGs.

The identification of material issues was further enriched by considering stakeholder trends and expectations.

Step 2: Identifying and assessing materiality impacts

In this step, Metinvest identified actual and potential impacts related to ESG matters across its operations. This included considerations of scale, scope and irremediability for actual impacts, and the likelihood of occurrence for potential impacts.

The evaluation process involved interviews and discussions with internal experts across key functions, including environment, health and safety, human resources, management of communities, supply chain, finance and compliance. Feedback was also gathered from the Group's representatives responsible for engaging with external stakeholders, such as suppliers, customers, local communities, debt providers, government authorities and media representatives. The assessment also reflects specific aspects of Metinvest's geographic footprint.

Step 3: Reporting of material topics

Based on the analysis, Metinvest identified ten material ESG topics, organised into three key categories for clarity and alignment with previous disclosures. This list of material topics is presented in the graphic below.

Importantly, the material topics identified align closely with those historically determined by the Group for its previous annual reports.

Additionally, Metinvest took into account the ongoing effects of the war in Ukraine, recognising its significant influence on operational resilience, workforce welfare and local community support initiatives.

The results of the assessment and the identified material topics were endorsed by members of the Group's executive team and the Supervisory Board's Audit and Finance Committee.

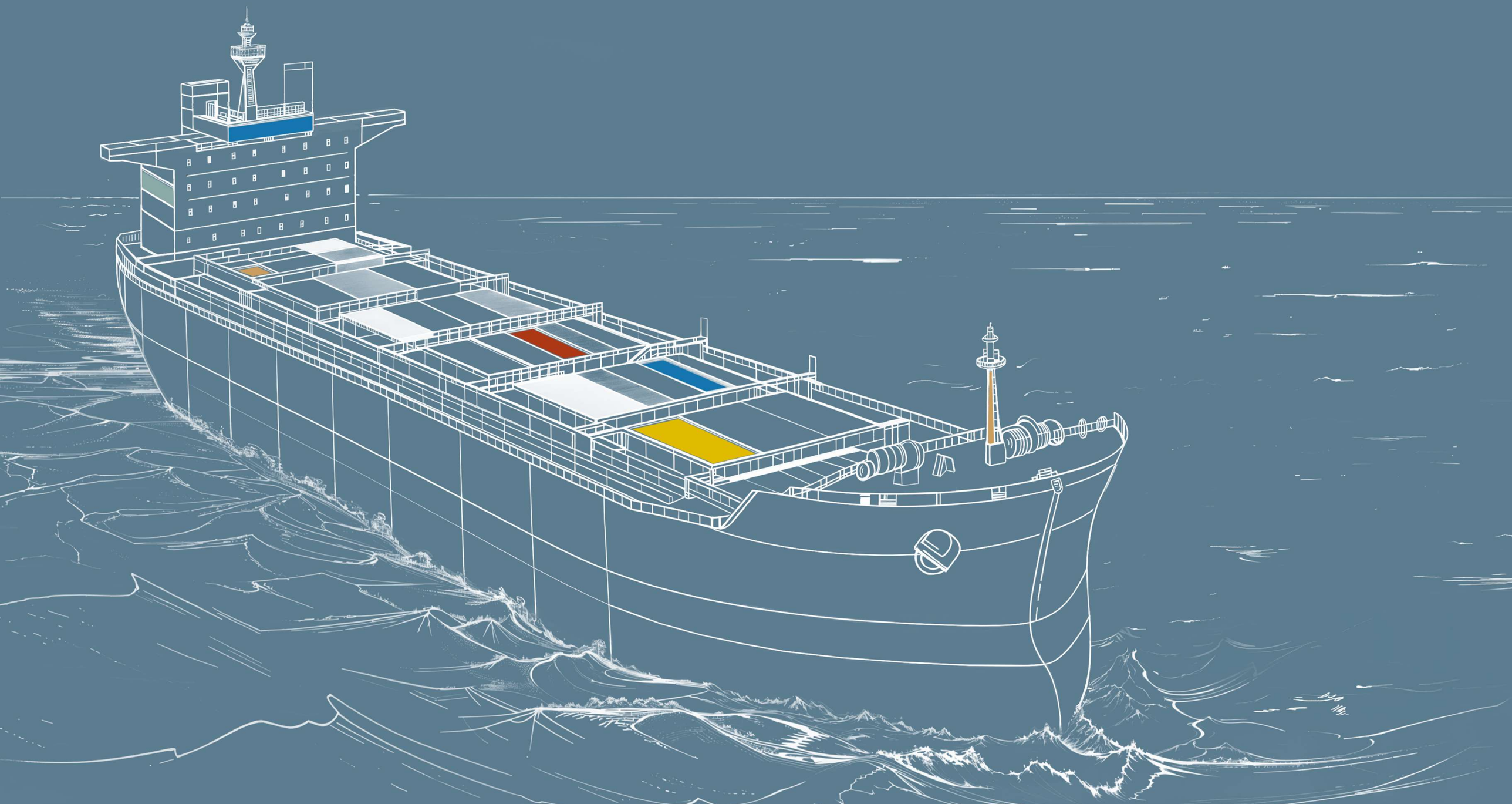
MATERIAL TOPICS 2024

ENVIRONMENT	SOCIAL	GOVERNANCE
• Climate change • Air emissions • Water management • Waste generation	• Occupational health and safety • Employment practices • Local communities	• Corporate governance • Business ethics • Sustainable supply chain

WAR IN UKRAINE

01 STRATEGIC REPORT

The reopening of the Black Sea helped Metinvest to stay the course throughout 2024. Restored seaborne trade lanes enabled the Group to serve long-standing customers, secure supplies and forge new partnerships worldwide.



CHAIRPERSON'S STATEMENT

UNFLINCHING PURPOSE

In 2024, Metinvest stood firm in its commitments and remained dedicated to supporting Ukraine amid persistent challenges, serving as an economic and social pillar for the country. While tragedy continued to weigh on the nation and its people, the Group grounded itself in principles of integrity, sustainability and prudent governance.

OLEG POPOV
Chairperson of the Supervisory Board

STEADY IN A TIME OF CHANGE

Ukraine has now endured more than three years of full-scale war, marked by rising humanitarian and economic strains. Our people, communities and businesses all bear the ongoing burden of these hardships.

We deeply mourn the loss of 694 employees of the Group and its joint ventures who have perished. This includes those tragically killed by shelling at the administrative building of Northern Iron Ore in July 2024. We are committed to supporting the bereaved families, whether their loved ones died defending Ukraine on the front line or performing essential duties at home. The collective memory of these individuals strengthens the Group's resolve to protect our people and homeland.

Despite the volatility of the operating environment, we are unswerving in our dedication to Ukraine.

From the members of the Supervisory Board down to every employee, our unity rests on a shared conviction that Metinvest will play a crucial role in Ukraine's eventual recovery. This is a journey that we wholeheartedly undertake together, guided by a responsibility that extends well beyond our corporate duties.

VITAL COMMUNITY SUPPORT

Reflecting on the theme of our annual report, we first honour Ukraine's defence forces, whose courage safeguards every aspect of our operations.

We also recognise the resilience of our logistics chain, which has kept vital goods flowing and helped us to underpin the nation's economic pulse.

Working with local authorities and partners, we have helped to restore hospitals, develop new frontline healthcare facilities and drive initiatives that support immediate needs. In 2022-2024, Metinvest has spent around US$258 million to help Ukraine and Ukrainians.

SUSTAINABILITY AND RESPONSIBLE GOVERNANCE

Even amid wartime conditions, Metinvest has not lost sight of its sustainability commitments.

The Group's sustainability agenda is fully aligned with the UN Sustainable Development Goals and the UN Global Compact's Ten Principles. In our operations, we focus on integrating objectives for decent work, resilient infrastructure, sustainable communities, responsible consumption and climate action.

In early 2024, we approved our Human Rights Policy, striving to ensure that our stakeholders uphold the highest standards of integrity, safety and responsibility.

In 2025, we adopted our Climate Change Policy. It embeds climate considerations into strategic planning, risk management and daily decisions. The policy also enshrines energy efficiency, emissions reduction and transparent monitoring as fundamental priorities across all operations.

We have also taken initial steps to enhance disclosure practices in line with CSRD reporting requirements for non-financial information.

LOOKING AHEAD

Profound challenges have shown the strength of our shared purpose. We remain steadfast in our commitment to Ukraine, determined to see its people and economy emerge stronger. Through our combined effort, we are working towards a future in which the resilience of our business supports the broader reconstruction and renewal that the country will surely need.

Looking ahead, the EU-Ukraine bridge-building project Adria reflects our commitment to a sustainable future. It aims to reinforce our position at the forefront of green innovation in the steel industry and underscore the strategic trajectory of the Group's development.

On behalf of the Supervisory Board, I thank our partners for standing with Metinvest. Through unity and staunch resolve, we will help Ukraine to chart a brighter and more secure course, together.

CEO’S STATEMENT

STAYING THE COURSE

The year 2024 brought both opportunities and challenges for Metinvest. The Group gained efficiencies through resumed seaborne shipments while managing ongoing security risks. Despite volatile conditions, Metinvest remained committed to employee safety and demonstrated resilience while staying true to its core values.

YURIY RYZHENKOV
Chief Executive Officer

OPERATIONAL ADAPTATION

In 2024, Metinvest restored stronger capacity utilisation across its key assets in Ukraine. This was a major achievement for the Group given the war’s persistent impact on employees, communities and business activities.

The resumption of Black Sea navigation was decisive for our operations. It provided a reliable export route, enabling higher shipments to distant markets. It also supported a steady uplift in production volumes.

In addition, the contribution of our assets in the EU, UK and US underpinned Metinvest’s agility and hardiness. Some of these assets, such as Ferriera Valsider and United Coal, faced operational and market headwinds. However, the Group continued to demonstrate adaptability and maintain overall operational stability in an exceptionally volatile environment.

At the same time, substantial challenges remained. Throughout the year, intermittent power shortages compressed margins, while a shortage of human capital placed additional strain on the business. In addition, after demonstrating remarkable fortitude for much of the year, the shifting front line made it necessary to gradually suspend Pokrovske Coal’s operations.

FINANCIAL RESILIENCE

During the third year of the full-scale war in Ukraine, Metinvest again proved its financial strength, delivering solid results despite the extraordinary operating conditions.

We made significant strides in optimising business processes to generate over US$200 million in operational improvements.

We applied a balanced approach to capital expenditure. Recognising the importance of both immediate and long-term requirements, Metinvest invested in critical maintenance and risk mitigation, including power backup solutions at production sites. We also pressed on with key strategic initiatives to shape our future competitiveness, most notably the green steel plant in Italy, which is designed to have substantial synergies with the Group’s existing business.

We further reduced financial leverage, allocating more than US$270 million for this in 2024. Since early 2022, we have repaid around US$670 million of debt, which is by all means an unprecedented amount of debt repayments for a company with our operational context.

DEDICATED TO OUR PEOPLE

The courage and dedication of our workforce have been essential to sustaining our operations and driving progress.

Notably, the number of our colleagues, including those from joint ventures, now on active duty in Ukraine’s defence forces is up to 8,000. As they return home from the front lines, we stand ready to reintegrate every one of the nation’s heroes who wishes to join the Group. During the year, we took important steps to expand our veteran adaptation and professional development programmes, as well as healthcare and psychological assistance.

Remaining committed to achieving the ultimate goal of zero incidents at Metinvest’s assets, we recorded a significant year-on-year reduction in both workplace injuries and fatalities. This improvement reflects the combined effort of our people at all levels of the organisation, enhanced by AI-driven monitoring solutions.

Additionally, in October 2024, we made new senior executive appointments. Ildar Salieiev returned to Metinvest to take on our new role of Chief Strategy Officer. His proven track record in portfolio development, capital allocation and performance improvement will help to refine and implement our strategic agenda. Roman Ognevyuk was promoted internally to the position of Chief Legal Officer. He brings almost twenty years’ experience in corporate law, M&A and international arbitration to lead the Group’s legal-support function.

I would like to thank Svitlana Romanova, our former Chief Legal Officer, for ten years of dedicated leadership and her contribution to strengthening Metinvest’s governance framework and providing sound corporate guidance.

TOWARDS THE FUTURE

Throughout the year, Metinvest reinforced its commitment to Ukraine’s sovereignty and resilience. We continued to help the country’s defence forces, directing significant efforts towards strengthening frontline fortifications. At the same time, we restarted our strategic investment programme, launching several projects within Ukraine that signal our confidence in the nation’s future.

Looking ahead, we are closely following developments regarding a potential ceasefire and remain dedicated to Ukraine’s eventual recovery. We strongly believe that by supporting our communities, we create economic opportunities that can serve as a foundation for lasting prosperity.

To our employees, partners and stakeholders, thank you for your trust and support. Together, we will continue to endure, adapt and grow, proving that we can stay the course in even the most turbulent times.

KEY NUMBERS

In 2024, Metinvest demonstrated strategic resilience and adaptability amid the third year of full-scale war in Ukraine. The Group capitalised on the reopening of shipping routes across the Black Sea to resume seaborne shipments through Ukrainian ports, while advancing operational efficiency, enforcing robust financial discipline and sustaining support for Ukraine's defence, recovery and social welfare.

OUTPUT

Crude steel
2,099 KT

Merchant pig iron and steel products
3,020 KT

Iron ore concentrate
15,733 KT

Merchant iron ore products
14,826 KT

Coking coal concentrate
4,277 KT

Metallurgical coke
1,122 KT

FINANCES

Total revenues
US$8,050 MN

Capital expenditures
US$235 MN

Adjusted EBITDA
US$957 MN

EBITDA margin
12%

Total debt
US$1,705 MN

Net debt to EBITDA
1.1X

SUSTAINABILITY

Adjusted headcount
40,535

LTIFR performance
0.530

Taxes paid globally
US$478 MN

CO_2 emissions (Scope 1)
5.6 MT

Aid to Ukraine in 2022-2024
US$258 MN

People received support under Saving Lives
c.516,000

MARKET REVIEW: GLOBAL

SHIFTING DYNAMICS

In 2024, the global steel and raw materials markets experienced subdued demand and downward price pressures amid broader economic uncertainty. Consumption showed multidirectional dynamics in different regions, while persistent supply and competitive trade flows weighed on benchmark prices.

GLOBAL STEEL MARKET

In 2024, the global steel market encountered muted demand and profitability constraints. Ongoing macroeconomic uncertainties, including elevated interest rates and potential trade tensions, shaped the trajectory of steel consumption worldwide. Trade flows continued to evolve, influenced by competitive pricing dynamics and China's increased export activity because of ongoing domestic oversupply. At the same time, steel supply on international markets showed a limited response to weaker demand.

Overall, global apparent consumption of finished steel products dropped by 2.0% year-on-year to 1,742 million tonnes during the reporting period, while global crude steel production fell by 1.0% year-on-year to 1,885 million tonnes.

China continued to account for roughly half of steel demand and supply worldwide. Domestic steel demand continued to decline due to an ongoing housing market crisis: apparent consumption of finished steel products dropped by 5.4% year-on-year to 857 million tonnes.

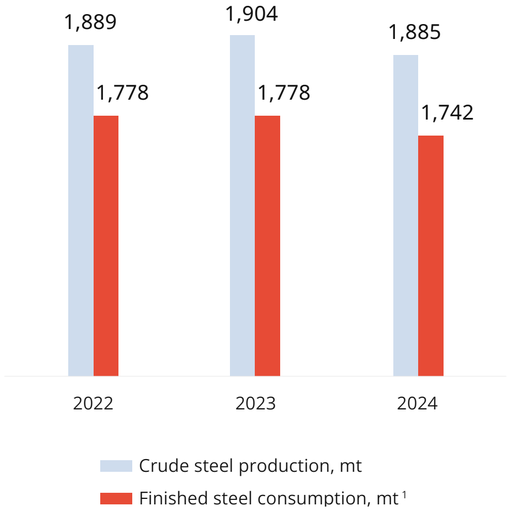
At the same time, the country's crude steel production fell at a slower pace: by 2.3% year-on-year to 1,005 million tonnes. This prompted local producers to significantly increase exports to an all-time record of 117 million tonnes, up 25% year-on-year, which put downward pressure on global steel prices.

Excluding China, in the rest of the world, crude steel production increased by 0.5% year-on-year to 879 million tonnes, while apparent consumption of finished steel products rose by 1.5% year-on-year to 886 million tonnes. Among divergent regional performances, India led in absolute growth in steel production and demand, driven by an influx of public investment in infrastructure. The country's steel production totalled 149 million tonnes, up 6.2% year-on-year, while consumption was 148 million tonnes, up 11.4% year-on-year. In the EU, despite pressure from a crisis in the auto industry, high energy prices and import competition, steel production rose by 2.7% year-on-year to 130 million tonnes and consumption inched up by 0.2% year-on-year to 130 million tonnes. Türkiye delivered strong growth in steel production due to increased exports, up 9.4% year-on-year to 37 million tonnes, while demand rose 0.8% year-on-year to 38 million tonnes.

The global steel market also continued to be shaped by the ongoing war in Ukraine and the EU's sanctions on Russian steel imports. The EU implemented quotas on Russian pig iron and HBI, limiting imports further in 2024 with an additional reduction slated for 2025 before a complete ban comes into effect. Despite these measures, semi-finished steel products from the sanctioned country remained present in the EU market, with imports of several million tonnes during the reporting period. Ukraine's steel industry showed resilience, increasing production in the year, aided by the reopening of Black Sea navigation in the second half of 2023.

Global steel prices continued to fall for both flat and long rolled products. The annual average HRC CFR Italy benchmark was US$637 per tonne in 2024, down 9% year-on-year. The monthly average peaked at US$719 per tonne in January and bottomed at US$588 per tonne in November, ending the year at US$596 per tonne in December.

GLOBAL STEEL INDUSTRY



Source: WSA

STEEL PRICE AND EXPORTS FROM CHINA

Source: Bloomberg, General Administration of Customs of the People's Republic of China, Metal Expert

[1] Apparent consumption of finished steel products.

GLOBAL RAW MATERIALS MARKET

In 2024, the global iron ore market entered a more bearish cycle. A period of stable or slightly rising export supplies coincided with waning market appetite from key importing regions. These factors led to heightened price pressures.

China dominated seaborne iron ore imports but faced weaker steel output amid a protracted slump in its construction sector and a shift towards increased scrap usage. Meanwhile, European steelmakers saw a cautious recovery tempered by broader economic headwinds.

Iron ore imports to China totalled 1,238 million tonnes, up 4.9% year-on-year. This made up 75.2% of global imports, according to World Steel Association (WSA) data. Globally, iron ore exports came primarily from Australia and Brazil, which accounted for 76.8% of the market. Seaborne deliveries from the former rose by 0.4% year-on-year to 902 million tonnes, while shipments from the latter climbed by 1.8% year-on-year to 389 million tonnes, according to the WSA.

Global iron ore prices remained under pressure from slightly rising supply, restrained demand (particularly in China) and ongoing market caution over broader economic stimulus and trade policies. The 62% Fe iron ore fines CFR China benchmark monthly average price peaked at US$136 per dry metric tonne (dmt) in January 2024, bottomed at US$93 per dmt in September and closed out the year at US$102 per dmt in December. The annual average 62% Fe iron ore fines CFR China benchmark price decreased by 10% year-on-year to US$109 per dmt.

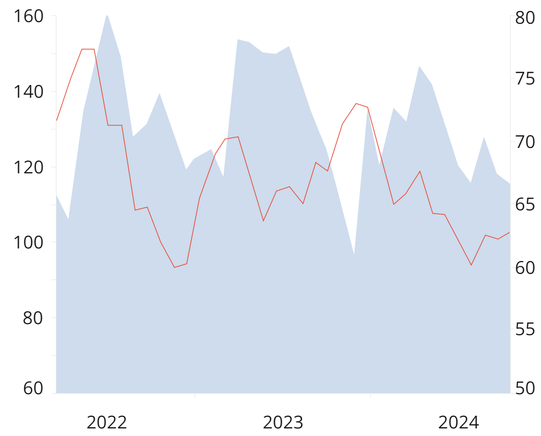
Pellet premiums fell year-on-year as a consequence of limited demand and continued margin pressures for steelmakers in both Europe and China. The premium in Europe decreased by 10% year-on-year to US$40 per tonne, while in China it fell by 20% year-on-year to US$15 per tonne.

The drivers of the global coking coal trade were marked by a rise in imports to China to record highs, reflecting the trade with Australia that resumed in 2023 following a three-year hiatus and accelerated in 2024. Conversely, volumes to India declined for the first time in three years. Meanwhile, supply remained steady overall. Structural shifts occurred as diversified mining companies divested coal assets, consolidating industry capacity into fewer, specialised players.

Global coking coal prices experienced a significant drop due to lower market demand for steel and intense price competition driven by high Chinese steel exports. Prices stabilised later in the year, supported by supply constraints from Australia and Canada.

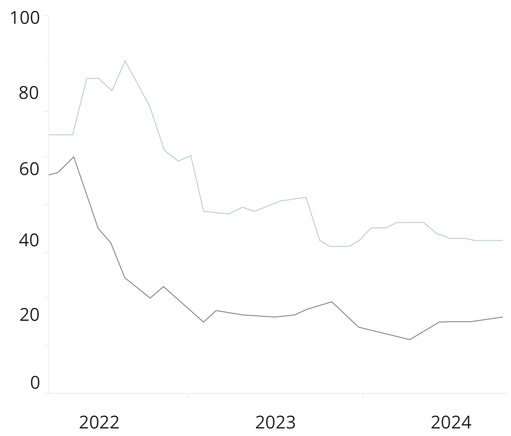
The average hard coking coal spot price index (premium LV, FOB Australia) fell by 19% to US$241 per tonne. It peaked at US$332 per tonne in January 2024, while the year's low was US$187 per tonne in September. The average annual HCC LV FOB USEC benchmark price decreased by 16% year-on-year to US$217 per tonne. It peaked at US$264 per tonne in February and hit a bottom of US$188 per tonne in December.

IRON ORE PRICE



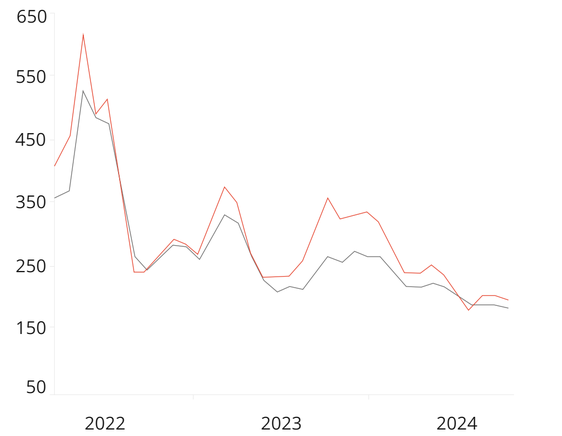
Source: Bloomberg, WSA

IRON ORE PELLET PREMIUMS



Source: Platts

HARD COKING COAL PRICES



Source: Platts

MARKET REVIEW: UKRAINE

GRADUAL RECOVERY

In 2024, Ukraine's economy continued to function amid elevated security risks and operational uncertainty. Additional external support and moderating inflation alleviated some pressures from the evolving security developments.

NAVIGATING A CHALLENGING ENVIRONMENT

In 2024, the full-scale war remained the defining factor for Ukraine's economic trajectory. Military activity in several regions and sporadic aerial attacks by Russia nationwide sustained pressure on economic activity. This was driven by heightened security risks, impacts on human capital, constraints on and damage to critical infrastructure, and disruptions to transport and logistics. Notwithstanding these difficulties, further financial support from international partners and gradually stabilising international reserves helped the country to navigate the economic turbulence.

The displacement of millions of Ukrainians, both internally and abroad, continues to put strain on communities and impact the domestic labour market. As of the year-end, there were an estimated 3.7 million people[1] considered internally displaced and another 6.9 million reported as refugees in other countries[2].

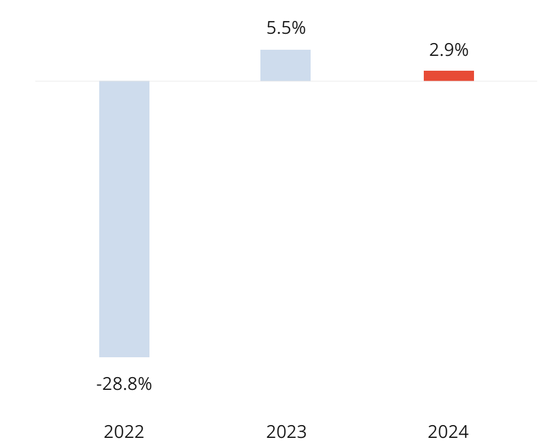
Export routes through the Black Sea expanded incrementally, building on the maritime corridor established in the second half of 2023. This proved instrumental in supporting Ukraine's exports, moving beyond grain to include metals and other goods. The reactivation of seaborne channels also helped to lessen pressure on overland routes.

Amid escalating risks, personnel shortages and a poorer harvest in 2024, real GDP growth slowed to 2.9%[3] year-on-year, down from 5.5% in 2023. Nominal GDP went up from US$181 billion in 2023 to US$191 billion in 2024.

Among the year-on-year changes in the expenditure components of GDP[3], household consumption expanded by 6.8%, government consumption dropped by 4.5%, gross fixed investment grew by 3.5%, exports climbed by 10.3% and imports rose by 7.7%.

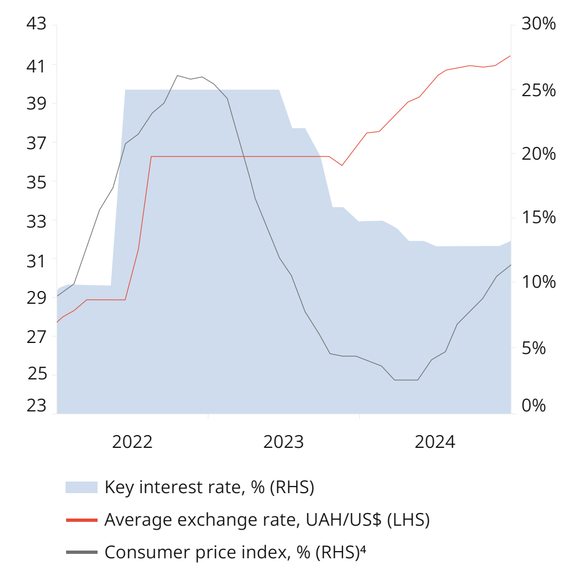
Among the production components of GDP[3] there were year-on-year increases of 27.4% for financial and insurance activities, 2.4% for public administration, 6.0% for manufacturing, 11.4% for transportation and storage, 10.8% for education, and 8.3% for information and communication. Meanwhile, there were decreases of 7.3% for agriculture and 4.1% for wholesale and retail trade.

REAL GDP DYNAMICS



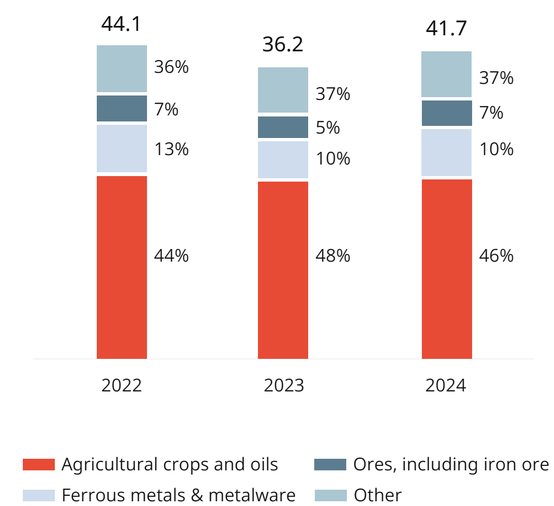
Source: State Statistics Service of Ukraine

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 Organization for Migration.
[2] 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.

Annual inflation continued to trend towards economic stabilisation early in the reporting period, enabling the National Bank of Ukraine (NBU) to further ease monetary policy and gradually lower its key rate to 13.0% by June 2024. However, an uptick in inflation towards the year-end prompted the NBU to reverse course and increase the rate to 13.5% in December. The annual CPI shrank from 12.9% in 2023 to 6.5% in 2024, while the period-end CPI increased from 5.1% in December 2023 to 12.0% in December 2024.

The NBU maintained an approach of managed flexibility in the official Ukrainian hryvnia exchange rate, which stood at 42.04 against the US dollar as of the end of 2024, compared with 37.98 at the end of 2023. The average official rate was 40.15 in 2024, a weakening of 9% versus 12% in 2023.

Lower average inflation over the year as well as imbalances in the labor market contributed to a notable acceleration in real wage growth, which rose by 15.6% compared with 3.7% in 2023, bringing real wages above the level of 2021.

Ukraine continues to rely significantly on external funding to meet government expenditure commitments and the considerable financial demands associated with national defence.

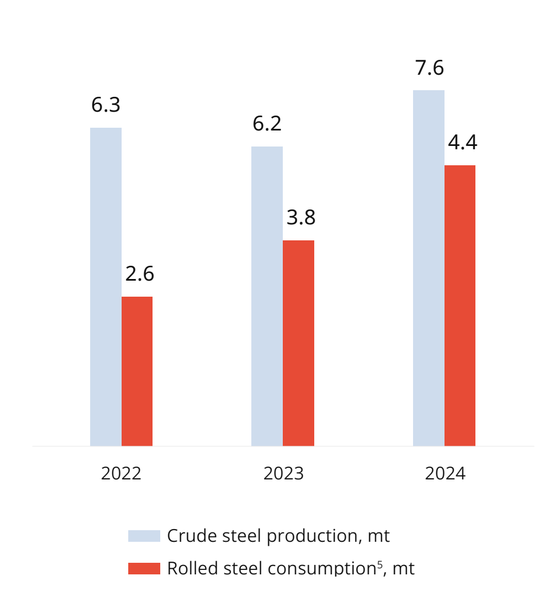
In 2024, spending on these needs accounted for around 67% of the total state budget. The state budget deficit narrowed from US$37 billion in 2023 to US$34 billion in 2024. Ukraine's international partners continued to provide substantial monetary support.

During the reporting year, the country received a total of more than US$41 billion in financial assistance, primarily US$17 billion from the EU, US$8 billion from the US, US$5 billion from the IMF, US$4 billion from Japan, US$3 billion from the World Bank and US$2 billion from Canada.

Consequently, the NBU was able to maintain record levels of international reserves, which rose by 8.1% year-on-year to c. US$44 billion at the end of 2024. Ukraine's public debt rose from US$145 billion to US$166 billion, driving the ratio of public debt to GDP up from 83% in 2023 to 91% in 2024.

In September 2024, Ukraine restructured its sovereign Eurobonds through an exchange offer, although the restructuring of some other instruments continues. As a result, the country's sovereign credit ratings were adjusted downward by S&P to 'Selective Default' (SD) and by Fitch to 'Restricted Default'. While Moody's also reviewed its rating, it remained unchanged at 'Ca', the outlook 'stable', at the year-end.

STEEL INDUSTRY



Source: WSA, Metal Expert

KEY STEEL-CONSUMING SECTORS

Source: State Statistics Service of Ukraine, Metal Expert

GAINS AMID ADVERSITY

Throughout 2024, Ukraine's steel industry operated in a highly complex environment shaped by continued security challenges and downward price pressure on export markets. Nonetheless, the sector demonstrated resilience, helped by the debottlenecking of logistical constraints, the gradual stabilisation of power supplies and a measured uptick in domestic demand.

The stable operation of Ukraine's maritime corridor in the Black Sea was a key factor driving the industry's partial recovery. Building on the naval route regained by the Armed Forces in late 2023, Ukrainian steelmakers were able to ship higher tonnages of slab, billets and rolled products to international customers, relieving pressure on the rail network and expanding export options.

In 2024, Ukrainian steelmakers' production of crude steel surged by 21.6% year-on-year to a total of 7.6 million tonnes. At the same time, Metinvest's crude steel output totalled 2.1 million tonnes, up 3.7% year-on-year, as its steelmaker operated two blast furnaces effectively at maximum capacity.

Meanwhile, Ukraine's apparent steel consumption climbed by 17.4% year-on-year to 4.4 million tonnes, driven primarily by an 18.6% year-on-year increase in construction and a 14.9% year-on-year rise in pipe production.

Several steel products are no longer manufactured in the country following the occupation of Mariupol and the shutdown of Metinvest's steelmakers in the city: Azovstal and Ilyich Steel. This includes railroad rails and hot-rolled plates, which are now imported.

In 2024, steel imports into Ukraine increased by 6.4% year-on-year to c.1.3 million tonnes. Imports of flat products rose by 8.3% year-on-year to c.1.0 million tonnes, amounting to 78% of total steel imports (77% in 2023).

The reopening of seaborne trade also had a strongly positive impact on Ukraine's iron ore production. The country's merchant iron ore product output increased by 50.0% to 43.2 million tonnes, according to the Group's estimates based on Ukrainian Industry Expertise (UEX) data. Meanwhile, Metinvest's overall output of iron ore concentrate surged by 41.8% year-on-year to 15.7 million tonnes.

Consequently, exports of iron ore products rose by 68.8% year-on-year to 32.1 million tonnes. The ability to resume shipments to China made it the top destination country once again, only slightly lower than the deliveries to the entire Europe.

DEVELOPMENTS AFTER THE REPORTING PERIOD

In early 2025, uncertainty remained as a result of an unclear outlook for a potential ceasefire. Despite ongoing security challenges, Ukraine's international partners sustained financial support, helping to preserve overall macroeconomic stability.

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

OPERATIONAL REVIEW

AGILE MOMENTUM

In 2024, steady access to Black Sea navigation enhanced Metinvest's logistics and drove a resilient performance despite persistent security constraints. The Group's international assets across the EU, the UK and the US continued to contribute to diversified output and market reach.

STRENGTHENING OPERATIONAL RESILIENCE

In 2024, Metinvest made substantial progress in enhancing its operational agility, supported by improved logistics following the reopening of Black Sea navigation. This development significantly contributed to the Group's performance during the year.

Nevertheless, Metinvest's operations in Ukraine continued to face challenges primarily related to security risks, workforce availability, power supply disruptions and economic pressures.

In particular, throughout the year there were periods of power shortages caused by the strikes against Ukraine's energy generating assets, which led to the temporary resumption of electricity imports for some of the Group's Ukrainian entities.

The Black Sea corridor, established in the second half of 2023, strengthened Metinvest's access to distant markets and boosted capacity utilisation. Iron ore assets' production reached an average of 50% of pre-war levels, up 15 percentage points year-on-year. Kamet Steel and the Metallurgical JV, Zaporizhstal, maintained stable operations, respectively running two out of three and three out of four blast furnaces.

A MARITIME LIFELINE

When Ukrainian ports reopened to commercial traffic in the second half of 2023, Metinvest prioritised the resumption of seaborne exports. Over time, the corridor evolved into a two-way artery, shipping finished goods to customers – including those in distant markets – and delivering critical raw materials back to Ukraine. This balanced flow proved decisive for the Group's resilience during the reporting year.

Metinvest's export operations benefited from the deeper draught of Black Sea ports, accommodating vessels transporting significant iron ore volumes to markets such as China.

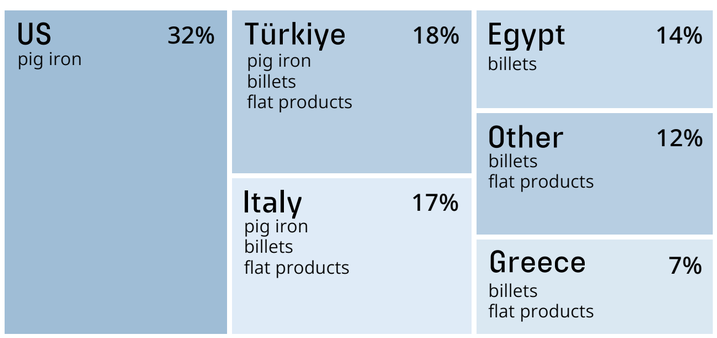
With the Mykolaiv and Kherson ports unavailable due to the war, the Group resumed exporting its products via the Pivdennyi and Odesa ports, which allowed it to secure higher margins than at ports outside Ukraine. The restoration of seaborne navigation also helped to reduce the cost of importing key materials such as pulverised coal for blast furnace injection and bentonite.

Average freight rates decreased during the year, reflecting a partial recovery towards pre-war levels, although tempered by additional costs arising from ongoing military risks. This materially improved logistics economics, underpinning a substantial increase in the Group's Ukrainian iron ore asset utilisation.

Operating in a war zone still carries material hazards. Metinvest works closely with Ukrainian naval and port authorities to implement dynamic routing, convoy scheduling and rapid-turnaround protocols. The Group also collaborates with international insurers to maintain cover and crew confidence. While these measures add complexity, they have so far enabled uninterrupted sailings and protected people, vessels and cargo.

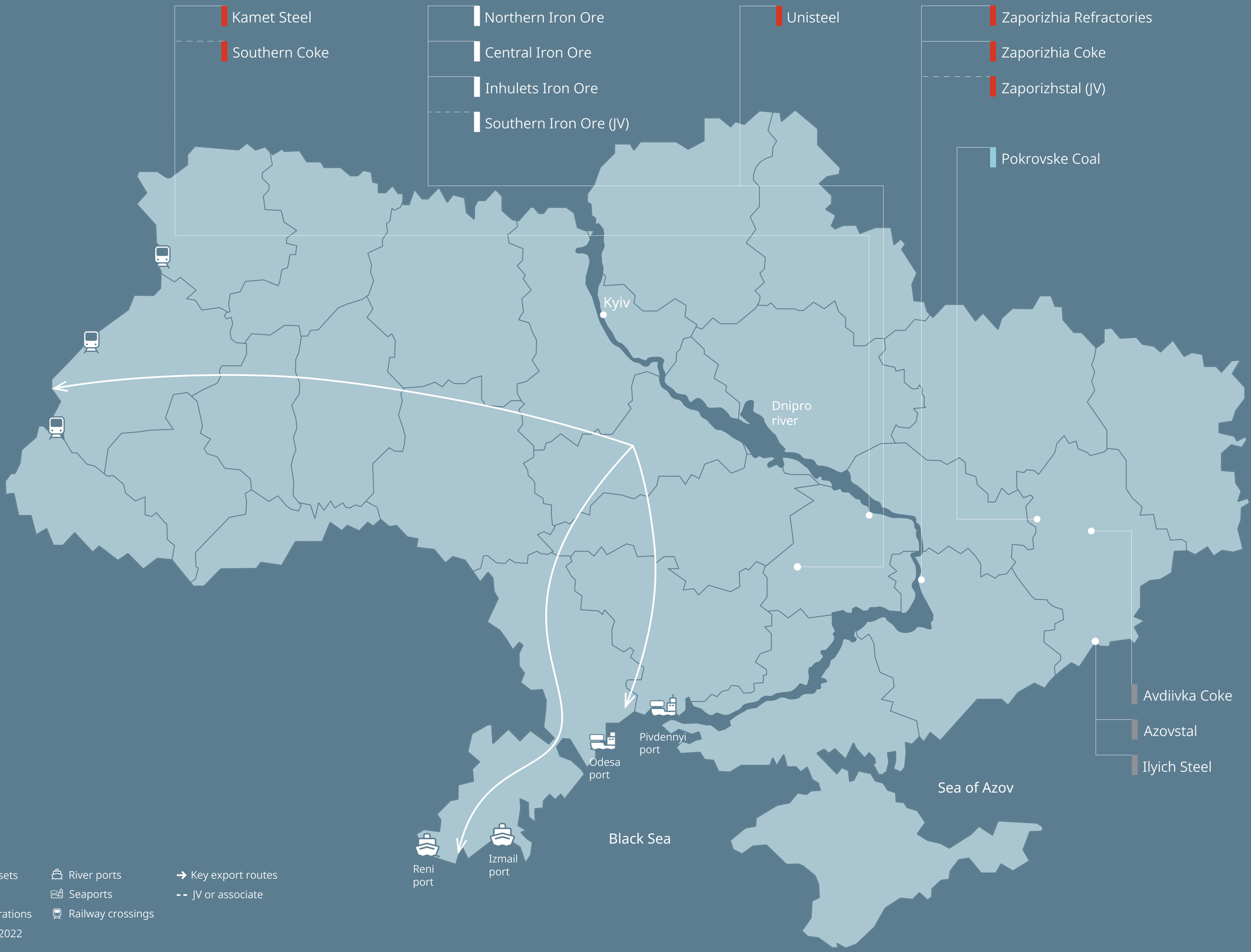
METINVEST'S SHIPMENTS VIA UKRAINIAN SEAPORTS IN 2024

PIG IRON AND STEEL PRODUCTS - 1.2 MILLION TONNES



IRON ORE PRODUCTS – 12.3 MILLION TONNES

UKRAINIAN OPERATIONS



OPERATIONS IN UKRAINE

MINING SEGMENT

Iron ore

Metinvest is a top ten global iron ore producer and the second largest in Europe, in terms of both annual output and reserves[1].

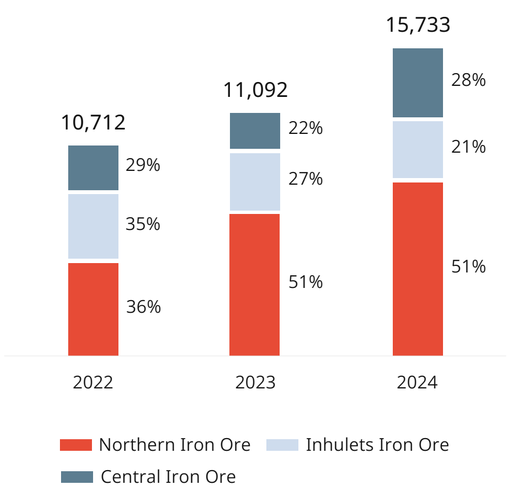
As of 1 July 2021, the reporting date of Metinvest's most recent assessment of iron ore resources and reserves in accordance with the JORC Code, it had total Ore Reserves of 2,142 million tonnes grading 33.5% Fe_T (total iron) and 25.0% Fe_M (magnetic iron) and total Mineral Resources of 10,576 million 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.

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

In 2024, Northern Iron Ore and Central Iron Ore operated pelletising plants with a total annual design production capacity of 8.6 million tonnes of pellets.

IRON ORE CONCENTRATE PRODUCTION

15,733 kt ↑42%



This comprised 6.3 million tonnes from Northern Iron Ore containing on average 65.0% Fe and 2.3 million tonnes from Central Iron Ore with 64.8% to 66.85% Fe. The higher-grade material can be used in DRI technology.

The Group also has a 45.9% interest in Southern Iron Ore, which is classified as a joint venture. It produces concentrate with an Fe content ranging from 65.0% to 68.5%. During the reporting period, Southern Iron Ore sold some of its products to international markets (mostly to China and, to a lesser extent, the EU), primarily through Metinvest's trading companies[2]. It also made domestic shipments, including to cover the needs of Zaporizhstal and Kamet Steel.

During 2024, Metinvest's iron ore mining and processing plants operated at different capacity utilisation levels, depending on electricity availability and cost, market prices for iron ore products and other factors. In 2024, the overall output of iron ore concentrate increased by 42% year-on-year to 15,733 thousand tonnes.

A combination of factors helped the Group to deliver a year-on-year improvement in iron ore output in the reporting period, foremost among which was the unblocking of Ukraine's Black Sea ports. Another driver was Metinvest's ongoing efforts to optimise costs and enhance efficiency across operations, including labour, logistics and equipment maintenance. For example, the Group introduced a consolidated management model for its mining and processing plants, combining their administrative centres into one.

Meanwhile, output of merchant iron ore products surged 58% to 14,826 thousand tonnes. This consisted of a rise of 2.2 times in merchant iron ore concentrate output to 8,804 thousand tonnes and an increase of 14% in merchant pellet output to 6,022 thousand tonnes[3].

Coking coal

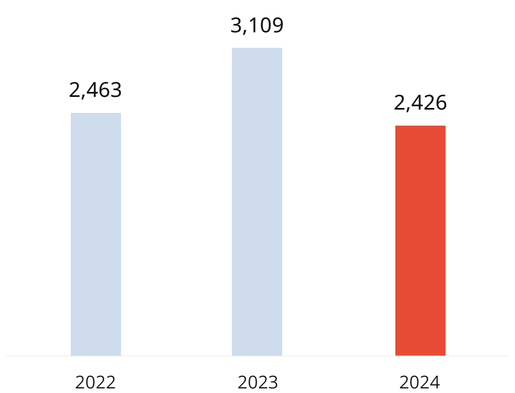
In Ukraine, Metinvest has high-quality coking coal production facilities at Pokrovske Coal, located on the border of the Dnipropetrovsk and Donetsk regions. Pokrovske Coal's most significant assets are Pokrovske Colliery and Sviato-Varvarynska Beneficiation Factory.

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.

During the reporting period, Pokrovske Coal contributed 57% of Metinvest's coking coal concentrate output. Its shipments reached customers predominantly across Ukraine and, to a lesser extent, the EU.

COKING COAL OUTPUT: POKROVSKE COAL

2,426 kt ↓22%



In 2024, the Group's output of coking coal concentrate in Ukraine dropped by 22% year-on-year to 2,426 thousand tonnes[4]. This was mainly the result of changing geological conditions and the events in late 2024 described below.

In December 2024, deteriorating frontline conditions necessitated the suspension of one of Pokrovske Coal's production sites.

Subsequently, due to power shortages and escalating security concerns, operations at other production sites were halted. As ensuring employee safety is of paramount importance to Metinvest, the Group facilitated the evacuation of Pokrovske Coal's staff and their families.

Upon suspension of operations at Pokrovske Coal, the management team activated contingency measures to maintain an uninterrupted supply of critical raw materials for steel production. These actions comprised securing coking coal shipments from the Group's US subsidiary, arranging additional volumes from third-party suppliers, raising the proportion of other Ukrainian coal in the blend and drawing down on existing coking coal stockpiles.

[1] Own estimate based on companies' public production information for 2021, excluding Chinese and Indian companies.
[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] The total coal concentrate production figure represents coal production converted to coal concentrate and excludes the processing of coal purchased from third parties.

METALLURGICAL SEGMENT

Coke

Metinvest produces coke at Zaporizhia Coke and the coke facilities of Kamet Steel in Ukraine.

In 2024, the Group's coke output[5] decreased by 10% year-on-year to 1,122 thousand tonnes, due to the shutdown of coke oven battery No. 1 at Kamet Steel.

Metinvest also holds a 23.71% stake in Ukrainian metallurgical coke producer Southern Coke, which is classified as an associated company. In 2024, its dry blast furnace coke production decreased by 2% year-on-year to 604 thousand tonnes.

Steel

Metinvest's steelmaking results for 2024 are represented by Kamet Steel, an integrated steel plant located in Kamianske. Kamet Steel produces and sells pig iron, billets and long products to external customers, provides feedstock to the Group's Bulgarian re-roller, and is an internal consumer of Metinvest's iron ore and coking coal. Its annual production capacity of hot metal is 2.7 million tonnes from three blast furnaces and 3.2 million tonnes of crude steel.

In 2024, the Group's hot metal output climbed by 3% year-on-year to 1,818 thousand tonnes due to the efficient operation of two blast furnaces at Kamet Steel. As a result, its crude steel output rose by 4% year-on-year to 2,099 thousand tonnes.

Additionally, Metinvest holds a 49.99% interest in Zaporizhstal, an integrated steelmaker located in Zaporizhzhia. The plant is classified as a joint venture and is the Group's largest consumer of iron ore and coke. Its annual production capacity of hot metal is 4.4 million tonnes from four blast furnaces and 4.0 million tonnes of crude steel.

During the reporting period, using its broad network of sales offices, Metinvest also resold Zaporizhstal's products as part of its sales strategy. Additionally, the Group continued to supply Ukrainian slabs manufactured at Zaporizhstal to the re-rollers in Italy, although the volumes decreased year-on-year.

In 2024, Zaporizhstal increased output of hot metal by 14% year-on-year to 3,106 thousand tonnes and that of crude steel by 17% to 2,891 thousand tonnes in line with stronger utilisation levels of blast furnaces. Pig iron production totalled 578 thousand tonnes (up 8% year-on-year). Output of finished steel products climbed by 21% year-on-year to 2,250 thousand tonnes.

Metinvest's Zaporizhia Refractories subsidiary in Zaporizhzhia makes refractory products, including lining and bricks. In 2024, its output of these products, excluding unmoulded refractories, rose by 31% year-on-year to 87 thousand tonnes.

The Group's Unisteel subsidiary, based in Kryvyi Rih, produces galvanised steel products. In 2024, its output of galvanised cold-rolled coils rose by 42% year-on-year to 112 thousand tonnes. This increase was supported by the resumption of operation of inductor No. 4, which had shut down for a major overhaul in the second quarter of 2023.

NEW PRODUCTS

In 2024, Metinvest continued to expand its product portfolio, introducing 14 new steel offerings across its Ukrainian enterprises. These innovations are designed to strengthen the Group's strategic role in supporting the future modernisation of Ukraine's infrastructure.

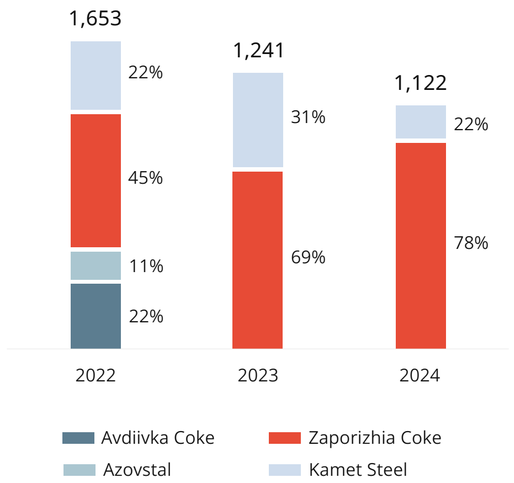
Kamet Steel launched four types of reinforcing bars, six new grades of wire rod, enhanced-quality continuous cast square billets, and additional sizes of bars and shaped sections. Unisteel also introduced a specialised type of galvanised rolled product for structural applications, utilising coils sourced from the Zaporizhstal JV.

The Metallurgical JV also contributed six new products itself. They comprised two varieties of hot-rolled flat products and four cold-rolled offerings, tailored specifically to the requirements of mechanical engineering enterprises, commercial equipment manufacturers and the construction sector.

Metinvest's ongoing emphasis on product innovation enabled it to respond effectively to evolving industry standards and market demands. For instance, during the reporting period, the Group successfully launched production and commenced export of B500B steel rebar compliant with Polish technical standards.

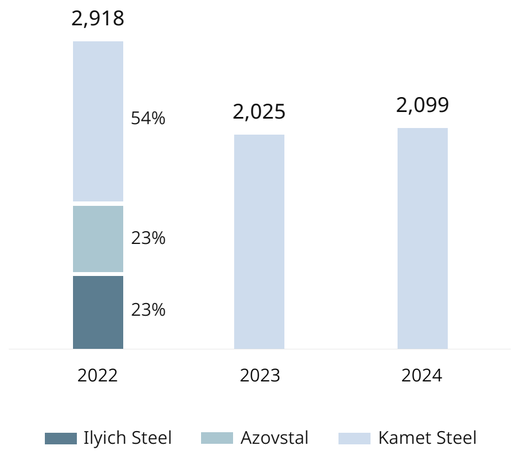
COKE PRODUCTION

1,122 kt ↓10%



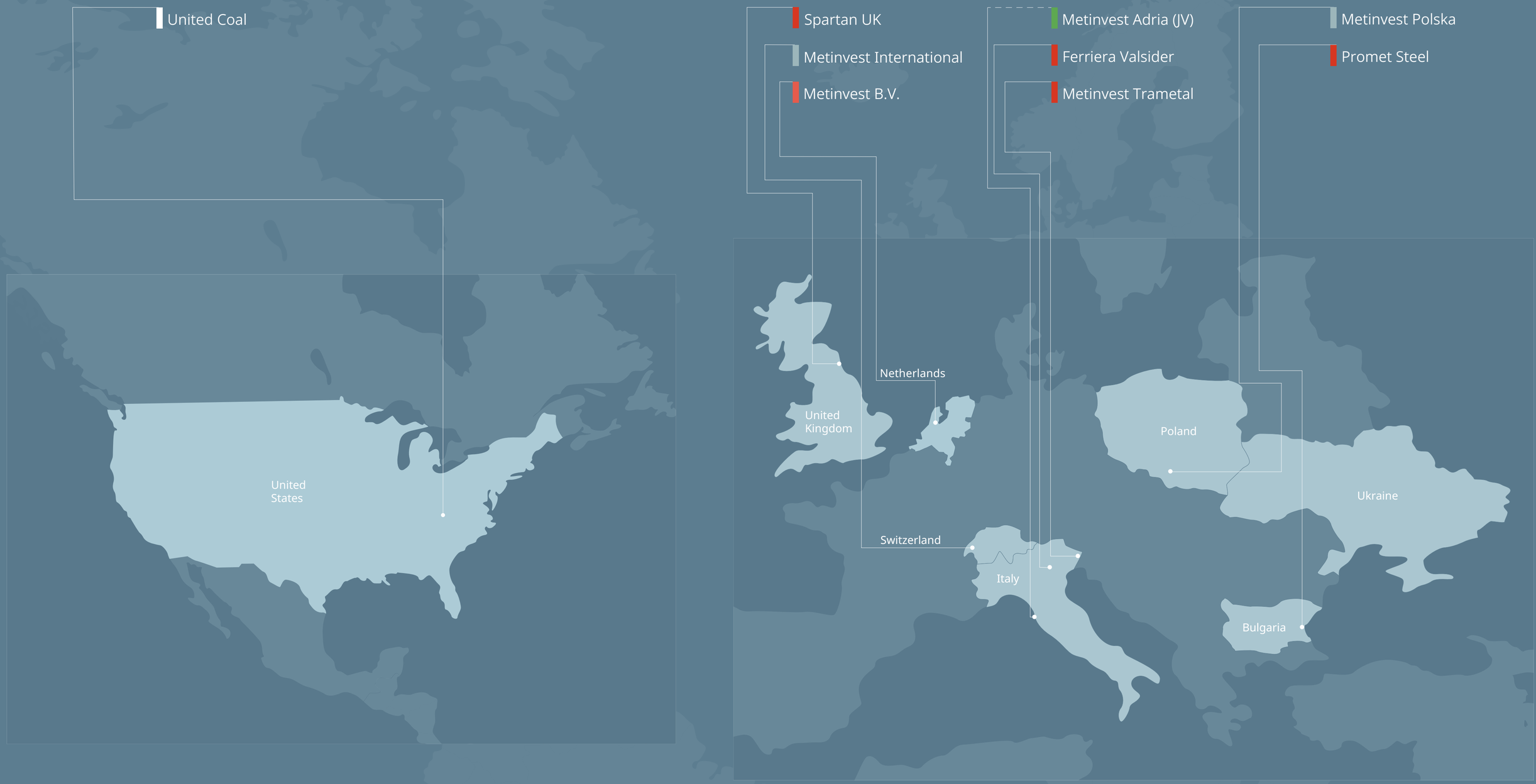
CRUDE STEEL PRODUCTION

2,099 kt ↑4%



[5] Dry blast furnace coke output.

GLOBAL OPERATIONS



MAP LEGEND

- Parent company
- Metallurgical assets
- Mining assets
- Greenfield under development
- Trading headquarters
- JV or associate

OPERATIONS IN THE US, UK, EU

MINING SEGMENT

Coking coal

Metinvest's US subsidiary United Coal produces coking coal in the central Appalachian region. As of 1 July 2021, 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 in accordance with the JORC Code. For more details, please refer to the respective announcement at Euronext Dublin.

In the reporting period, United Coal's output of coking coal concentrate fell by 21% year-on-year to 1,851 thousand tonnes, primarily owing to adverse geological conditions at certain sites. This resulted in idling at Carter Roag mines from June 2023 and lower production at some Wellmore mines.

United Coal's shipments during the year went to customers in the US and internationally. Notably, in 2024 it resumed seaborne deliveries to Ukraine.

METALLURGICAL SEGMENT

Re-rolling

Metinvest operates four re-rolling mills in other European countries: Ferriera Valsider and Metinvest Trametal in Italy; Promet Steel in Bulgaria; and Spartan UK in the UK. The Group's annual re-rolling capacity in these countries totals 2.1 million tonnes. During the year, Metinvest Trametal, Ferriera Valsider and Spartan UK produced flat steel products mainly using feedstock procured from third-party suppliers. Promet Steel produced long products, primarily sourcing feedstock from Kamet Steel.

In 2024, the total output of steel products from these re-rolling plants decreased by 13% year-on-year to 1,367 thousand tonnes primarily because of unfavourable European market conditions, such as the availability of cheaper Russian slabs. This resulted in a lack of profitable orders for hot-rolled coils and a reduced order book for hot-rolled plates. Subsequently, flat product output totalled 466 thousand tonnes at Metinvest Trametal (down 3% year-on-year), 190 thousand tonnes at Ferreira Valsider (down 45% year-on-year) and 153 thousand tonnes at Spartan UK (down 22% year-on-year). Promet Steel's output of long products totalled 558 thousand tonnes (up 1% year-on-year).

OVERALL OUTPUT OF SEMI-FINISHED AND FINISHED PRODUCTS

In 2024, the combined output of merchant pig iron and steel products at Metinvest assets[6] decreased by 3% year-on-year to 3,020 thousand tonnes. The reduction was primarily caused by lower output of flat products, which was partly offset by greater output of long products and pig iron.

In particular, output of flat products fell by 16% to 922 thousand tonnes.

Meanwhile, output of long products grew by 4% to 1,237 thousand tonnes, mainly due to a higher order book at Kamet Steel.

Merchan pig iron production doubled year-on-year and reached 42 thousand tonnes in 2024.

PRODUCT QUALITY MANAGEMENT

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

The Group's internal processes in this area are governed primarily by the Product Quality Policy, which was approved in January 2024. It is supported by the Product Quality Management Regulation. These internal documents are aligned with the ISO 9001 international standard. They establish clear responsibilities at both Group and subsidiary levels, guiding employees towards consistent quality management practices.

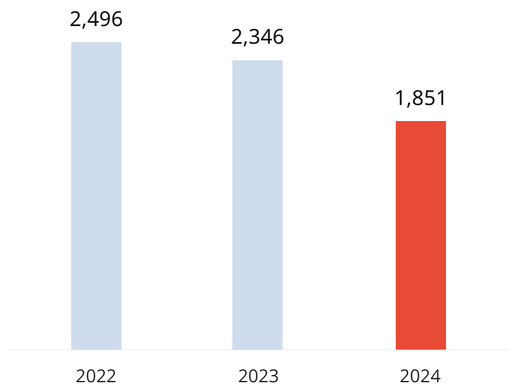
During the reporting period, several assets revised internal regulatory documents by adopting new enterprise guidelines, amending quality system procedures and instructions, and recalibrating technological and equipment parameters. These measures preserved product quality, enhanced employee accountability and aligned processes with evolving technology.

Consistent with international best practice, Metinvest continues to implement and uphold the ISO 9001 standard across its operations. At the end of 2024, 13 of the Group's production facilities[7] were certified under this standard.

Regular training programmes continued throughout the reporting period to reinforce employee competencies in quality management. In 2024, around 1,400 employees directly or indirectly involved in product manufacturing participated in dedicated training sessions to support effective implementation and operation of the quality management system.

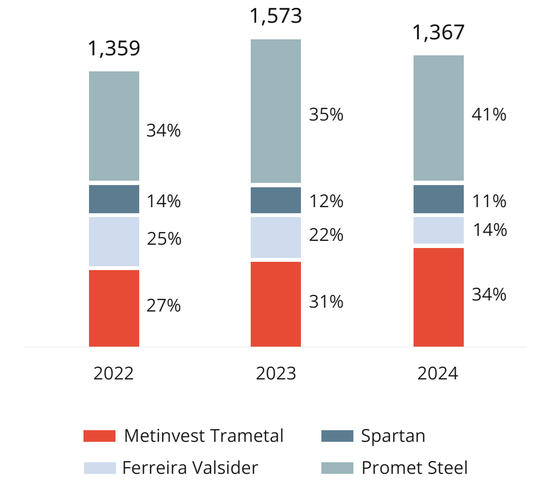
COKING COAL OUTPUT IN THE US

1,851 kt ↓21%



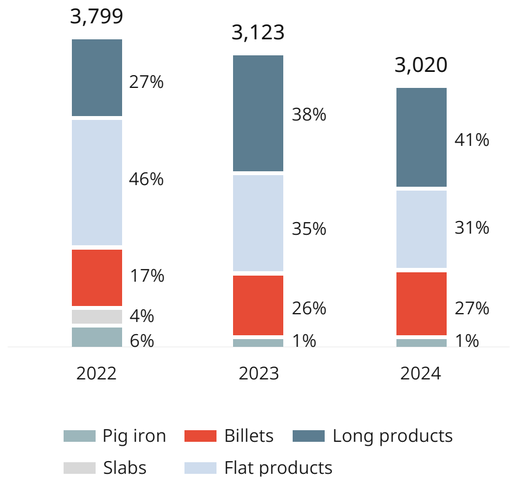
RE-ROLLERS OUTPUT IN THE UK AND EU

1,367 kt ↓13%



TOTAL PIG IRON AND STEEL OUTPUT

3,020 kt ↓3%



[6] Excludes intragroup sales and consumption.
[7] Central Iron Ore, Ferriera Valsider, Inhulets Iron Ore, Kamet Steel, Metinvest Trametal, Northern Iron Ore, Promet Steel, Spartan UK, Sviato-Varvarynska Beneficiation Factory, Unisteel, Zaporizhia Casting and Mechanical Works, Zaporizhia Coke and Zaporizhia Refractories.

CATALYST FOR GREEN INNOVATION

In 2024, Metinvest made visible progress in the development of a new, state-of-the-art green steel facility in Italy: Project Adria.

The plant is designed to deliver 2.7 million tonnes of low-carbon-emission hot-rolled steel products per year. It will apply advanced proven green steelmaking technologies within a full-cycle production process, manufacturing high-quality grades to meet a wide range of industrial requirements.

The facility will include two electric arc furnaces, a casting-rolling complex and a service centre. Danieli, a global leader in metallurgical engineering solutions with Italian roots, will provide the technology. It will also act as a shareholder of Metinvest Adria S.p.A., participating in joint management of the plant's operations.

The location for Project Adria in Piombino, Italy, was selected due to several strategic factors, including its designation as a site of national interest. Its proximity to a deepwater seaport, along with rail and road infrastructure, provides access to end customers in both Italy and internationally, as well as to raw material suppliers. This is expected to support efficient logistics.

The project will support at least 1,000 jobs by drawing on a local workforce with existing steel industry experience. Many of these people are already based at the site and are currently supported by government employment programmes following the closure of previous operations.

The initiative, backed by over EUR2.5 billion in investment from international financial institutions and the partners' own capital, will serve as a prototype for Ukraine's green steel future. The plant is part of Metinvest's strategy to align operations with long-term decarbonisation and sustainability targets. This reflects growing global demand for low-carbon products and is expected to generate synergies with the Group's iron ore reserves in Ukraine in the future.

In January 2024, Metinvest and Danieli signed a memorandum of understanding with the Italian government and local authorities regarding the relaunch of steel manufacturing in Piombino. In February 2025, the project partners signed the shareholder agreement and basic engineering contract. Subject to financing, construction is scheduled to begin in 2026, while operations are slated to commence in 2029.

Metinvest and Danieli at the signing of the shareholder agreement for a new plant in Piombino

FINANCIAL REVIEW

MANAGING CHANGE

Metinvest demonstrated resilience in 2024 amid a challenging operating environment defined by the war and market volatility among many other factors. The Group benefited from the reinstatement of Black Sea navigation and the financial impact of operational improvements while progressing its deleveraging efforts.

REVENUES

Metinvest generates revenues primarily through the sale of its own steel, iron ore, coal and coke products. It also resells goods produced by its joint ventures and other third parties.

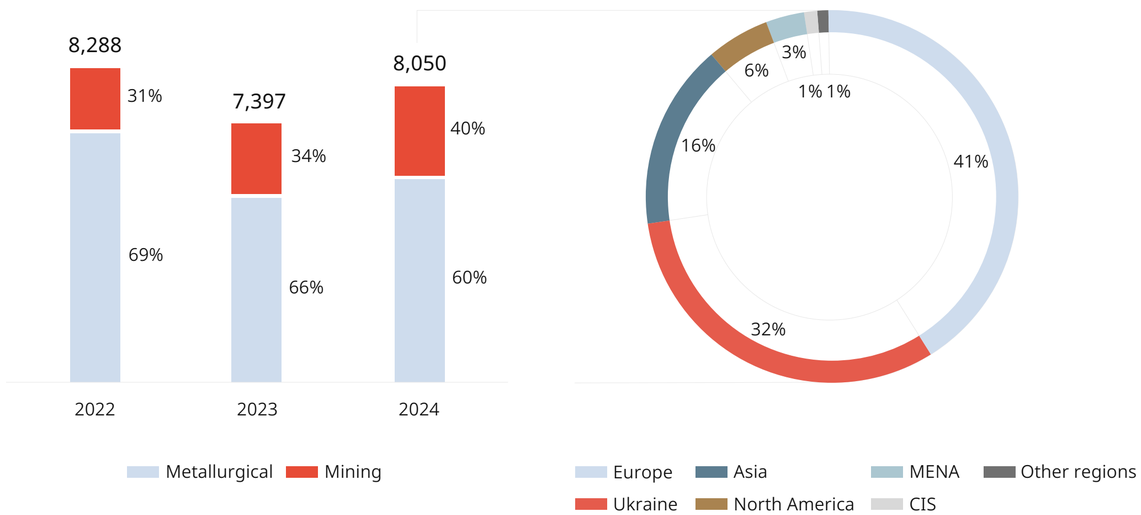
In 2024, the Group's consolidated revenues rose by 9% year-on-year to US$8,050 million. This increase was primarily driven by the effect of the reopening of Ukraine's Black Sea navigation, which eased logistical constraints for exports.

In addition, the volumes of resales of steel and iron ore substantially grew thanks to the improved operational performance of both joint ventures. At the same time, selling prices followed the downward trends of global benchmarks.

Overall, revenues from resales totalled US$2,869 million in 2024, up 30% year-on-year. They accounted for 36% of the top line, an increase of six percentage points year-on-year.

REVENUES

US$8,050 mn ↑9%



REVENUES BY MARKET

Metinvest's sales in Ukraine decreased by 2% year-on-year to US$2,587 million, mainly due to softer selling prices. As a result, Ukraine's share in consolidated revenues dropped by three percentage points to 32%.

At the same time, sales to other markets increased by 15% year-on-year to US$5,463 million in the reporting period, accounting for 68% of overall revenues.

Sales to Europe[1] declined by 8% year-on-year, reflecting a weaker pricing environment alongside lower shipments of iron ore concentrate (down by 18% year-on-year), coking coal concentrate (down by 26% year-on-year), and billets (down by 34% year-on-year). It was compensated by increased deliveries of pellets and flat products, each up by 10% year-on-year. As a result, the region's share in overall revenues dropped by seven percentage points to 41%.

Sales to Asia[2] surged by 2.6 times year-on-year, primarily because of the resumption of iron ore concentrate shipments to China. This drove up the region's share in overall revenues by nine percentage points to 16%.

Revenues from North America remained largely unchanged year-on-year at US$443 million. While shipments of long products rose by 43% year-on-year, pig iron volumes declined by 15% year-on-year. The region's share in consolidated revenues remained stable at 6%.

Revenues from the Middle East and North Africa (MENA) more than doubled, increasing by 2.2 times year-on-year, mainly because of a threefold rise in billet deliveries. The region's share in overall revenues grew by one percentage point to 3%.

Sales to CIS countries rose by 25% year-on-year, while the region's share in overall revenues remained unchanged at 1%.

Revenues from other regions climbed by 13% year-on-year and their share in total revenues held steady at 1%.

[1] Europe excludes Ukraine, European Commonwealth of Independent States (CIS) countries and Türkiye.
[2] Asia excludes the Middle East and Central Asia.

REVENUES BY PRODUCT

METALLURGICAL SEGMENT

In 2024, the Metallurgical segment's revenues remained nearly unchanged year-on-year at US$4,824 million. Sales of finished products and semi-finished products declined by 5% year-on-year and 3% year-on-year, respectively. At the same time, sales of coke increased by 6% year-on-year, while those of other products and services grew by 33% year-on-year. In the reporting period, the segment accounted for 60% of the overall top line (down six percentage points year-on-year).

Pig iron
In 2024, pig iron sales declined by 15% year-on-year to US$266 million, driven by a 16% year-on-year drop in shipments to 558 thousand tonnes. This included reductions of resales and in-house volumes by 12% year-on-year and by 52% year-on-year, respectively. The share of resales in total volumes rose by four percentage points year-on-year to 95%. North America and Europe remained key destinations for this product, accounting for 71% and 23% of all shipments, respectively, in 2024, compared with 70% and 26% in 2023.

Billets
In 2024, sales of billets grew by 9% year-on-year to US$389 million, driven by a 16% year-on-year increase in sales volumes to 716 thousand tonnes amid destocking. Shipments to MENA rose by 237 thousand tonnes year-on-year, making up 50% of overall deliveries in 2024 (20% in 2023). Conversely, shipments to Europe declined by 143 thousand tonnes year-on-year and accounted for 38% of all sales (68% in 2023). The average selling price decreased in line with the square billet CFR Türkiye benchmark, which fell by 7% year-on-year.

Flat products
In 2024, sales of flat products decreased by 6% year-on-year to US$2,244 million. This was driven by a decline in selling prices in line with the HRC CFR Italy benchmark, which fell by 9% year-on-year. Overall deliveries rose by 7% year-on-year to 3,047 thousand tonnes, supported by a 26% year-on-year increase in resales to 2,111 thousand tonnes, which brought their share in total volumes to 69% (up ten percentage points). Shipments were primarily directed to Europe, which accounted for 72% in overall volumes (71% in 2023). Sales in the region increased by 193 thousand tonnes, due to demand from key customers, an expanded customer base and stable operations of the Black Sea ports. Deliveries inside Ukraine accounted for 23% of sales volumes (25% in 2023).

Long products
Sales of long products remained similar year-on-year at US$948 million in 2024. Shipments increased by 5% year-on-year to 1,372 thousand tonnes, mainly arising from greater output at Kamet Steel. Ukraine and Europe remained key markets for these products, contributing 45% and 35% of total sales volumes, respectively (48% and 39% in 2023). The Group expanded deliveries to North America, which represented 17% of overall sales volumes in 2024 (12% in 2023). The average selling price declined, following the square billet CFR Türkiye benchmark.

Coke
During the reporting period, sales of coke climbed by 6% year-on-year to US$485 million. This was driven by more shipments, which increased by 18% year-on-year to 1,349 thousand tonnes, primarily thanks to higher resales to the Metallurgical JV. The average selling price decreased, following the dynamics of coking coal benchmark quotations.

MINING SEGMENT

In 2024, the Mining segment's revenues rose by 26% year-on-year to US$3,226 million, because of higher sales of iron ore products (up 78% year-on-year). The segment's share in the overall top line accounted for 40% (up six percentage points year-on-year).

Iron ore concentrate
Sales of merchant iron ore concentrate surged by 2.2 times year-on-year to US$1,638 million in 2024, driven by the unblocking of Ukraine's Black Sea navigation. Consequently, total sales volumes reached 16,465 thousand tonnes (up 2.2 times year-on-year). The Group ramped up deliveries to Asia, where sales rose by 9,566 thousand tonnes, accounting for 70% of overall shipments in 2024 (27% in 2023). Shipments to Ukraine remained relatively stable, representing 18% of total sales volumes (41% in 2023). Meanwhile, deliveries to Europe declined by 406 thousand tonnes, making up 11% of overall sales volumes (31% in 2023).

Pellets
In 2024, sales of pellets climbed by 8% year-on-year to US$751 million, driven by a 14% rise in sales volumes to 6,055 thousand tonnes. With increased demand from key customers, most of these volumes were distributed to Europe (81% in 2024, compared with 84% in 2023) and Ukraine (16% in 2024, compared with 15% in 2023).

Coking coal concentrate
In 2024, sales of coking coal concentrate fell by 26% year-on-year to US$795 million. First, the average selling price declined following the hard coking coal FOB Australia spot and LV FOB USEC benchmarks, which dropped by 19% and 16% year-on-year, respectively. Second, sales volumes decreased by 19% to 3,597 thousand tonnes because of lower output by both producers. During the reporting period, United Coal distributed almost all its products to Europe, North America and Asia, which accounted for 33%, 31% and 22%, respectively (34%, 27% and 33% in 2023, respectively). Pokrovske Coal's shipments were primarily directed to Ukraine (85% in 2024, compared with 62% in 2023), and, to a lesser extent, to Europe (15% in 2024, compared with 20% in 2023).

NET OPERATING COSTS

In 2024, net operating costs (excluding items shown separately)[3] grew by 12% year-on-year to US$7,648 million, mainly as a result of the factors described below.

In the reporting period, the cost of goods and services for resale rose by US$516 million amid stronger resale volumes. Overall spending on the transportation of goods climbed by US$412 million, primarily due to increased freight costs amid stronger seaborne export volumes on the back of the reinstatement of Black Sea navigation. Additionally, energy material costs grew by US$99 million as a result of the higher electricity component resulting from increased consumption and tariffs for the Group's Ukrainian assets.

This was partly offset by a US$142 million reduction in raw materials costs, primarily due to decreased purchases of third-party feedstock for the re-rollers, as well as lower prices for coal, coke and iron ore. Net operating costs were further reduced by US$140 million due to a positive effect on costs from the hryvnia's depreciation against the US dollar.

As a percentage of consolidated revenues, net operating costs reached 95% in 2024 (up three percentage points year-on-year).

IMPAIRMENT OF FINANCIAL ASSETS

In 2024, impairment of financial assets decreased to US$23 million, compared with US$123 million a year earlier. As a percentage of consolidated revenues, the impairment of financial assets was nil in the reporting period, compared with 2% in 2023.

ALLOWANCE FOR IMPAIRMENT OF ASSETS

In 2024, the allowance for impairment of assets was US$1,317 million (US$12 million in 2023). As a percentage of consolidated revenues, the allowance for impairment of assets was 16% (nil in 2023).

As a result of the high level of uncertainty regarding the future development of the military situation in Ukraine, the deteriorating security situation in the vicinity of Pokrovske Coal, the subsequent suspension of its production, as well as the unknown timing of the restart of operations, the Group booked an allowance of partial impairment of assets in relation to its Ukrainian coking coal producer that was recognised in the profit and loss accounts.

As of 31 December 2024, Pokrovske Coal's assets in the Group's Consolidated Balance Sheet amounted to US$134 million, consisting primarily of property, plant and equipment, as well as inventories and replaceable equipment.

FINANCE INCOME

In 2024, Metinvest's finance income grew by 2.4 times year-on-year to US$74 million, primarily as a result of a gain on the extinguishment of bonds that were repurchased during the reporting period. As a percentage of consolidated revenues, finance income was 1% in 2024 (0.4% in 2023).

FINANCE COSTS

In the reporting period, finance costs increased by 47% year-on-year to US$409 million. This was primarily an effect of the recognition of non-cash losses of US$112 million on factoring operations of accounts receivable with the Group's subsidiaries located on the temporarily occupied territory and being under bankruptcy procedure. These balances were initially eliminated through consolidation, but after selling them to an external party the Group recognised losses, which arose due to a substantial discount embedded in the transaction, given the nature of the transferred balances. At the same time, interest expenses on bonds and other borrowings dropped by 7% year-on-year.

As a percentage of consolidated revenues, finance costs stood at 5% (up one percentage point year-on-year).

SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

In 2024, Metinvest's share in the net income of its associates and joint ventures was US$56 million, compared with a loss of US$232 million in 2023. The result was driven primarily by an improved performance of both joint ventures.

INCOME TAX BENEFIT

In 2024, the income tax benefit amounted to US$65 million, compared with income tax expenses of US$159 million in 2023. This was mainly due to the effect of the write-off of related deferred tax liability following the partial impairment of Pokrovske Coal's assets. At the same time, current tax expenses grew by 23% year-on-year to US$124 million in the reporting period.

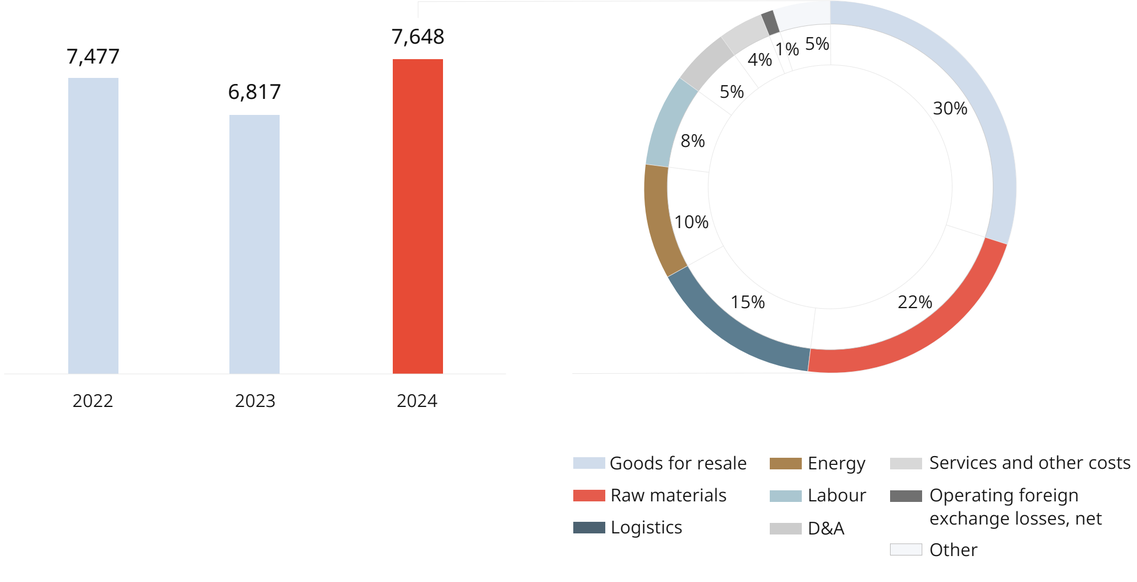
NET LOSS

In 2024, the net loss was US$1,152 million, compared with US$194 million a year ago. This was primarily driven by an allowance for partial impairment of coking coal assets in Ukraine, increased net operating costs, as well as higher finance costs. These factors were partly offset by stronger revenues, the enhanced performance of associates and joint ventures, income tax benefit, lower impairment of financial assets, as well as higher finance income.

The net loss margin reached 14% in the reporting period, compared with 3% a year ago.

NET OPERATING COSTS

US$7,648 mn ↑12%



[3] In the factor analysis, all costs are presented net of the impact of exchange rate fluctuations between the hryvnia and the presentational 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 2024, Metinvest's EBITDA rose by 11% year-on-year to US$957 million. The Metallurgical segment's EBITDA grew by 82% to US$289 million, while the Mining segment's EBITDA remained flat at US$768 million. Corporate overheads and eliminations totalled US$100 million in 2024 (US$68 million in 2023).

As a result, in 2024, the Mining segment's contribution to the Group's EBITDA (before adjusting for corporate overheads and eliminations) was 73% (83% in 2023), while the Metallurgical segment's contribution grew to 27% (17% in 2023).

The growth in the Group's EBITDA was driven primarily by: stronger sales volumes of in-house iron ore products, as well as of billets and long products; operational improvements (as commented further in the text); the positive effect of the hryvnia's depreciation against the US dollar on costs (almost 9% year-on-year); weakening of the hryvnia against the US dollar on average for 2024; the improved performance of both joint ventures; lower raw materials costs from reduced coal, coke and iron ore prices; as well as decreased purchases of third-party feedstock for the re-rollers.

These factors were partly offset by: decreased selling prices; greater overall spending on transportation of goods, mainly due to increased seaborne shipments from Ukraine to distant markets; and increased spending on energy materials, primarily due to higher electricity costs.

In 2024, the Group generated a positive EBITDA margin of 12% (flat year-on-year). The Mining segment's EBITDA margin was 20% (down six percentage points year-on-year), while the Metallurgical segment's EBITDA margin was 6% (up three percentage points year-on-year).

OPERATIONAL IMPROVEMENTS

In 2024, Metinvest achieved significant gains from operational improvements, amounting to US$226 million: nearly double the previous year's figure.

First, enhanced sales were driven by the restoration of Black Sea navigation, allowing access to more efficient markets and improving overall logistics profitability due to lower freight costs.

Second, a revised approach to the centralised management of iron ore assets revealed synergies between the assets, enabling the most effective unitlisation of production units, as well as human and financial capital.

Third, in the metallurgical segment, there was a reduction in coke consumption at Kamet Steel and improved blast furnace performance, achieved through the rapid adaptation of PCI technology to alternative coal types amid wartime supply constraints.

Additionally, optimising of the procurement of raw materials contributed to these positive results.

[4] Other costs include labour costs, repairs and maintenance, services and other costs, as well impairment of financial assets.

APPROACH TO TAX

Metinvest takes a structured approach to managing its tax obligations, supported by a specialised unit within the Financial Directorate tasked with ensuring compliance with applicable regulatory standards and internal guidelines.

The Group's activities in this area are governed by its Tax Policy, which outlines several key 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.

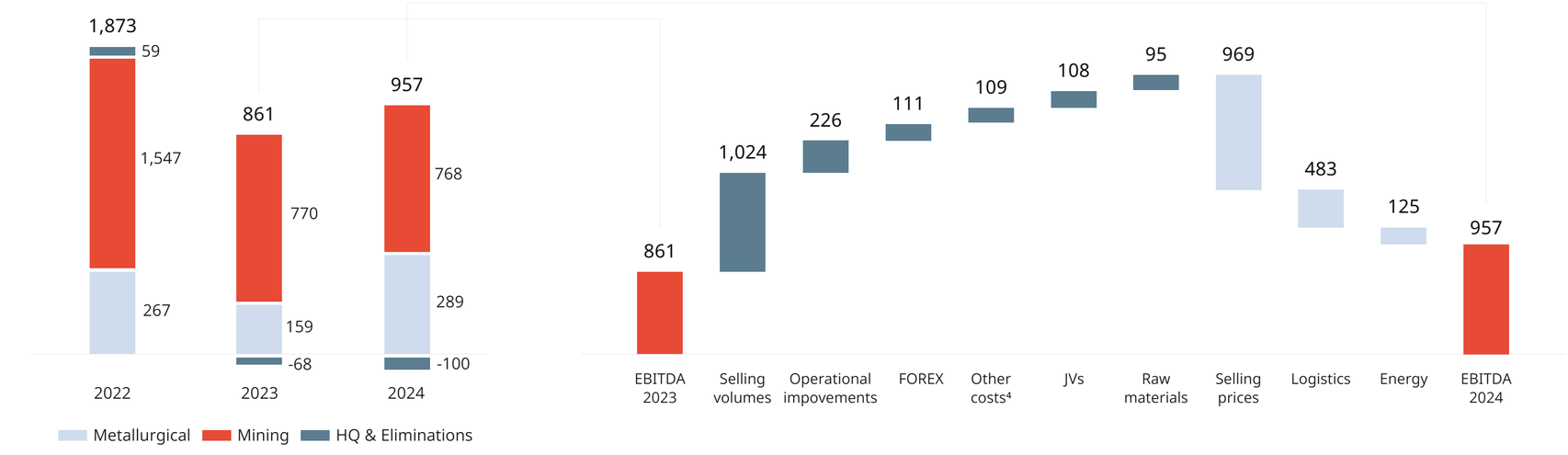
Additionally, Metinvest's Tax Policy framework enables the reporting of any breaches via the Trust Line, bolstered by centralised oversight and decision making. This is part of a comprehensive approach to managing tax risks, encompassing systematic risk detection, evaluation, mitigation and ongoing monitoring.

Compliance processes and the accuracy of tax reporting are verified through rigorous internal reviews. The Group maintains constructive dialogue with tax authorities, engaging systematically in regulated audits and consultations, thereby underscoring its commitment to transparency with fiscal institutions.

Through its tax contributions to national and local budgets in its countries of operation, Metinvest plays a vital role in supporting their economic advancement. In 2024, the Group's global tax contributions totalled US$478 million, of which US$350 million were in Ukraine.

EBITDA

US$957 mn ↑11%



LIQUIDITY AND CAPITAL RESOURCES

Net cash from operating activities
In the reporting period, Metinvest's operating cash flows before working capital changes remained largely unchanged year-on-year at US$929 million.

At the same time, working capital outflow totalled US$198 million (compared with inflow of US$83 million in 2023), predominantly due to a rise in the net effect of trade and other accounts receivable.

Income tax paid declined by 30% to US$102 million. Interest paid decreased by 4% to US$161 million.

As a result, Metinvest's net cash from operating activities declined by 34% year-on-year to US$468 million.

Net cash used in investing activities
In 2024, net cash used in investing activities totalled US$197 million, down 34% year-on-year. Total cash used to purchase property, plant and equipment (PPE) and intangible assets (IA) fell by 29% to US$216 million. Interest received doubled to US$13 million, while proceeds from sales of PPE and IA slightly decreased to US$6 million.

Net cash used in financing activities
In 2024, net cash used in financing activities totalled US$241 million, compared with US$115 million in 2023.

Net repayment of loans and borrowings amounted to US$216 million (US$185 million in 2023), primarily resulting from repurchasing bonds.

Net trade finance repayments amounted to US$25 million, compared with proceeds of US$70 million in 2023.

CAPITAL EXPENDITURES

In 2024, Metinvest maintained a prudent capital-allocation policy shaped by wartime constraints in Ukraine and decarbonisation of the European steel industry.

Spending in Ukraine was directed first and foremost to keeping people safe, sustaining critical equipment, and strengthening energy resilience and environmental compliance at operating sites. It also sought to reduce logistical bottlenecks.

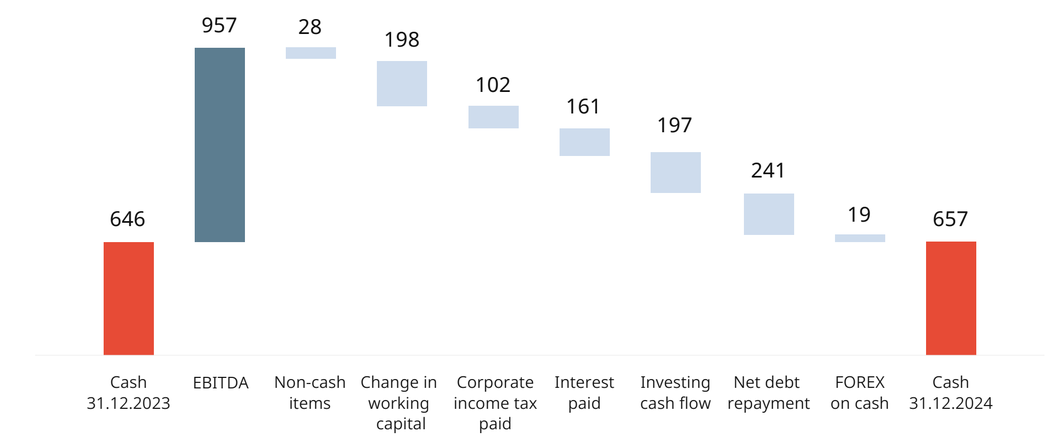
Although most large development projects remained on hold, the Group resumed a key initiative to thicken beneficiation wastes at Northern Iron Ore. The project aims to reduce tailings volumes, decrease operating and capital expenditures and reduce the environmental footprint, while also helping to maintain production volumes.

Metinvest also continued to prepare for the post-war recovery.

Outside Ukraine, the Group is advancing Project Adria, its low-carbon steelmaking complex in Italy. For more details about the project, see page 20.

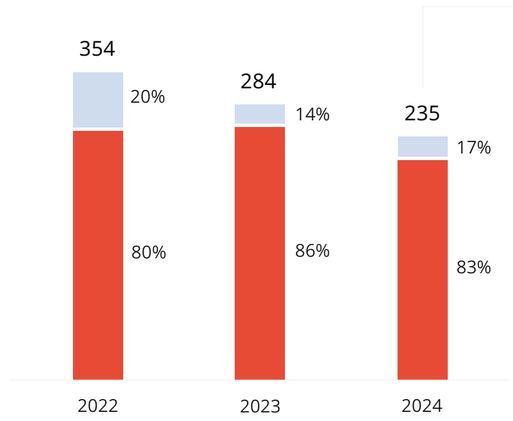
Overall, in the reporting period, total capital expenditures fell by 17% year-on-year to US$235 million. Around 83% of this was devoted to maintenance and 17% to strategic initiatives.

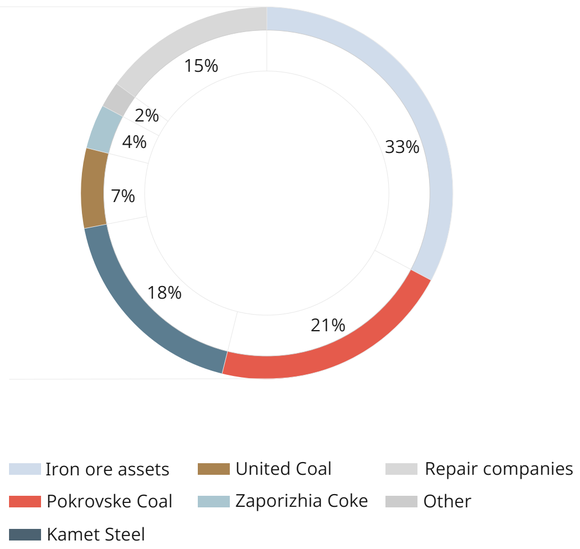
CASH FLOW



CAPEX

US$235 mn ↓17%





DELEVERAGING

Metinvest ended 2024 in a markedly stronger financial position. Total debt[5] as at 31 December 2024 was US$1,705 million, down 14% year-on-year. Meanwhile, the ratio of net debt[6] to EBITDA improved to 1.1x, compared with 1.6x a year earlier.

Bonds listed on the Euronext Dublin Stock Exchange remained the backbone of the Group's capital structure. They accounted for 85% of Metinvest's debt portfolio, up slightly from 84% as at 31 December 2024.

Metinvest's deleveraging drive accelerated during 2024. Through a series of liability-management transactions, the Group repurchased around EUR144 million of bonds due in 2025 and roughly US$56 million of bonds due in 2026. It also reduced the use of short-term trade-finance facilities.

In June 2025, after the reporting period, Metinvest fully redeemed the remaining principal amount of Senior Notes due in 2025 in full and in time. With this transaction, the Group has repaid two series of Senior Notes since the full-scale invasion.

Overall, Metinvest has repaid around US$670 million of debt since the beginning of 2022. The Group made these repayments despite the material impact of the full-scale war on its business model, including the loss of operational control or suspension of operations at certain assets in Ukraine and the continuing challenges of the current operating environment.

In addition, during the reporting period, the Group also diversified its working capital financing options.

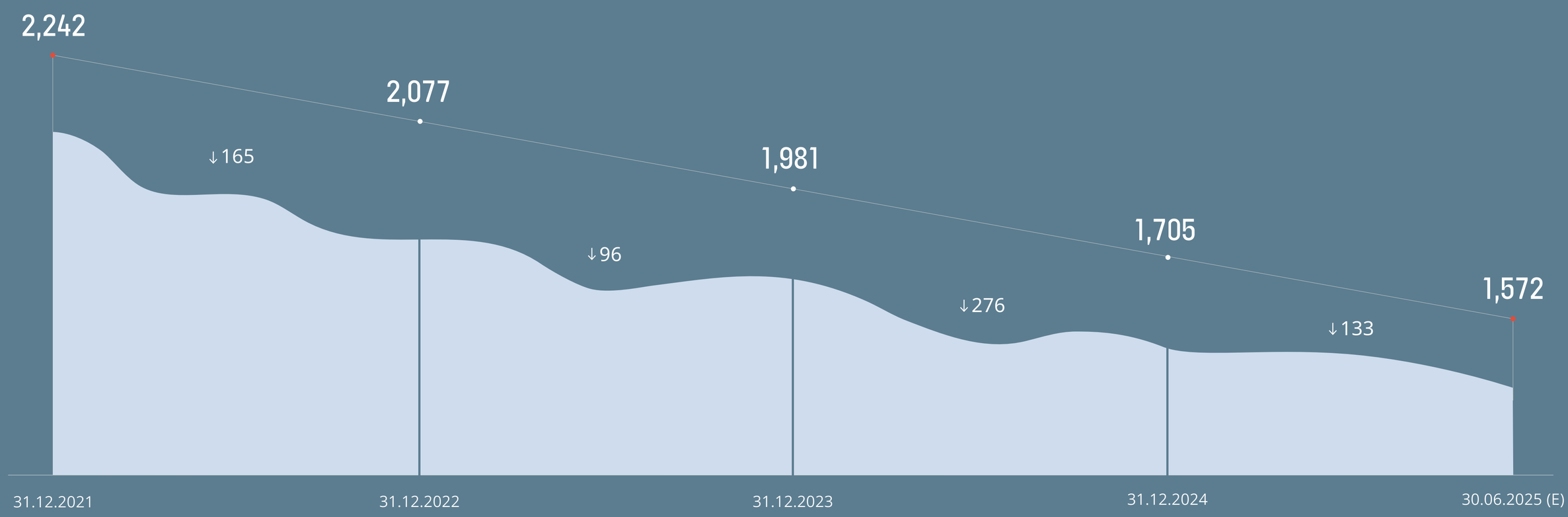
In May 2024, it secured a new EUR10 million committed loan from the Black Sea Trade and Development Bank. In July 2024, it opened a new accounts receivable securitisation programme for the Italian re-rollers structured by Banca Akros S.p.A to finance a pool of accounts receivable of up to EUR50 million.

Credit rating agencies has continued to monitor Metinvest's performance. In October 2024, S&P maintained Metinvest's Long-Term Issuer Credit Rating at 'CCC+/negative,' which stands five notches above Ukraine's sovereign rating. Similarly, in July 2024, Fitch affirmed Metinvest's Long-Term Foreign Currency Issuer Default Rating at 'CCC,' placing it three notches above Ukraine's sovereign rating.

In June 2025, Moody's upheld the long-term corporate family rating (CFR) at 'Caa3' with a 'stable' outlook, indicating it is one notch above Ukraine's sovereign rating. Furthermore, Moody's scorecard-indicated outcome for May 2025 suggests Metinvest's potential credit rating at 'Ba2' based on a 12-18 month forward view, assuming it is not capped by Ukraine's sovereign foreign-currency ceiling.

[5] Total debt is calculated as the sum of bank loans, non-bank borrowings, bonds issued, trade finance and lease liabilities.
[6] Net debt is calculated as total debt less cash and cash equivalents.

TOTAL DEBT REPAYMENTS SINCE THE OUTBREAK OF WAR NEARLY US$670 MN



DIGITAL REVIEW

ADAPTIVE SUPPORT

In 2024, Metinvest continued to underscore its resilience and adaptability as it delivered essential business-critical digital projects. The Group strengthened cybersecurity through upgraded protocols and rigorous reviews, while targeted retraining programmes sharpened technical capabilities.

RELIABLE SERVICE PROVIDER

In 2024, Metinvest's digital agenda focused on the following main priorities in line with the Group's development: enhancing data governance, expanding the use of artificial intelligence technologies and strengthening information security.

Activities in data management aimed to increase efficiency through process automation and targeted projects such as trading data consolidation, CBAM reporting and HR analytics. AI tools were introduced across production and administrative functions, including machine vision for quality control and safety monitoring. These initiatives were supported by staff training that reached over 3,000 employees. Information security activities were enhanced, with varied measures to protect the digital infrastructure from cyber threats as detailed below.

The digital roadmap, adopted in 2020, remained a guiding element of Metinvest's activities in this area. It continued to align with core business functions, though wartime constraints led to a shift towards smaller, short-term projects. During the reporting period, the roadmap focused on the primary operations of the Group's iron ore assets, as well as selected non-Ukrainian sites.

Metinvest sustained long-term digitalisation efforts at its assets outside Ukraine. During the reporting period, the Group completed implementation of the SAP CRM system at Metinvest Polska to improve the efficiency of sales operations.

Support for remote work advanced during the year as the Metapolis digital workplace platform transitioned from pilot to full-scale deployment across nine Metinvest assets in Ukraine. Coverage expanded significantly as more staff moved from test mode to active use, marking a key milestone in the Group's digital transformation. Additional functionalities were also introduced, enhancing accessibility and workflow efficiency.

Key outcomes included:

- access via mobile, web and chatbot interfaces
- broader use of electronic document workflows with qualified electronic signatures
- further replacement of selected paper-based processes.

CONSTANT VIGILANCE

Metinvest's information security efforts are guided by its Cybersecurity Strategy 2022-2026, which continued to be implemented in 2024. This focuses on reducing risks related to information leaks and system failures that could affect critical Group equipment and processes. It also ensures compliance with relevant legal requirements, including the General Data Protection Regulation (GDPR).

The Cybersecurity Strategy is backed by Metinvest's Information Security Policy and a set of more than 15 internal regulations addressing core areas such as data security and privacy. These documents include procedures for access control, risk assessment and information security incident response.

Metinvest maintained compliance of its information security system with ISO 27001[1] and NIST Security Standards[2], confirmed through annual external audits. In addition, certification under ISO 20000-1:2018 was obtained, confirming the quality and reliability of the Group's IT service management system.

Key cybersecurity measures in 2024 focused on prevention, response and strengthening internal standards. Metinvest maintained round-the-clock protection and carried out ongoing operations to ensure a high level of cybersecurity across company verticals. These included:

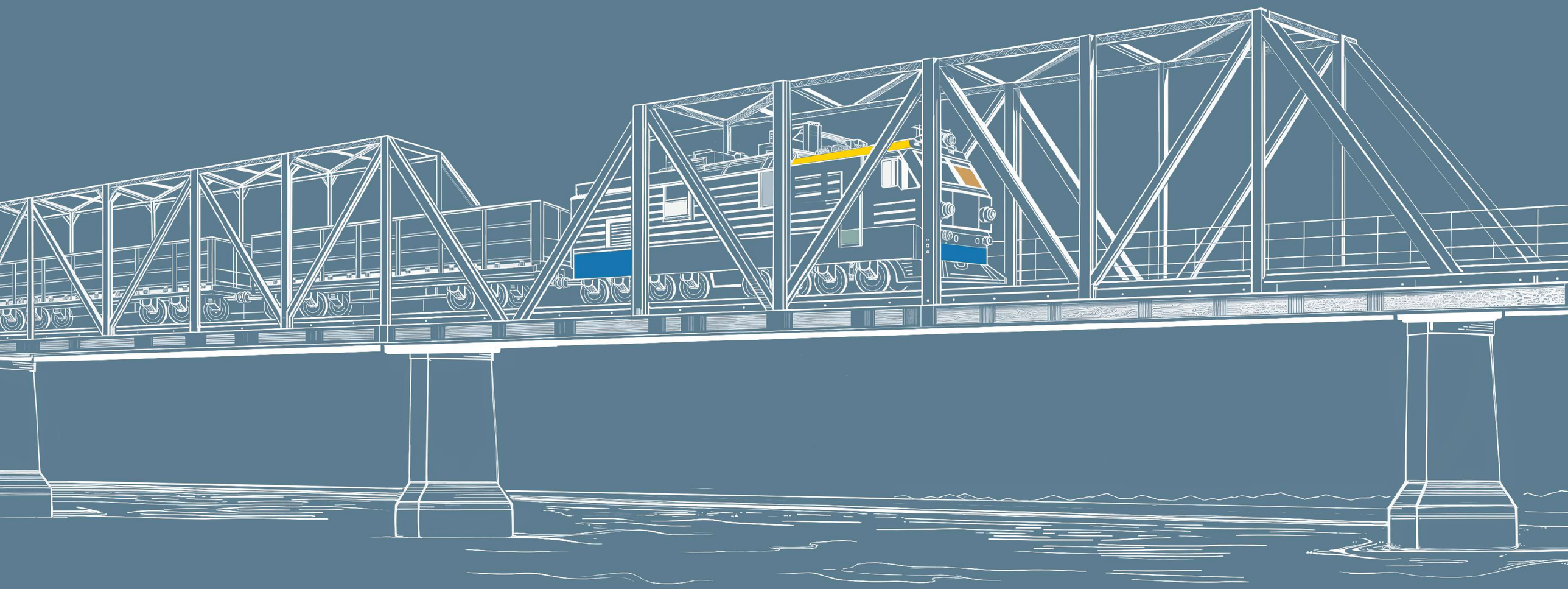
- regular vulnerability testing, risk assessments and updates to the existing internal policies
- 24/7 operation of the cybersecurity centre to support detection, response and system stability
- deployment of security controls and reduction of known vulnerabilities
- containment of attempted attacks with no financial loss and minimal disruption.

To strengthen employee awareness, in-person training sessions were held during the reporting period. These covered fraud prevention, data protection and cyber risks in industrial systems. Phishing simulations were conducted to support the development of response protocols, as this type of attack often exploits human error. Monthly reports to management provided continuous oversight and helped to track progress in risk mitigation.

[1] This certification is held by Metinvest Digital and Metinvest Holding.
[2] Established by the National Institute of Standards and Technology (NIST), the NIST Security Standards are a set of guidelines, controls and best practices designed to enhance cybersecurity measures and ensure compliance with government standards and regulations.

02 SUSTAINABILITY REPORT

Metinvest assisted with the repair of a war-damaged rail bridge that links its Ukrainian assets with key ports, enabling its logistics to stay the course. This restored link shortened transit routes and ensured that the Group's products reached customers efficiently.



SUSTAINABILITY APPROACH

SOLID FOUNDATIONS

Metinvest is dedicated to incorporating sustainability into its business practices. The Group's resilience is strengthened by a robust framework supported by comprehensive policies and regular stakeholder engagement, which drive strategic ESG initiatives.

COMMITMENT IN PRACTICE

Metinvest implements its sustainability agenda in alignment with the principles set forth in the SCM Sustainability Policy, shaping the commitment to sustainable development and promoting ethical business conduct. In accordance with the document, Metinvest is guided by 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 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.

Overall, Metinvest's sustainability agenda is structured around the ESG principles identified through an assessment of material issues. These areas underpin Metinvest's sustainability projects and initiatives, providing a unified strategic framework.

As regulations for non-financial reporting continue to evolve, the Group is preparing diligently towards CSRD and ESRS compliance.

Metinvest expects it will be in the second wave of companies under the CSRD and the Group anticipates preparing its first ESRS-aligned report in 2028, based on data for the financial year ending 31 December 2027. This timeline may be adjusted following the final adoption of proposed simplifications of the EU's sustainability reporting framework.

In the meantime, Metinvest's preparatory actions include Double Materiality Assessment (DMA) and an analysis to check whether it meets ESRS requirements. These efforts are also part of a more extensive roadmap for improving the quality and consistency of the Group's ESG disclosures, with a strong focus on assessing the interdependence of Metinvest's operations and environmental and social factors, and the associated risks and opportunities.

For more details regarding the identification of material topics, please refer to page 5.

ENVIRONMENT AND SOCIAL MANAGEMENT SYSTEM

Metinvest's approach to the governance of sustainability-related areas is rooted in accountability, transparency and adherence to international best practices.

Community engagement, human capital management, occupational health and safety, and environmental stewardship are governed by policies and multilayered oversight. These elements are monitored by the Supervisory Board through relevant committees and the Management Board, with the involvement of the executive team.

This holistic approach enables the Group to fulfil its responsibilities towards stakeholders and advance sustainable development.

ENVIRONMENT AND CLIMATE	HEALTH AND SAFETY	HUMAN CAPITAL	COMMUNITIES
SUPERVISORY BOARD			
Health, Safety and Environmental Committee	Health, Safety and Environmental Committee	Appointments and Compensations Committee	Supervisory Board
MANAGEMENT BOARD			
EXECUTIVE TEAM			
Technological Directorate	Operations Directorate Coal Directorate	Sustainable Development and People Management Directorate	Operations Directorate
Internal Audit Directorate			
INTERNAL REGULATIONS AND INTERNATIONAL STANDARDS			
Policy in the Field of Health, Safety and the Environment Climate Change Policy	Policy in the Field of Health, Safety and the Environment	Human Capital Management Policy	Approaches and Principles of Social Spending and Local Community Engagement
ISO 50001, 14001:2015	ISO 45001	ILO Conventions	
GENERAL REGULATIONS			
SCM Sustainability Policy	Human Rights Policy	Code of Business Partnership	Code of Ethics
PRIORITISED SUSTAINABLE DEVELOPMENT GOALS			
8 Decent Work and Economic Growth	9 Industry, Innovation and Infrastructure	11 Sustainable Cities and Communities	12 Responsible Consumption and Production	13 Climate Action

STAKEHOLDER ENGAGEMENT

In 2024, Metinvest strove to engage in meaningful ways with all external and internal stakeholder groups.

Employees. The Group prioritised the safety and well-being of its employees, implementing comprehensive safety measures, reskilling initiatives and targeted support for those affected by the war.

Customers. Regular customer dialogue, strengthened key account management and ongoing digitalisation efforts were aimed at improving service quality and customer satisfaction.

Suppliers and contractors. Metinvest sustained stable supplier relationships by diversifying sourcing and optimising procurement strategies. There was an ongoing focus on compliance and thorough due diligence, while effective communication fostered engagement.

Local communities. The Group engaged with local communities, identifying and addressing their evolving needs. Through partnerships and targeted programmes, it focused in Ukraine on supporting the country's defenders, social infrastructure restoration, humanitarian and other projects.

Equity and debt providers. Metinvest actively engaged with its debt providers, consistently meeting its obligations. The Group progressed with its efforts to reduce debt. Concurrently, it secured new funding arrangements to support its operations.

Government authorities. The Group engaged with government authorities through conferences and participation in employer and business association working groups. Through its involvement, Metinvest contributed to legislative developments on labour relations, vocational education reform and occupational practices.

Media. Metinvest managed its public relations, coordinating media engagements and emphasising its role in supporting Ukraine's defence efforts and economic resilience.

ESG RATINGS

Independent ESG ratings play a crucial role in assessing Metinvest's performance across environmental, social and governance criteria, as well as highlighting potential areas for enhancement. During the reporting period, the Group maintained ESG ratings from three globally respected agencies: MSCI, Sustainalytics and S&P.

MSCI
ESG RATING BB

MSCI evaluates companies based on their industry-specific ESG risk exposure and their effectiveness in managing such risks compared with peers, assigning ratings on a scale from 'CCC' (lowest) to 'AAA' (highest).

In May 2025, after the reporting period, MSCI affirmed its ESG Rating for Metinvest at 'BB', underlining that the Group has detailed policies on business ethics, with strong focus on anti-corruption measures. The agency highlighted that safety management is aligned with industry standards, and executive compensation is linked to safety performance. It also stated that the Group's waste handling practices meet sector norms, and production facilities are certified under the ISO 14001 environmental standard.

SUSTAINALYTICS
ESG RISK RATING 38.3

Sustainalytics measures a company's level of unmanaged ESG risk, scoring it on a scale ranging from 0 (lowest risk) to 100 (highest risk).

Beginning in 2024, Sustainalytics stopped providing solicited ESG ratings to privately owned companies. As a result, the Group's ESG Risk Rating was terminated in May 2024. However, the coverage of Metinvest was restarted later in the year.

In December 2024, Sustainalytics assigned Metinvest the ESG Risk Rating of 39.1, an improvement from the level of 39.5 awarded earlier. The agency assessed the Group's management of ESG risks as average, mentioning that Metinvest strengthened its human resources strategy and that it recognised its robust approach to health and safety, including active risk prevention measures.

The assessment included risks beyond the Group's control associated with the full-scale war in Ukraine.

In May 2025, after the reporting period, Metinvest's ESG Risk Rating improved further to 38.3.

S&P
CSA SCORE 36 **GLOBAL ESG SCORE 41**

The S&P Global Corporate Sustainability Assessment (CSA) assigns companies two related scores: the CSA Score, which reflects sustainability performance based on its public disclosures, and the ESG Score, which expands upon the CSA results by incorporating additional factors, including modelling approaches and media/stakeholder analysis. Both scores apply a broad range of industry-specific sustainability criteria from 0 to 100 (100 being the maximum, the higher the better).

In February 2025, after the reporting period, S&P's Global CSA Score for Metinvest improved to 36, compared with 32 in 2024. The Group's Global ESG Score stood at 41, up from the rating of 37 awarded earlier.

S&P cited Metinvest's improvements in climate change management and human rights practices as the primary drivers for increasing the scores in February 2025. The agency also highlighted that the Group's business ethics practices exceed the industry average and its environmental management policy, particularly in energy stewardship, surpasses common industry practices.

UN SDG CONTRIBUTION IN 2024

Being a member of the UN Global Compact for more than 15 years, Metinvest adheres to the Ten Principles of Sustainable Development.

The Group is committed to progressing the UN SDGs, prioritising efforts where its contributions can have the greatest impact.

The ongoing full-scale war in Ukraine substantially affects Metinvest's operations and its initiatives towards achieving the SDGs. The Group remains dedicated to supporting Ukraine and its people throughout the challenges caused by the war.

Throughout these difficulties, Metinvest has maintained its focus on advancing the UN SDGs. The Group concentrates primarily on the five goals most closely aligned with its long-term strategic priorities:

- 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).

Metinvest also contributes to achievement of other UN SDGs, such as SDG 1 (No Poverty), SDG 3 (Good Health and Well-being), SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 6 (Clean Water and Sanitation), SDG 7 (Affordable and Clean Energy), SDG 10 (Reduced Inequalities), SDG 15 (Life on Land), SDG 16 (Peace, Justice and Strong Institutions), and SDG 17 (Partnerships for the Goals).

CONTRIBUTION TO PRIORITISED SDGs

- Sustain operational performance and prioritise critical repairs
- Deliver medical, psychological and other assistance to war-impacted employees and their families
- Advance comprehensive programmes for veterans' adaptation and transition back into civilian life
- Increase salaries and enhance the motivation system

- Collaborate with Ukrainian authorities and private sector partners on Ukraine's post-war rebuilding initiatives
- Diversify business activities to support the Group's shift towards green steel manufacturing practices
- Strengthen digitalisation efforts and enhance cybersecurity measures
- Broaden educational offerings through Metinvest Polytechnic

- Support defenders with protective and other equipment
- Deliver humanitarian aid to the impacted communities
- Repair damaged infrastructure
- Equip shelters to protect communities from shelling
- Support hospitals with essential repairs, equipment and medicines

- Strengthen energy safety management to ensure operational resilience and reduce production disruptions
- Use innovative and resource-efficient technological solutions
- Recycle and reuse waste and by-products from steelmaking and mining
- Increase utilisation of recycled and reused water

- Implement energy-efficiency initiatives
- Improve the transparency and accuracy of carbon emissions reporting
- Strengthen climate-related governance and the risk management system
- Evaluate climate-related risks and opportunities using scenarios aligned with the Paris Agreement

SUPPORT FOR UKRAINE AND COMMUNITIES

STRENGTH IN UNITY

In 2024, Metinvest was unwavering in its commitment to resilience amid the ongoing war in Ukraine. The Group delivered targeted support, assisting communities, defenders and employees.

STANDING WITH UKRAINE

In 2024, Metinvest concentrated its community initiatives primarily on addressing the evolving needs driven by the war in Ukraine.

The Group continued to support Ukraine's defence forces under Rinat Akhmetov's Steel Front. Contributions included protective equipment, tactical supplies, medical care, and essential resources for both military personnel and civilians.

Metinvest also contributed to important infrastructure projects, including the renovation of hospitals, schools, residential buildings, bridges and roads, and assisted in providing shelters for communities.

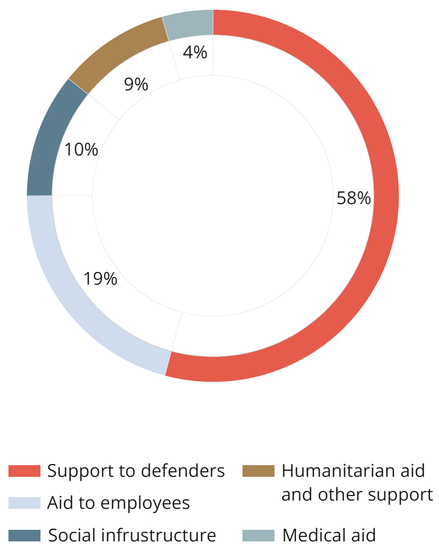
Humanitarian aid – delivered primarily through the Saving Lives[1] initiative – remained integral to the Group's social engagement, particularly in assistance to internally displaced persons and other vulnerable groups.

Collectively, these efforts underscore Metinvest's commitment to supporting communities, enhancing security, and promoting sustainable social development in Ukraine and internationally.

Overall, in 2022-2024 the Group, its joint ventures and associated companies contributed around US$258 million[2] towards helping its communities and employees.

SPENDING FOR 2022-2024

US$258 mn



GOVERNANCE

Metinvest has aligned its community investment priorities to reflect ongoing wartime conditions, yet continues to uphold a structured and transparent approach to community engagement. The Group maintained dialogue with local communities through meetings, public consultations, formal enquiries and collaboration with NGOs, ensuring that its initiatives closely matched respective needs.

At the regional level, the Regional Development Department, part of the Operations Directorate, is responsible for and oversees community-focused activities. Additionally, the executive team's Project Office is integral to coordinating support for Ukraine's defence efforts. The Supervisory Board reviews local community projects.

All initiatives follow internal standards set out in the Approaches and Principles of Social Spending and Local Community Engagement. This framework clearly defines project selection criteria, prioritisation methods and evaluation procedures. It also establishes a structured management cycle covering task distribution, planning, communication, implementation, monitoring and reporting.

The regulation incorporates the following core principles:

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.

[1] Saving Lives is a humanitarian initiative created by Metinvest in coordination with the Rinat Akhmetov Foundation at the beginning of the Russian invasion of Ukraine.
[2] 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 Metinvest, its joint ventures and associated companies.

SUPPORT TO DEFENDERS
US$151 MILLION

Metinvest continued to provide substantial assistance to Ukraine's defence efforts through the Steel Front initiative, bringing its total allocations for this purpose to around US$151 million since the start of the full-scale war. This reinforced its position among the leading private-sector donors to the Ukrainian defence forces[3]. The Group introduced several key projects, notably establishing the world's first underground medical stabilisation point near the front line in Zaporizhzhia. It provides NATO-standard emergency medical care and can accommodate over 100 patients daily. For more details, please see page 47.

Metinvest also expanded its defence production capabilities, supplying around 650 certified corrugated steel bunkers and ten advanced mobile command posts to Ukrainian forces. Additionally, the Group designed anti-drone protective screens for armoured vehicles, helping to safeguard critical military equipment.

Defensive infrastructure was significantly strengthened through the construction of over 200 kilometres of fortifications in strategically important areas. The Group's comprehensive support further encompassed producing mine-clearing equipment, drone countermeasure installations and military equipment mock-ups. It maintained ongoing transfers of protective gear, medicines, vehicles, thermal imaging equipment, reconnaissance drones, communication tools and fuel.

Collectively, these efforts underscored Metinvest's unwavering dedication to both national defence and community protection.

[3] Delo.ua rating for the largest corporate philanthropists in Ukraine (December 2024); NV rating for the largest supporters of Ukraine's defence efforts (April 2024).

AID TO EMPLOYEES
US$49 MILLION

In 2022-2024, Metinvest invested around US$49 million to secure the well-being of employees and their families amid the ongoing war in Ukraine. The funding covered temporary accommodation, medical care, rehabilitation services and targeted financial assistance for wounded employees, bereaved families and displaced personnel.

Mental health support remained a priority. Through the Metinvest-Together! programme, qualified psychologists provided more than 11,500 consultations, helping employees and relatives to cope with stress and trauma. In parallel, the Saving Lives initiative organised specialist rehabilitation courses and therapeutic summer camps for children affected by the war.

The Group also prioritised veterans' reintegration: funding physical rehabilitation, vocational retraining and tailored career pathways to ease the transition from active service back to the workforce. For more details, please see page 38.

INFRASTRUCTURE PROJECTS
US$25 MILLION

Social infrastructure has long been a cornerstone of the Group's community support. Since the start of the full-scale invasion, widespread damage to housing, healthcare and education facilities – and the heightened need for bomb-shelters – has made this work even more urgent. Reflecting its scale, since 2024 Metinvest has reported it as a stand-alone component of the overall social spending. During 2022-2024, Metinvest channelled around US$25 million for social infrastructure projects.

Specifically in 2024, the Group's projects included: equipping shelters in residential buildings; upgrading healthcare and education facilities; overhauling major hospitals in Kryvyi Rih and Kamianske, restoring intensive care, surgical and gynaecology services; upgrading smaller rural clinics for its communities; refurbishing or re-roofing kindergartens, lyceums and gymnasiums in Sofiivka, Chervone, Kryvyi Rih and Shyroke to keep thousands of children learning safely; reinstating vital rural roads to secure access for residents, displaced families and emergency services; rebuilding missile-damaged apartment blocks in Zaporizhzhia; and sponsoring the "Tree of Memory" monument in the city's Metallurgists' Park to honour fallen defenders.

Through these targeted initiatives, Metinvest is helping war-affected communities to regain access to secure housing, medical care, education and mobility.

COMMUNITY SUPPORT OUTSIDE UKRAINE

Beyond Ukraine, Metinvest actively supported communities through targeted corporate social responsibility initiatives at its international operations throughout 2024.

In Italy, Metinvest Trametal partnered with the municipality of San Giorgio di Nogaro on the Auser project, improving mobility services for elderly and disabled residents. It also sponsored the Corri Genova 2024 running event, supporting Genoa as the European Capital of Sport.

Ferriera Valsider contributed to community health by sponsoring a breast cancer prevention campaign in Oppeano and helped to promote Italy's cultural heritage by partnering with the Arena di Verona Opera Festival.

In Bulgaria, Promet Steel enhanced community infrastructure by funding an ice rink and a new playground in Burgas, supported sports events and youth basketball initiatives, and initiated the design of a training and production centre.

Additionally, in the US, United Coal organised fundraising for psychological support programmes benefiting Ukrainian children.

HUMANITARIAN AID AND OTHER SUPPORT

US$24 MILLION

Metinvest allocated around US$24 million to humanitarian aid and community support projects during 2022-2024.

Through the Saving Lives initiative, the Group distributed over 780,000 humanitarian aid kits – including food and hygiene supplies – to vulnerable groups across more than 70 communities in Ukraine. It assisted up to around 516,000 people from socially vulnerable groups facing hardship. The Do it Together Foundation[4] raised around EUR3 million in donor contributions, which were fully deployed towards humanitarian relief efforts, prosthetics and psychological support programmes.

Metinvest also advanced social development through partnerships with local governments and NGOs, improving regional safety. In particular, the Group supported targeted initiatives for communities, such as first aid training under the PULSE programme and civilian safety education through “Life in Your Hands”.

In addition, Metinvest continued to be an operational partner of the Heart of Azovstal project, launched in February 2023 as part of the Steel Front initiative. For 2023-2024, more than 7,000 of Mariupol’s defenders or family members received assistance. Heart of Azovstal’s programmes cover health, employment, housing, family support, protection of rights, legal aid and other forms of vital assistance.

[4] The Do It Together Foundation is a platform established by the Group for receiving donations from partners, customers and employees across the globe.

MEDICAL AID

US$9 MILLION

During 2022-2024, Metinvest allocated around US$9 million in medical aid, delivering essential medications, equipment and supplies to hospitals across Ukraine.

Psychological recovery continued to be a central aspect of the Group’s healthcare support. This priority was exemplified by the Unbreakable Mum programme, which offered intensive three-week therapeutic retreats for nearly 400 women and children directly affected by military hostilities.

Through a dedicated psychological rehabilitation programme for children within Saving Lives, 545 youngsters from vulnerable groups visited the Carpathians (Ukraine) under the guidance of psychologists. Additionally, 120 children engaged in Hibuki therapy (mental health therapy support for children affected by trauma), and 12 attended a sports camp in Genoa, Italy.

In addition, more than 16,000 psychological support sessions were conducted at the Oplich Hub in Zaporizhzhia, a joint initiative of Saving Lives and the UN Global Compact Ukraine.

Metinvest also supported ongoing professional training via an online education platform, enabling around 10,000 specialists in prosthetics and rehabilitation to enhance their skills.

Recreation of children in the Carpathians under the Saving Lives humanitarian initiative

OUR PEOPLE

UNYIELDING DEDICATION

In 2024, Metinvest stood unwavering with its employees, providing further social support, safeguarding well-being and advancing opportunities for military veterans returning to the workforce. By enhancing training and fostering diversity, the Group remains dedicated to empowering its people.

SUSTAINING THE WORKFORCE

In 2024, Metinvest remained one of the largest private employers in Ukraine. The Group's total headcount was 63,421 at the year-end, down 10% year-on-year. Of this figure, 22,886 people, mainly from the Mariupol steelmakers and Avdiivka Coke, were on suspended contracts because of the war.

To show the actual workforce, Metinvest has introduced an adjusted headcount metric that excludes suspended contracts. On this basis, the adjusted headcount was 40,535 employees in 2024, compared with 46,642 a year ago.

The decline in Metinvest's adjusted headcount stemmed primarily from developments in Ukraine. This included security-related departures at Pokrovske Coal as the front line advanced and operations were scaled back in late 2024.

Additionally, Metinvest optimised its iron ore asset management approach and consolidated its in-house repair functions. Headcount at the Group's non-Ukrainian assets remained broadly stable.

To address personnel shortages in Ukraine, Metinvest rotated skilled workers from suspended facilities and retrained employees for high-demand positions. Support for displaced staff included assisting former Pokrovske Coal employees in finding new roles within the Group and subsidising accommodation.

Meanwhile, as of the end of 2024, 5,995 employees were serving in Ukraine's defence forces (15% of the adjusted headcount), compared with 6,016 employees a year ago (13% of the adjusted headcount).

The headcount of the Group's JVs totalled 9,325 at Zaporizhstal (down 3% year-on-year) and 5,519 at Southern Iron Ore (up 1% year-on-year). Out of the combined JV headcount, 13% were serving in Ukraine's defence forces.

During the reporting period, Metinvest community continued to cope with the profound losses of the full-scale war in Ukraine. The human cost remained severe, yet the Group upheld its responsibility to care for employees and their families.

By the year-end, Metinvest had suffered the loss of 862 employees and family members since the invasion began. This total included nine colleagues killed, with 34 injured, in a callous Russian missile strike on a Northern Iron Ore administrative building in Kryvyi Rih in July 2024. The Group's JVs have also borne the tragedy of 123 casualties.

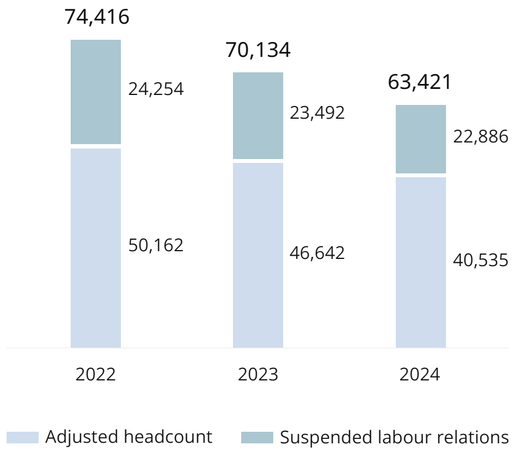
In addition, 1,306 employees and their relatives had been wounded, alongside 294 people from the JVs. In response, Metinvest provided comprehensive medical care as part of its broader humanitarian assistance.

This support extended to housing and employment for displaced persons, various psychological assistance and rehabilitation programmes, and financial aid for wounded staff and family members, as well as to the families of employees who were killed.

For more details on aid to employees, please see page 34.

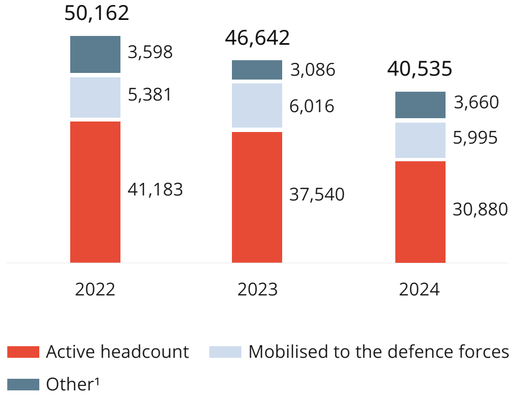
TOTAL HEADCOUNT

63,421 employees ↓10%



ADJUSTED HEADCOUNT

40,535 employees ↓13%



¹ Includes employees on parental leave, etc.

GOVERNANCE

Metinvest follows a comprehensive approach to human capital management that aligns with international best practices. Central to it is the Group's Human Capital Management Policy, a fundamental corporate document designed to promote a supportive and engaging workplace.

The Appointments and Compensations Committee of the Supervisory Board serves as the primary governance body overseeing personnel management. Its responsibilities encompass senior-level appointments and dismissals, employee motivation, performance appraisal, compensation structures and succession planning.

At the executive team level, the Sustainable Development and People Management Directorate is responsible for managing labour relations, remuneration policies and employee professional development, as well as fostering corporate culture. Dedicated HR meetings occur monthly to ensure agility and informed strategic decision-making in response to evolving conditions.

Metinvest's human capital management strategy aims to enhance its attractiveness as an employer, secure and retain a highly skilled workforce, boost employee productivity and deliver high-quality HR services internally. The Group employs a decentralised approach to recruitment, empowering each asset to independently manage its hiring processes.

In 2025, after the reporting period, Metinvest adopted the Regulation on Employment to unify the principles, procedures, and time frames for attracting and hiring skilled staff across the Group.

To support its human capital management comprehensively, Metinvest operates an HR shared service centre through Metinvest Business Services. The centre administers approximately 130 processes, including organisational planning, personnel administration, employee training, assessments, compensation and benefits management. It also provides advisory services to staff on diverse HR-related matters.

COMPENSATION

Metinvest strives to offer competitive compensation to its employees, combining salary, bonuses and other incentives. During the reporting period, the average monthly salary in dollar terms that the Group paid to its active staff stood at US$1,111, up 10% year-on-year.

In May 2024, Metinvest raised local-currency salaries for production and repair personnel across its Ukrainian facilities by an average of 15% and as much as 30% for certain professions facing acute staff shortages. In September 2024, the Group also augmented the salaries in Ukrainian hryvnia for administrative staff, managerial personnel and employees at its service enterprises by an average of 15%.

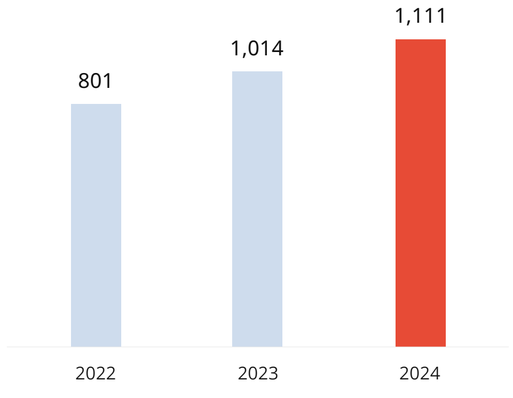
In addition, a bonus system is in place across Metinvest's operations. Incentives are aligned with performance and tailored to the specific objectives of each function.

For a comparison of the average monthly salary for men and women, please see Annex 2.

Employees who have been with the Group for at least three months undergo an annual performance review against KPIs. Goal achievement is monitored quarterly and adjustments are made as needed.

AVERAGE MONTHLY SALARY

US$1,111 ↑10%



The annual review process begins with a self-assessment, followed by a feedback meeting between an employee and a line manager to discuss results against targets, assess competencies and identify areas and opportunities for development.

For information on the performance evaluation and remuneration of senior management, please see page 60.

SOCIAL SUPPORT

Metinvest aims to foster a supportive workplace and regularly adjusts its social benefit offerings to meet evolving employee needs.

During the reporting period, the Group continued to provide voluntary health insurance to its workforce in Ukraine, ensuring reliable access to quality healthcare services. Employees in the country also had access to financial assistance for specific occasions, such as marriage, childbirth, or serious illness affecting themselves or their family members.

In 2024, Metinvest maintained its My Choice programme, offering tailored social benefits covering more than 19,000 employees at its Ukrainian assets. The most-demanded benefits included health insurance for employees and preferential-rate health coverage for their families, as well as transportation to and from work at no cost.

Additionally, through its Territory of Childhood programme, Metinvest provided targeted support to employees' families, such as supplying educational kits to children entering their first school year. These activities were implemented across the Group's Ukrainian facilities and at Promet Steel in Bulgaria.

In November 2024, Metinvest's re-rollers in Italy launched a welfare programme offering employees additional financial benefits beyond their regular salaries.

A dedicated digital platform enables staff to purchase a range of services and products – including education, childcare, elderly care, support for dependent family members, healthcare, a supplementary pension scheme, cultural and wellness activities – at preferential rates.

In 2024, Metinvest's investments to improve working conditions and enhance workplace amenities across its assets totalled US$4 million.

COLLECTIVE BARGAINING

Metinvest fully acknowledges the legally protected right of employees to form and join trade unions, as well as to engage in collective bargaining to protect shared interests. Industry agreements and collective contracts cover all employees, regardless of union membership.

The Group maintains constructive relationships and open dialogue with a range of industry trade unions, ensuring that respect for human dignity underpins its commitment to human rights.

Several internal documents support healthy engagement with diverse employee groups, including labour organisations, women, young professionals and retired or former employees. These include the Principles of Social Dialogue with Trade Unions, the Principles of Gender Equality, the Principles of Engagement with Metinvest's Youth and the Principles of Engagement with Metinvest's Retirees.

As of the end of 2024, almost all of the Group's production personnel were covered by collective bargaining agreements.

SUPPORTING RETURNING HEROES

Metinvest's Veteran Reintegration Ecosystem is a comprehensive programme developed in response to the challenges posed by the full-scale war in Ukraine. It is based on the principles of managerial responsibility and fairness in employment practices.

The programme involves both current and newly hired employees returning to their jobs and civilian life after demobilisation. Progressive adaptation of all business processes across the Group supports consistency of the veteran reintegration process.

At the end of 2024, around 8,000 employees of Metinvest and its JVs were serving in Ukraine's defence forces. Throughout mobilisation, the Group stays in contact with service members and their families, offering support, timely updates and an open path back to work.

At the end of the reporting period, Metinvest had 598 veteran employees, of whom 556 were returning colleagues and 42 external recruits. The JVs employed a further 372 former service personnel, comprising 336 returnees and 36 new hires.

The established ecosystem combines medical and psychological screening and rehabilitation, professional and social adaptation, retraining opportunities, as well as legal and financial assistance. The Group also offers veterans extensive training, certification and upskilling programmes through Metinvest Polytechnic.

As part of the Metinvest Together! initiative, veterans receive dedicated mental health and wellness support. This includes weekly group sessions focused on stress relief and emotional resilience. To reinforce social inclusion, Metinvest collaborates with NGO-led veterans' hubs that provide group therapy and ongoing counselling to support trauma recovery and community integration.

Other aspects of the ecosystem help to prepare staff teams and managers for the reintegration of veterans. By the year-end, more than 12,500 employees of the Group and its JVs had completed Heroes Among Us, an in-house e-course.This seven-module programme focuses on understanding combat experience and offering practical communication tools. Additionally, over 1,100 managers of different levels at Metinvest and its JVs had finished the Wartime Leadership course to support veterans returning to the workplace.

In 2024, Metinvest's veteran reintegration programme was named one of the eight finalists worldwide in the "Diversity, Equity & Inclusion" category at the Reuters Global Sustainability Awards. It also won the 2024 HR Brand Ukraine national award in the "Reintegration of Veterans into Civilian Life" category.

OLEKSANDR KALASHNYK,
Zaporizhstal JV

MYKOLA TKACHENKO,
veteran, Zaporizhstal JV

HUMAN RIGHTS

Metinvest is unwavering in its commitment to safeguarding labour and human rights throughout its operations. The Group strives to nurture a workplace founded on trust and rejects any form of discrimination related to race, gender, age, religion or other personal attributes.

In early 2024, Metinvest combined these efforts under a comprehensive Human Rights Policy outlining core principles applicable to all the Group's 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 modern slavery is permitted
- strive to ensure that communications with governments, regulatory bodies and public authorities are consistent with Metinvest's human rights commitments.

Together with the Code of Ethics and the Human Capital Management Policy, the Human Rights Policy encapsulates Metinvest's fundamental commitment to protecting and promoting human rights in line with national legislation, the International Bill of Human Rights, the UN's Guiding Principles on Business and Human Rights, the ILO's Declaration on Fundamental Principles and Rights at Work, and other UN and ILO conventions.

To ensure that employees can safely and appropriately raise concerns about potential rights infringements, the Group has several communication mechanisms in place, including a Trust Line, dedicated corporate channels and a corporate portal.

In 2024, Metinvest conducted Code of Ethics training across its assets in Ukraine, the EU and the UK, covering specific aspects related to human rights. The sessions were mandatory for all administrative employees, while workers in operational roles were offered voluntary participation, subject to technical feasibility.

DIVERSITY AND EQUAL OPPORTUNITIES

Metinvest remains committed to providing all employees with equal access to training, professional development and promotion based on their capabilities, irrespective of age, nationality, sex, race or religion.

Under the Group's collective bargaining agreements, men and women performing equivalent roles receive equal pay. This approach helps to ensure that wages, incentives, benefits and other monetary or non-monetary forms of compensation remain free from discrimination.

These principles are codified in the Remuneration Policy. It guarantees equitable salary revisions for employees returning from extended absences, including maternity leave or military service.

In addition, Metinvest continues to expand opportunities for women in traditionally male-dominated positions, including heavy and hazardous roles, through wartime labour regulations and other methods.

As of 31 December 2024, women comprised 30% of Metinvest's adjusted headcount (up one percentage point year-on-year), 25% of the executive team (down 11 percentage points year-on-year) and 22% of the Supervisory Board (up nine percentage points year-on-year).

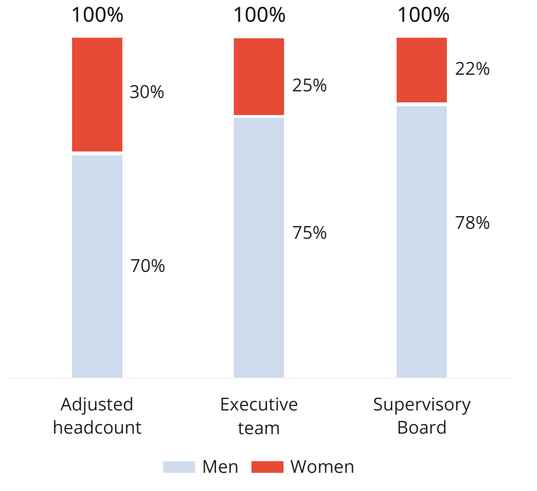
For more details, please see Annex 2.

Metinvest adheres to the labour regulations of each country where it operates and follows recognised international standards, ensuring that employees' working hours comply with all legal requirements. The Group provides flexible schedules and parental leave for staff with children, along with childcare and healthcare programmes that address the specific challenges faced by working parents.

Additionally, it offers remote working opportunities for predominantly administrative staff across the Group.

Metinvest also upholds workplace accessibility by consulting with employees who have disabilities to determine necessary adjustments and tailor their responsibilities and working hours accordingly. As at the end of 2024, the Group employed 2,135 individuals with disabilities, compared with 2,205 a year earlier.

GENDER DIVERSITY IN 2024



FOSTERING GENDER DIVERSITY

Metinvest fosters female representation across its operations. Metinvest Polytechnic supports these aspirations. As of the end of 2024, female students comprised 20% of the enrolment, reflecting increased interest among women in engineering and applied sciences.

Following legislative changes in Ukraine enabling women to work underground during wartime, Metinvest formed its first female mining crew at the Pokrovske Coal mine in the first quarter of 2024.

The Group's assets in Ukraine also provided opportunities for women to hold positions as crane operators, electricians and other production roles.

At its non-Ukrainian assets, Metinvest also aims to attract, train and retain women in technical roles, thereby enhancing diversity and equality.

In 2024, Metinvest Trametal launched the 'Women in Steel' programme to boost female participation in production, finishing and shipping.

After completing a three-month course on operational safety and equipment handling, 12 women joined the workforce.

Metinvest's US subsidiary, United Coal, also recruits women for production roles, implementing targeted training programmes for those interested in coal mining operations.

In addition, it focuses on improving workplace amenities and offering flexible schedules to support employees with family responsibilities.

NATALIYA DERID,
Kamet Steel

TRAINING AND DEVELOPMENT

Metinvest maintains a comprehensive training and development framework encompassing its corporate learning centre, training centres at its production assets and Metinvest Polytechnic, the private university established by the Group to cultivate future steel and mining industry professionals.

In 2024, Metinvest focused on strengthening employee professional expertise while adapting to evolving production needs. This included accelerating training programmes, continuing to retrain and advance existing personnel, and providing targeted development for newcomers. Particular emphasis was placed on ensuring that employees transition into high-demand roles through dedicated vocational training, as well as enhancing leadership skills for managers.

The Group also introduced an onboarding programme designed to help new employees quickly integrate, build connections and familiarise themselves with opportunities for growth within the organisation.

During the reporting period, Metinvest's spending on human capital development amounted to over US$1 million, which is in line with the 2023 figure. In total, 24,997 employees attended around 59,299 training sessions covering professional skills and workplace health and safety activities. Each employee received an average of 75 hours of training in the year[2].

For more details on health and safety training, please see page 46.

Metinvest Polytechnic remained an important contributor to staff development. In 2024, 186 employees completed advanced courses there in data analytics, computer-aided design and other areas.

The Group continued to expand its managerial development initiatives, including the Regular Management Practices programme, soft skills courses and an inaugural corporate mentoring scheme that paired 28 mentees with 22 mentors.

Meanwhile, as part of its talent development process, the Group launched a dedicated programme at its assets in the EU and the UK in partnership with IEDC Bled Business School. It covers representatives from various Metinvest business functions, including production, procurement, sales, finance, HR and IT.

Two of the five modules – one focused on Leadership and Human Capital Management, and the other covering Financial Management – were delivered in 2024, aiming to strengthen management and leadership capabilities.

In addition, around 200 employees at non-Ukrainian assets took part in local talent development programmes, working with practical case studies and enhancing their soft skills.

YOUNG TALENT

Metinvest continued to prioritise attracting, developing and retaining early-career specialists in 2024, while adapting its programmes to reflect the realities of wartime.

During the year, the Group offered internships in priority professions and a dual education programme for students. A total of 863 students received hands-on training at Metinvest's enterprises, of whom 158 were subsequently employed. The dual education format involved 31 participants from four educational institutions, of whom 13 ultimately joined the Group.

Meanwhile, Metinvest launched a new First Workplace programme to support graduates entering the labour market. In 2024, 721 participants benefited from additional financial incentives in their first year at the Group's facilities in Ukraine.

Metinvest also contributed to Ukraine's efforts to align its qualification and educational standards with modern industrial requirements. In 2024, the Group led the development of 16 new professional standards and the revision of seven existing ones, all of which have been approved by the respective sector councils.

In the reporting period, the Metinvest Youth Organisation focused on young people engagement, initiating 96 joint activities in the cities where the Group operates. These ranged from career guidance events, volunteer drives to support the Ukrainian defence forces and at-risk groups, to social initiatives benefiting children of employees, pensioners and other vulnerable people.

ENHANCING CORPORATE CULTURE

In 2024, Metinvest continued to strengthen its integrated communications system and diversify channels to foster meaningful employee engagement and promote a cohesive corporate culture. A key priority remained the safety and psychological well-being of staff, humanitarian efforts, support to veterans and Ukraine's defence forces.

Throughout the reporting period, the Group expanded its digital instruments for gathering employee feedback and insights. They comprised My Metinvest internal portal and mobile application, Metinvest Info chatbot, Metapolis workplace platform, Metinvest News via Microsoft Teams, and the broader corporate network, including Viva Engage, Radio Metinvest, and the Metinvest TV video broadcasting system.

Notably, in 2024, Radio Metinvest's accessibility was expanded: employees gained the ability to stream broadcasts via third-party players. The station delivers corporate news, programme announcements, air alerts, and critical safety information.

In October 2024, the Group conducted a comprehensive employee survey on internal communications. The results revealed a high level of awareness regarding corporate values, the Code of Ethics, and the Group's social initiatives. The survey also helped identify key areas for improvement, enabling the implementation of targeted measures to enhance communications.

[2] Calculation is based on adjusted headcount.

CULTIVATING TALENT FOR INDUSTRY GROWTH

Metinvest Polytechnic is Ukraine's first private university focused on mining and metallurgy. The Group established it in June 2020 to develop industry-specific talent and support innovation.

In 2024, it offered 16 bachelor's and 18 master's programmes, along with a newly introduced postgraduate course in engineering and technical fields. The university serves both external students and Metinvest employees, focusing on EU-standard education aligned with Ukrainian industry requirements. These combine online learning with in-person laboratory work, linking theory and practice through internships at the Group's facilities.

During the reporting period, over 130 new bachelor's students and more than 75 master's and doctoral candidates enrolled. Among them were ten defenders of Mariupol and 16 veterans working at Metinvest.

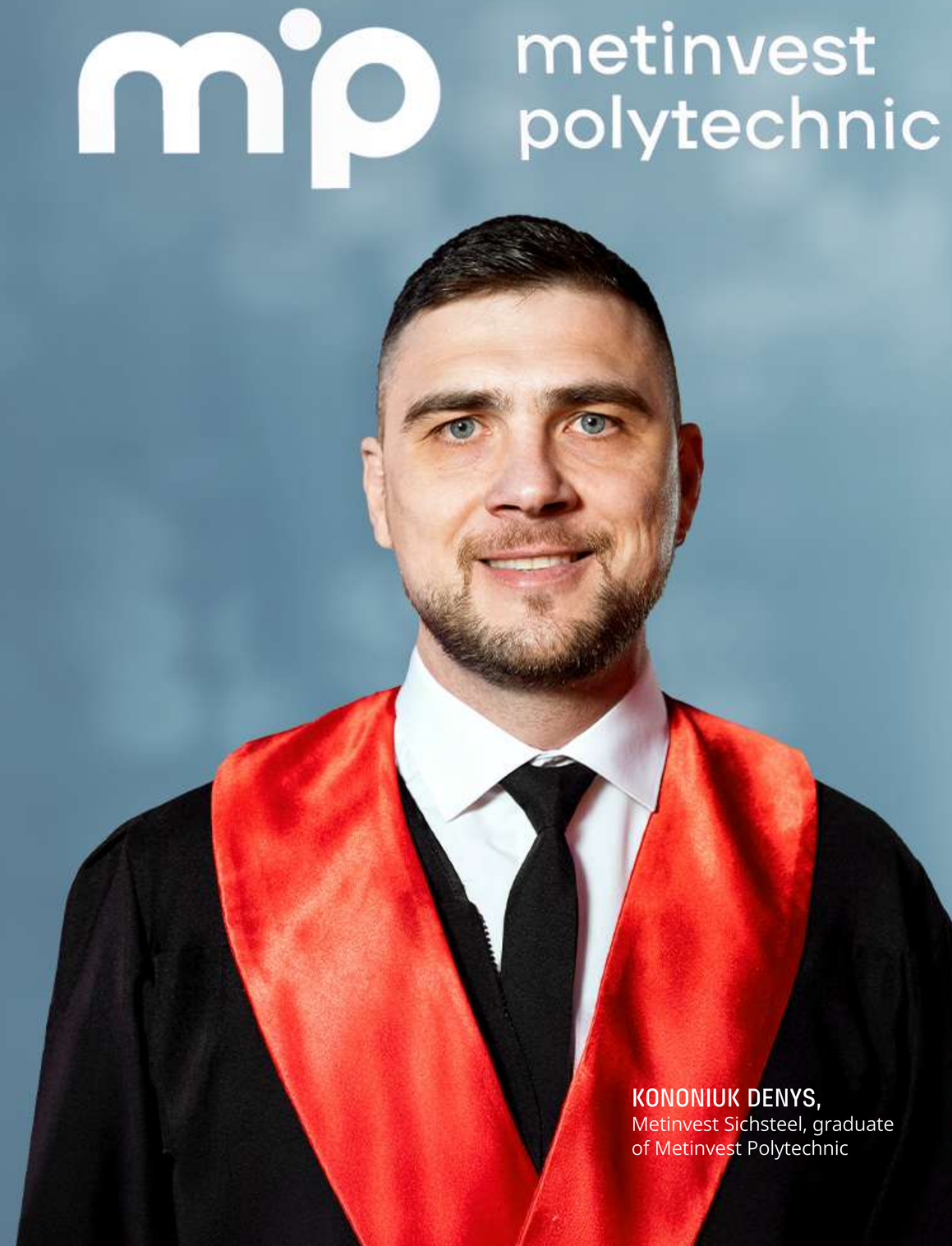
To support the Group's operational priorities and align academic programmes with real-world challenges, the university formed seven academic councils during the year. Each council, comprising Metinvest managers and technical experts, focuses on a key area: metallurgy, mining, health and safety, environmental protection technologies, production automation and software, business analytics and business process management. They help to ensure that training and research directly address both current and future industry needs.

In 2024, Metinvest Polytechnic graduated its inaugural class of 143 master's students. During the year, more than 200 students completed internships at production sites in Zaporizhzhia, Kryvyi Rih and Kamianske, gaining valuable practical experience. An international internship programme was also launched, offering placements for top-performing students at Metinvest's non-Ukrainian facilities.

In addition, the new Alumni Association, with over 50 graduates, fosters professional networks and champions engineering education.

In the reporting period, the university introduced the Scientific Journal of Metinvest Polytechnic (Technical Sciences Series) with an editorial board comprising university staff and international scholars. The faculty members also collaborated with Promet Steel in Bulgaria on two projects under the Euraxess programme, which aims to deepen ties between business and science.

Meanwhile, the university seeks to engage in Ukraine's post-war recovery through its partnership with the Community Recovery Academy, an initiative of the Association of Ukrainian Cities and the Mariupol Reborn NGO. As the Academy's educational partner, the academic staff of Metinvest Polytechnic are preparing training modules to support local reconstruction projects.



KONONIUK DENYS,
Metinvest Sichsteel, graduate of Metinvest Polytechnic

WORKPLACE SAFETY

REINFORCING RESILIENCE

In 2024, Metinvest advanced its workplace safety culture through targeted risk management and monitoring. These efforts delivered a notable reduction in workplace incidents, underscoring the Group's commitment to protecting employees and contractors.

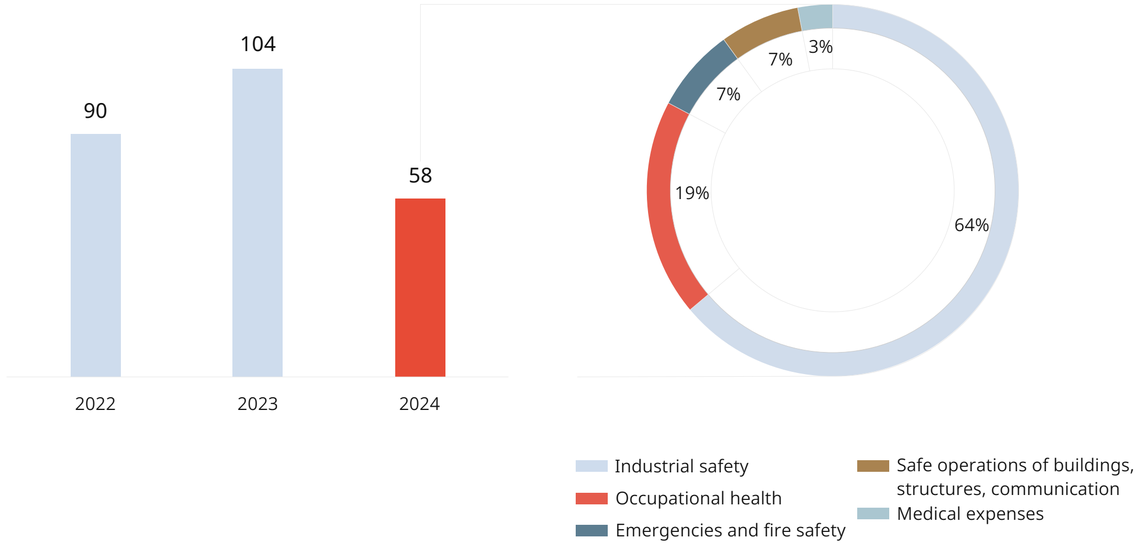
PRIORITISING SAFETY

In 2024, Metinvest strove to foster a robust workplace safety culture while progressing initiatives to minimise health and safety risks and prevent incidents among its employees and contractors[1]. The Group enhanced its risk management systems and updated the Safe Workspace programme, contributing to a substantial reduction in workplace injuries and accidents compared with the previous year.

During the reporting period, Metinvest's spending on workplace health and safety totalled US$58 million and it prioritised areas including working in gas-hazardous places, working at height, using special medical equipment, using railway transport, and lifting mechanisms. This level of funding was down 44% year-on-year, mostly due to lower production at Pokrovske Coal.

SPENDING ON WORKPLACE SAFETY

US$58 mn ↓44%



GOVERNANCE

Metinvest is dedicated to safeguarding the lives of its employees and contractors, seeking to achieve the ultimate goal of zero incidents. Its Policy in the Field of Health, Safety and the Environment underpins this commitment, alongside 15 corporate standards based on international best practices. In 2024, an addendum to the Procedure on the Health and Safety Risk Assessment and Mitigation System was developed and approved. It outlines requirements for conducting risk assessments in non-standard operating conditions, such as during maintenance or repair work. It helps to identify hazards that are not visible or do not relate to the operation of the production equipment. In addition, a workspace identification and hazard visualisation procedure was developed and approved.

The Health, Safety and Environmental Committee of the Supervisory Board monitors adherence to internal procedures and applicable local regulations. It evaluates findings from incident investigations to identify areas for potential improvements. The Committee also guides the executive team in embedding occupational health and safety principles throughout the Group's business processes.

Within the executive team, health and safety functions in the Operations Directorate for metallurgical and iron ore assets, and the Coal Directorate for coking coal assets, managed the implementation of the respective initiatives in the reporting period. Each production facility also maintains a dedicated department responsible for meeting both internal and external standards and regulations.

Metinvest Business Services houses an industrial safety centre of expertise that provides consultations, conducts safety audits, coordinates internal incident investigation records and offers training support. Throughout 2024, the centre contributed to several key initiatives. These included developing and rolling out risk mitigation efforts targeting the top three hazards identified, details about which can be found on page 44. The centre also introduced a protocol for employees encountering explosive ordnance and developed a system to enhance workplace safety skills.

By year-end, 16 key operating assets[2] held ISO 45001 certification, covering almost all of the Group's production sites. The sole exception is United Coal, whose facilities are already governed by similarly stringent US occupational health and safety rules.

[1] The term "contractors" refers to both contractors and subcontractors.
[2] Central Iron Ore, Ferriera Valsider, Inhulets Iron Ore, Kamet Steel, Kryvyi Rih Machining and Repair Plant, Metinvest-Promservice, Metinvest Trametal, 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 2024

In 2024, Metinvest recorded 32 injuries and two fatalities, down from 57 injuries and 11 fatalities in 2023. While this represents a significant step in the right direction, every incident is intolerable. The Group is committed to further developing a safety culture that does not tolerate workplace injuries and fatalities.

Consistent with internal procedures, Metinvest performed a thorough root cause analysis of each accident. The primary underlying causes of injuries identified were load handling using lifting mechanisms, falling during movement, contact with moving or rotating machinery, rock caving and fires caused by increased oxygen content.

Metinvest evaluates its workplace safety performance in accordance with WSA recommendations, ISO 45001 requirements and other recognised international standards. The Group also tracks composite indicators, including the lost-time injury frequency rate (LTIFR) and fatality frequency rate (FFR), both calculated as the number of incidents per million man-hours worked.

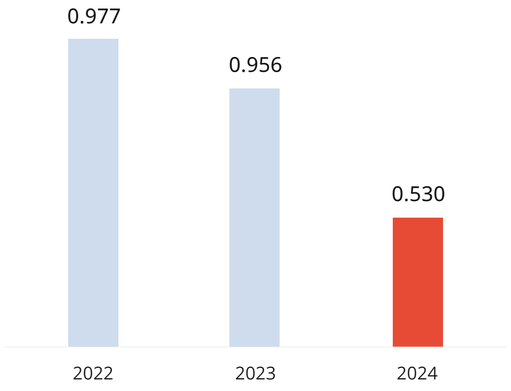
In 2024, Metinvest's LTIFR was 0.530, while its FFR stood at 0.031. Both results represented material reductions from the LTIFR of 0.956 and FFR of 0.155 in 2023. For comparison, the WSA's 2024 global benchmarks for LTIFR and FFR among employees stood at 1.01 and 0.01, respectively.

During the year, Metinvest arranged external oversight and certification audits at its operational facilities as scheduled, helping to pinpoint strengths and areas for improvement. In addition, the industrial safety centre of expertise conducted quarterly Safe Workspace and safety roadmap audits at the Group's assets.

For additional health and safety disclosures, please see Annex 2.

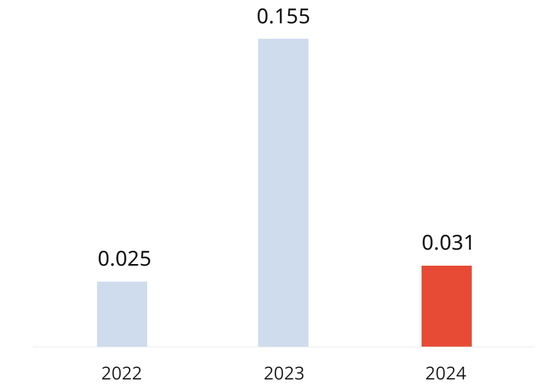
LOST-TIME INJURY FREQUENCY RATE

0.530 ↓45%



FATALITY FREQUENCY RATE

0.031 ↓80%



SAFETY ROADMAP

As part of its ongoing responsibilities, the health and safety function regularly reviews workplace incidents and injury statistics across Metinvest's facilities.

During the reporting period, the top three hazards identified within the safety roadmap were:

- electric voltage
- railway transport
- objects falling from height.

For each of these risks, site-specific action plans were developed and approved across the Group's production facilities, comprising around 7,800 improvement initiatives.

For work exposed to electric voltage, the roadmap focused on replacing equipment in distribution substations and panels, upgrading lighting, conducting electrical equipment inspections, installing differential circuit breakers, and checking and upgrading power supply circuits.

Operations involving railway transport included enhanced inspections and repairs of track superstructure facilities, upgrading lighting at stations and crossings, reviewing and updating safe work regulations, and introducing additional automation systems.

Actions to manage the risk of objects falling from height included the renovation of roofs and windows in production facilities, as well as additional inspections of buildings and structures.

All items in the safety roadmap are recorded in a centralised electronic database. Implementation is monitored against established weekly deadlines and subject to random quality checks.

ENHANCING SAFETY WITH AI TOOLS

In 2024, Metinvest introduced AI-driven computer vision technology to enhance workplace safety at selected Group assets. This automated solution helps to identify violations of safety rules, including unauthorised entry into hazardous zones and improper use of personal protective equipment.

Additional system functions are being developed, including the ability to detect and alert for the presence of fire.

Already deployed at several of the Group's facilities, the technology is proving effective in strengthening safety compliance. Metinvest is now working to scale these innovations to further enhance its health and safety management practices.

CONTRACTOR SAFETY

Metinvest recognises its responsibility for the well-being of contractors when they are working at its facilities. In practice, there is no distinction between the safety of employees and contractors; all relevant regulations apply equally to both.

In 2024, contractors at the Group's sites largely handled maintenance and repair services, as well as certain production and administrative tasks.

Metinvest requires all of them to follow the safety policies and guidelines detailed in the Safety Standard for Contractor Organisations. To support compliance, the Group employs a comprehensive process that includes pre-qualification assessments, knowledge checks, health and safety briefings, verification of equipment and personal protective gear, review of maintenance records, and ongoing supervision during work.

In 2024, there were four injuries and zero fatalities among contractors working at Metinvest sites, compared with three injuries and one fatality in 2023.

For contractors, the LTIFR stood at 0.373[3] and the FFR was zero during the reporting period, compared with the LTIFR of 0.357 and the FFR of 0.089 the year before. For comparison, the WSA's 2024 global benchmarks for LTIFR and FFR among contractors stood at 0.43 and 0.02, respectively.

To deepen their integration into Metinvest's health and safety management system, the Group organised various training sessions over the year, delivered by the heads of health and safety departments at its production facilities.

The Group also uses a structured approach to evaluate and rate contractor safety at its operational sites in Ukraine, with a particular focus on those engaged in high-risk activities. This involves reviewing incident data and statistics, examining workplace audit and inspection findings, assessing personnel qualifications, and checking equipment compliance with safety requirements. These evaluations also inform decision-making in future tender processes.

Additionally, a project to integrate contractors more comprehensively into the Safe Workspace programme is scheduled for implementation in 2025.

SAFE WORKSPACE PROGRAMME

In 2024, Metinvest continued to enhance its health and safety risk management through the Safe Workspace programme.

During the reporting period, the programme's scope was extended to include non-routine activities, such as emergencies, repairs and maintenance. The aim of this change was to identify hazards or risks not typically encountered during standard equipment operation. As part of this initiative, the Group conducted more than 3,600 risk assessments, which resulted in the application of around 4,300 immediate (short-term) actions at worksites and over 2,200 systemic (long-term) improvements.

An additional focus of the Safe Workspace system in 2024 was organising audits and implementing the resulting risk mitigation efforts. By year-end, over 85,000 measures were implemented through Safe Workspace audits.

To help ensure that mitigations remain effective, the Group conducts weekly and monthly monitoring, along with unannounced quality checks of completed activities.

To further develop the Safe Workplace programme, in 2024 Metinvest also introduced numbered workplace identification and colour-coded hazard visualisation to strengthen occupational safety.

SAFETY INCENTIVES

Metinvest has established a health and safety goal-setting and incentive framework across its assets, covering employees at various levels.

The Group's Safe Work Award programme encourages personnel to spot or prevent unsafe acts or conditions. In 2024, it was in place at eight operating production assets in Ukraine.

Since 2019, Metinvest has implemented the Health and Safety Trigger, an incentive tool that has proved to be an effective part of its approach to reducing workplace incidents. It applies to general directors and senior managers at the Group's production assets. The mechanism links bonuses to key health and safety performance metrics at the respective facilities.

By rewarding the achievement of a zero-fatality record and imposing financial penalties for incidents and non-compliance, the Health and Safety Trigger strengthens leadership accountability.

[3] The indicator is calculated based on the available man-hour data.

EMPLOYEE HEALTHCARE

Metinvest grounds its approach to employee healthcare in the guidelines from the International Labour Organization, the World Health Organization and the ISO 45001 standard. These frameworks also underpin the assessment of the Group's performance in this area.

With the ongoing full-scale war in Ukraine, Metinvest prioritised healthcare efforts on delivering humanitarian medical assistance throughout 2024. It provided emergency medical supplies to local military hospitals and healthcare facilities. Additionally, the Group facilitated medical and psychological support for employees and their families affected by the war.

The most frequent workplace illnesses recorded at the Group's assets during the year were radiculopathy (45% of total diseases), chronic obstructive pulmonary disease (16%) and vibration disease (14%). The number of workplace illnesses decreased by 31% year-on-year, mainly due to staff outflow in Ukraine. Meanwhile, the workplace illness frequency rate[4] stood at 0.53, compared with 0.70 in 2023.

In 2024, the health index[5] for Metinvest's employees stood at 36% compared with 37% in 2023. The Group maintained its support for employees facing frequent or prolonged illnesses by developing tailored health plans for those at heightened risk of specific diseases. These plans entail quarterly medical check-ups, preventive measures, immune-boosting treatments and recreational activities to promote overall well-being.

In addition, Metinvest introduced dedicated procedures for assessing the physical and psychological condition of employees returning from military service. Before resuming work, veterans undergo comprehensive medical examinations and psychological screenings to ensure they are fit for duty and to provide any necessary support. These efforts reflect the Group's broader commitment to the long-term health and reintegration of those who have served.

HEALTH AND SAFETY TRAINING

During the reporting period, Metinvest sought to strengthen its health and safety training framework. The Group conducted a wide range of mandatory and special sessions, courses for managers, internships and coaching sessions. In 2024, Metinvest conducted over 28,000 occupational health and safety training sessions, reaching more than 13,000 employees, with each Group employee receiving, on average, ten hours on the topic of health and safety throughout the year.

Taking into account the risks associated with the workforce shortage and skill gaps, in 2024 Metinvest introduced a health and safety training system that included differentiated preparation based on length of employee service and experience, dedicated programmes for new hires and competency enhancement initiatives for line managers.

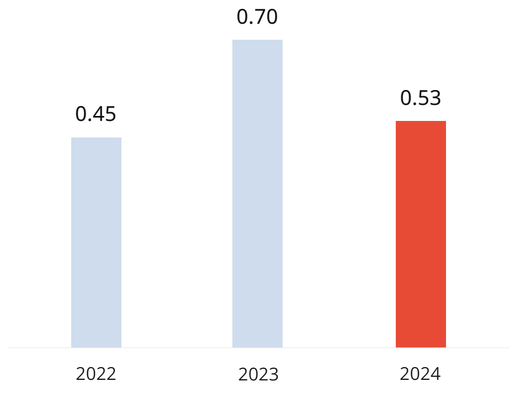
In addition, the Group partnered with Metinvest Polytechnic to provide specialised courses on the top hazards identified for 2024 and other critical safety risks.

In the reporting period, Metinvest expanded its focus on managing war-related risks. One new initiative was the establishment of medical and fire-fighting brigades, for which it prepared more than 3,300 employees. The Group also rolled out a response protocol for handling explosive objects and conducted over 1,500 practical exercises for employees. Moreover, a power outage response system was introduced, supported by more than 1,000 dedicated sessions. At the end of the year, Metinvest delivered eight comprehensive courses across its operations, focusing on risk management strategies for potential shelling, infrastructure damage and employee injuries.

Additionally, Metinvest launched a comprehensive first aid educational programme for its workforce, including senior managers, in partnership with the Ukrainian Red Cross's First Aid Centre. The initiative provided internationally recognised certification, reinforced swift response measures and strengthened practical readiness for military-related incidents.

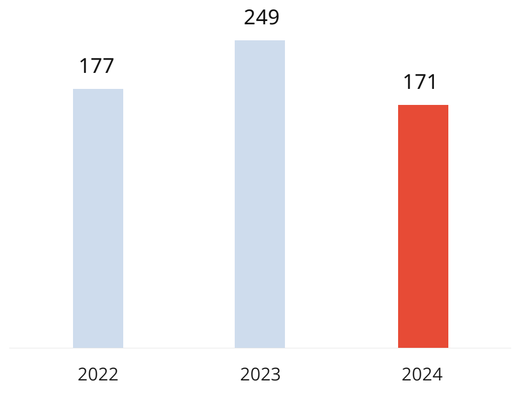
WORKPLACE ILLNESS FREQUENCY RATE

0.53 ↓24%



CASES OF WORKPLACE ILLNESS

171 ↓31%



[4] 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.
[5] 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.

FIRST STEEL UNDERGROUND HOSPITAL

As part of Rinat Akhmetov's Steel Front initiative, Metinvest has engineered and delivered Ukraine's first underground medical stabilisation centre for the Ministry of Defence.

Conceived and built in close coordination with the medical forces group "East", the facility brings NATO Role 2 capabilities to the front line, where rapid intervention is critical to survival.

The hospital is formed from six enlarged steel bunkers – each 7.6 metres long and 2.5 metres in diameter – redesigned by Metinvest's engineers to perform as a cohesive, hardened medical unit. The project covered fabrication, installation and full fit-out.

Positioned below ground to minimise the risk of damage from shelling, the complex is protected by reinforced steel walls, electronic-warfare jamming and alternative power supplies. Inside, it matches civilian intensive-care standards, enabling surgeons to stabilise and treat the wounded before evacuation.

Essential utilities – ventilation, water, drainage and power – are integrated within the structure, ensuring continuous operation even under attack. During construction, strict camouflage and security protocols were used to safeguard both personnel and the project timeline.

By transforming its own "hideout" bunker technology into a purpose-built medical hub, Metinvest has demonstrated how industrial expertise can address urgent defence and humanitarian needs. The underground hospital is already saving lives daily and exemplifies the Group's commitment to protecting Ukraine's defenders while strengthening community resilience.

Inside the first steel underground hospital.

ENVIRONMENT

A LASTING COMMITMENT

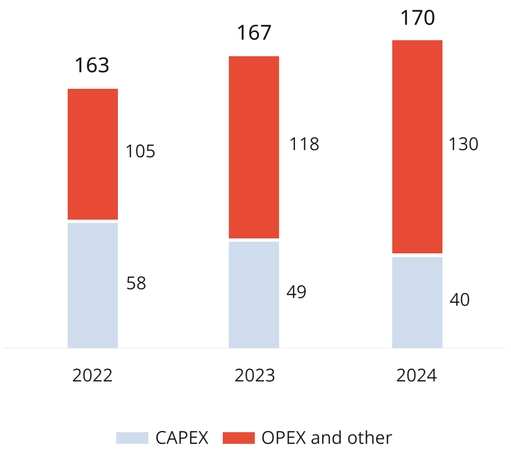
In 2024, Metinvest aimed to minimise its environmental footprint by enhancing energy efficiency, waste management and water recycling processes. The Group allocated investments to crucial initiatives to uphold its commitment to ecological sustainability.

SUSTAINED PRIORITIES

In 2024, Metinvest's spending on environmental initiatives totalled US$170 million[1], up 2% year-on-year. Of this, 23% was capital expenditure, while 77% comprised operational expenses. These allocations reflected the Group's focus on essential repair projects to ensure adherence to environmental standards and keep emissions below permitted levels.

SPENDING ON ENVIRONMENT

US$170 mn ↑2%



GOVERNANCE

Metinvest's fundamental environmental commitments emphasise compliance with applicable regulatory requirements and the pursuit of best practice integration. The Group's Policy in the Field of Health, Safety and the Environment and Climate Change Policy serve as the framework guiding its strategic adaptation to a world in flux.

The Supervisory Board's Health, Safety and Environmental Committee provides oversight of issues related to environmental management, including climate change, within Metinvest's corporate governance structure.

At the executive level, the environmental function operates under the Technological Directorate. It ensures conformity to legal obligations, undertakes risk assessments and internal audits, and implements initiatives aimed at mitigating environmental impacts.

Additionally, the function supports the development of the Group's technological agenda, including research into low-carbon technologies and decarbonisation initiatives. It is also instrumental in identifying climate risks and opportunities across the business, developing mitigation strategies and enhancing Metinvest's climate-related reporting practices. For more details, please see page 52.

Senior management teams at each production site convene quarterly to review significant environmental matters and to determine the implementation of related measures.

In 2024, the Group maintained environmental management certification of its operational assets against international standards. As of the year-end, 15 assets[2] held ISO 14001:2015 certification.

Metinvest also delivers environmental training programmes across its operations, reinforcing employee adherence to established policies and procedures. During the year, training sessions were conducted at Central Iron Ore, Inhulets Iron Ore, Northern Iron Ore, Kamet Steel and Zaporizhia Refractories.

The Group seeks to maintain transparent communication with stakeholders to effectively manage environmental matters in its operational regions. Stakeholders may report environmental concerns directly via the Trust Line. Notably, no environmental protection-related complaints were recorded in 2024.

[1] Capital expenditures on environmental initiatives for assets in Ukraine are calculated in accordance with national regulatory requirements and methodologies, which may differ from the IFRS approach.
[2] Central Iron Ore, Ferriera Valsider, Inhulets Iron Ore, Kamet Steel, Kryvyi Rih Machining and Repair Plant, Metinvest Trametal, Northern Iron Ore, Pokrovske Colliery, Promet Steel, Spartan UK, Sviato-Varvarynska Beneficiation Factory, Unisteel, Zaporizhia Casting and Mechanical Works, Zaporizhia Coke and Zaporizhia Refractories.

GHG EMISSIONS DISCLOSURES

The primary components of Metinvest's GHG emissions are carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O).

In 2024, the Group's Scope 1 CO_2 emissions grew by 3% year-on-year to 5.6 million tonnes[3], primarily due to stronger production at Kamet Steel. This was partly offset by greater production efficiency at Zaporizhia Coke, as well as reduced pellet production and lower consumption of limestone at Central Iron Ore.

Scope 2 CO_2 emissions[4] increased by 10% year-on-year to 1.4 million tonnes, primarily due to higher electricity consumption at Northern Iron Ore, Central Iron Ore and Kamet Steel resulting from greater production.

Meanwhile, direct CO_2 emissions intensity[5] stood at 2.38 tonnes of CO_2 per tonne of crude steel production, up 3% y-o-y.

Most of Metinvest's methane emissions are generated by underground coking coal mining. In 2024, the Group's CH_4 emissions increased by 20% year-on-year to 96 thousand tonnes. The change was mainly driven by the commissioning of an additional longwall with higher methane content at Pokrovske Colliery.

ENERGY EFFICIENCY

Amid Russia's ongoing attacks on Ukraine's energy infrastructure, Metinvest prioritised energy security to safeguard operations. Between 2022 and 2024, the Group acquired over 200 diesel generators with a combined capacity of around 23 MW to ensure the continuity of critical technological processes. These generators were deployed to support essential production units, administrative buildings, bomb shelters and server rooms during emergency power outages.

Additionally, starting in 2025, the Group embarked on the installation of gas-piston generators at Northern Iron Ore, Central Iron Ore and Kamet Steel. Furthermore, it plans to enhance its sustainability efforts by installing solar stations at Central Iron Ore and Kamet Steel during 2025-2026 with a general capacity of 37 MW. These efforts aim to enhance energy security and further support the operational needs of these facilities.

Despite these challenges, Metinvest continued to advance its energy efficiency agenda. Energy management initiatives are implemented at the executive level by the Operational Directorate. Each of the Group's production facilities has a specialised unit tasked with monitoring energy consumption and executing relevant projects.

Metinvest maintains energy management systems aligned with recognised international standards. At the end of 2024, the Group had seven[6] operating assets with ISO 50001 certification.

The following initiatives remained in Metinvest's focus in 2024: 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; and using biofuel to replace natural gas.

Overall, in the reporting period, direct energy use increased by 1% year-on-year to 59,627 terajoules, predominantly because of expanded production at Northern Iron Ore.

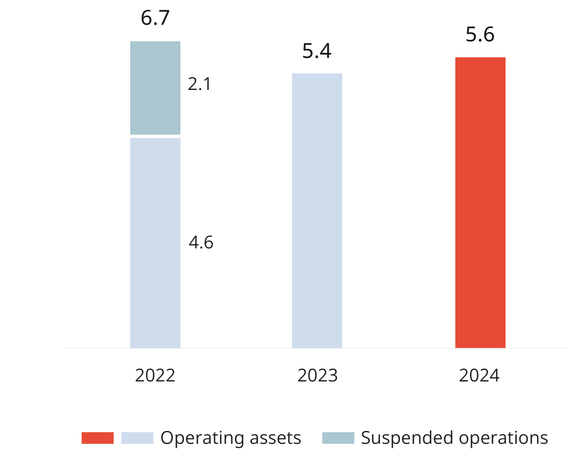
In 2024, Metinvest spent a total of c.US$17 million on energy efficiency projects, an increase of more than 50% year-on-year. This growth reflected the expansion of initiatives at Kamet Steel, Zaporizhia Casting and Mechanical Works, and the Group's iron ore assets. In particular, Kamet Steel, Northern Iron Ore and Central Iron Ore implemented energy-saving measures and improved infrastructure to reduce electricity consumption. Zaporizhia Casting and Mechanical Works initiated a heat recovery programme.

Meanwhile, Central Iron Ore and Northern Iron Ore continued to substitute natural gas with crushed sunflower husks for use as a biofuel at some pellet production facilities. These efforts achieved roughly 50% reductions in natural gas consumption at the respective units involved. It also helped to decrease the energy intensity ratio (electricity and natural gas) for pellet production at Central Iron Ore from 0.352 GJ per tonne in 2023 to 0.323 GJ per tonne in 2024 and at Northern Iron Ore from 0.636 GJ per tonne in 2023 to 0.460 GJ per tonne in 2024.

[3] For more details, please see page 85.
[4] Scope 2 CO_2 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.
[5] The calculation is based on Scope 1 stationary and mobile CO_2 emissions of Metinvest's steelmakers. The indicator for 2022 includes data from the Group's Mariupol steelmakers for January 2022 only. The indicators for 2023 and 2024 are represented by Kamet Steel. Uniquely, those material flows directly used in steelmaking processes were taken into account, while volumes of merchant pig iron were not included.
[6] Central Iron Ore, Inhulets Iron Ore, Kamet Steel, Northern Iron Ore, Zaporizhia Casting and Mechanical Works, Zaporizhia Coke and Zaporizhia Refractories.

DIRECT CO_2 EMISSIONS (SCOPE 1)

5.6 mt ↑3%

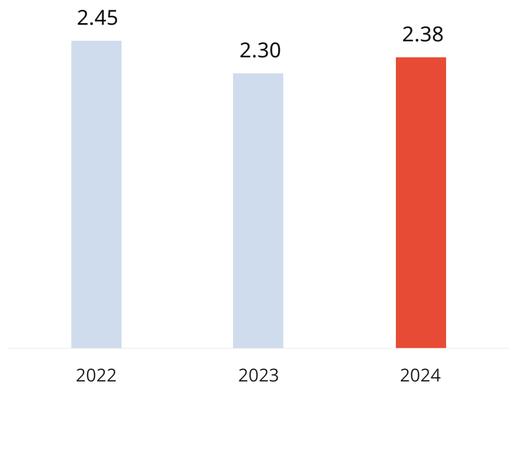


INDIRECT CO_2 EMISSIONS (SCOPE 2)

1.4 mt ↑10%

DIRECT CO_2 EMISSIONS INTENSITY

2.38 tonnes per tonne of crude steel ↑3%



DIRECT ENERGY USE

59,627 Tj ↑1%

AIR EMISSIONS

Metinvest continuously tracks air emissions at its operational sites, ensuring full compliance with regulatory requirements and the pollutant limits stipulated in its environmental permits. The Group's emissions primarily comprise carbon monoxide (CO), dust, sulphur oxides (SO_x) and nitrogen oxides (NO_x), with CO accounting for the highest proportion.

During the year, Metinvest's air emissions totalled 90 thousand tonnes[7], up 5% year-on-year, mainly because of increased production at Northern Iron Ore and Kamet Steel.

In 2024, the Group implemented several environmental initiatives and technology upgrades across key operational sites. For example, Kamet Steel installed a coke oven gas pressure stabilisation system, enhancing energy efficiency and lowering pollutant emissions. Additionally, advanced repairs of coke oven batteries contributed to emissions reduction. Zaporizhia Coke carried out extensive overhauls of coke oven battery chambers, including rebricking walls and performing regular maintenance on equipment, gas facilities and catalytic afterburning systems. Continuous monitoring of environmental compliance and ongoing repairs of gas-cleaning units also supported the reduction of emissions.

WATER MANAGEMENT

Metinvest strives to identify, prevent and mitigate any potential impacts of its activities on water resources. It regularly monitors water extraction and utilisation across its operational assets, ensuring strict adherence to environmental standards. Additionally, the Group enhances laboratory equipment to ensure accurate measurement and reporting. These efforts enabled Metinvest to recycle and reuse 92% of total water consumed from all sources in 2024, up one percentage point year-on-year.

The Group primarily utilises water in production processes for machinery cooling and flue gas purification. In basic oxygen furnace (BOF) steelmaking, water is employed for cleaning gases generated during steel production, with the treated water subsequently recycled back into the operation. Metinvest's iron ore mining units recycle water extensively, mixing it with crushed ore to extract valuable minerals from waste ('tails'), which are subsequently transported to tailings storage sites.

In 2024, the Group's water intake volume rose by 6% year-on-year to 129 million cubic metres[7]. The water consumption volume totalled 116 million cubic metres[7], an increase of 7% year-on-year.

The water discharge volume climbed by 4% year-on-year to 86 million cubic metres[7]. The growth of the water metrics was primarily caused by Kamet Steel, which operated an additional unit at its combined heat and power plant.

Metinvest enhanced water resource management through targeted initiatives. At Kamet Steel, measures included preventing oil contamination, improving water efficiency and reducing soil pollution risks. Additionally, Zaporizhia Casting and Mechanical Works undertook cleaning operations at the reed sedimentation pond and sludge deposits.

WASTE MANAGEMENT

Metinvest places responsible waste management at the heart of its environmental strategy. The industrial waste generated through production includes overburden and tailings from iron ore extraction and enrichment, coal mining and processing residues, chemical by-products from coke production, and iron-containing slag and sludge arising from hot metal and steel manufacturing processes.

The Group promotes waste recycling and reuse practices. Initiatives include utilising crushed rock in road construction and maintenance, commercialising coke by-products such as coal tar pitch and naphthalene, and substituting primary iron ore inputs with scrap metal. In 2024, 22% of all metal used in steel production was scrap, in line with the 2023 indicator.

In the reporting period, Metinvest's production operations generated a total of 115 million tonnes of waste[7], an increase of 10% year-on-year. The growth was driven primarily by an increase in iron ore production at Northern Iron Ore's Pershotravnevyi and Hannivskyi quarries. Overall, nearly 100% of the waste was non-hazardous, mostly comprising overburden and tailings from iron ore facilities. During the year, 14% of the waste generated, or 16 million tonnes, was recycled.

For more information about key environmental data, please see Annex 2.

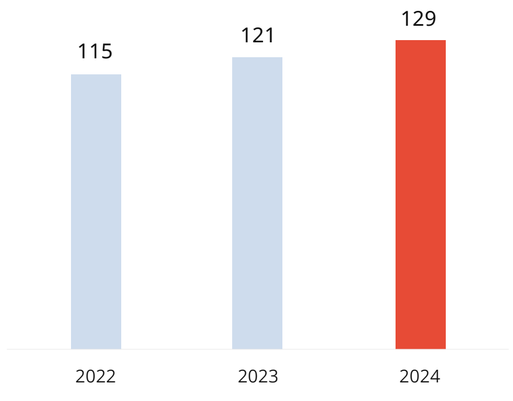
Metinvest maintains designated waste management areas, including dedicated repositories for slag and sludge at steel production sites and tailings storage facilities at iron ore operations. They are usually located in regions characterised by low seismic activity and minimal exposure to heavy rainfall risks. The Group conducts rigorous internal assessments of tailings dam stability, appoints specialised staff for regular inspections, closely monitors waste volumes and disposal practices, and evaluates potential environmental risks.

AIR EMISSIONS

90 kt ↑5%

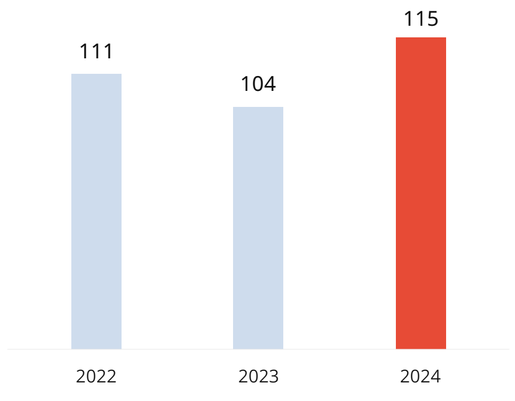
WATER INTAKE

129 mcm ↑6%



WASTE GENERATED

115 mt ↑10%



[7] The 2024 full-year data of Pokrovske Coal has been estimated and adjusted to account for production volumes and performance in previous periods, due to the suspension of its operations.

Additionally, external assessments of storage facilities at Metinvest's iron ore enterprises are performed annually by Ukrainian regulatory authorities and an independent expert body. With the involvement of external experts, the Group carried out detailed control measurements of water levels and slope stability, conducted engineering and geodetic monitoring to track the positioning of protective structures, and controlled groundwater and surface water volumes within tailings ponds and emergency reservoirs.

These measures ensure compliance with tailings management standards and support ongoing safety practices, such as monitoring dam loads and maintaining drainage systems.

In 2025, after the reporting period, Metinvest commenced the active phase of the project to thicken enrichment waste at Northern Iron Ore. Its completion is expected in 2029. The project aims to reduce the volume of slurry transported to the tailings storage facility. This should result in lower energy consumption, decreased CO_2 emissions through energy savings, improved tailings dam stability, conservation of fresh water and enhanced filtered water quality.

BIODIVERSITY

Metinvest's assets are not situated in protected areas and pose no identified risk to habitats listed on the International Union for Conservation of Nature (IUCN) Red List or national conservation registers. Nevertheless, the Group applies recognised good practice to land rehabilitation, habitat preservation and emissions control as part of its wider environmental stewardship.

In 2024, Metinvest's iron ore operations in Ukraine planted trees inside sanitary protection zones and applied dust-suppression measures on waste dumps and tailings to safeguard air quality. Inhulets Iron Ore organised regular clean-ups during warm months at the Vizyrka nature preserve, while Kamet Steel landscaped its premises, adding more than 900 trees, shrubs and flowering plants.

In the US, United Coal reclaimed mined land by reseeding native grasses and trees, completed stream-mitigation works and ran whole-effluent toxicity tests to verify that discharges do not harm aquatic life. Habitat assessments guide seasonal restrictions on activities such as tree removal and pond maintenance, and all conservation plans are reviewed by the relevant state and federal authorities.

RECLAMATION

As part of its commitment to responsible environmental management, Metinvest consistently implements reclamation measures for land disturbed by mining operations.

In compliance with Ukraine's Mineral Resources Code, Land Code, Mining Law and Land Protection Law, as well as other applicable Ukrainian and US legislation and regulations, the Group is responsible for soil restoration and site rehabilitation upon closure of mining operations and non-hazardous waste storage facilities. This obligation is further reinforced by conditions stipulated in subsoil use licences issued by governmental authorities.

Upon conclusion of mining activities, Metinvest implements previously approved reclamation plans, utilising diverse approaches tailored to specific site requirements. In Ukraine, reclamation typically begins with the greening of waste dumps and tailings to mitigate dust emissions and ends with the complete restoration of former quarry sites. Operating within a closed mining cycle necessitates the deployment of drainage systems from mine shafts, mine water treatment and controlled discharge into local water bodies.

In the US, United Coal adheres to detailed reclamation plans approved by regulatory bodies, encompassing three distinct phases: initial stabilisation, establishing vegetation cover over two growing seasons, and, finally, infrastructure removal or retention, depending on landowner preference.

Reclamation works are carried out by both in-house personnel and specialised contractors. Compliance with established standards is routinely verified through inspections by relevant authorities, enabling timely adjustments and reinforcing the Group's rigorous approach to environmental stewardship.

RESPONSE TO CLIMATE CHANGE

ALIGNED ACTION

Recognising climate change as a material topic for the Group and its stakeholders, Metinvest continues to work on its governance and risk management practices. Acknowledging the significant challenges posed by climate change, the Group aims to address its carbon footprint.

GENERAL APPROACH

Metinvest strives to align its climate-related activities with the Paris Agreement[1], aiming to restrict global temperature rise to well below 2°C, preferably 1.5°C. The Group recognises that addressing climate change requires significant contributions from the industrial sector, underscoring the need to transition towards more sustainable operational practices.

This disclosure details Metinvest's position in implementing TCFD[2] recommendations. Given the evolving nature of climate disclosure requirements and varying regulatory landscapes, the Group remains committed to regularly reviewing and updating its reporting practices.

In preparing its climate disclosures, Metinvest also considers the ESRS requirements to ensure alignment with emerging EU regulatory expectations.

GOVERNANCE

Metinvest maintains a robust corporate governance framework with a two-tier board structure (for more details, please see page 56). In 2025, after the end of the reporting period, the Group completed the implementation of changes to its climate governance model. The climate governance system is led by the Management Board in collaboration with the executive team, who collectively oversee identifying, assessing and managing climate-related risks and opportunities, as well as formulating mitigation measures.

At the executive level, the Technological Directorate coordinates the integration of climate considerations by leading the assessment of climate-related risks and the development of mitigation measures, thereby ensuring the effective management of climate-related matters across the Group. The directorate is supported in the delivery of the climate-related agenda by other core functions, including the Economics and Business System Development Directorate, Finance Directorate, Internal Audit Directorate, and Sustainable Development and People Management Directorate.

The Supervisory Board, alongside its committees, provides strategic oversight, ensuring that the executive team embeds climate change considerations firmly within the Group's overall business strategy. The Strategy and Investments Committee integrates climate change and decarbonisation into strategic planning. The Health, Safety and Environmental Committee oversees climate risk assessments and evaluates related mitigation strategies. The Audit and Finance Committee monitors the implications of climate risks and opportunities for financial reporting and budgeting. The Appointments and Compensations Committee guides the ongoing alignment of senior management incentives with accountability for climate-related performance.

Importantly, in 2025, Metinvest adopted a Climate Change Policy, enhancing its governance efforts in this area. This policy integrates climate considerations into strategic planning, operational processes and daily decision-making, ensuring that climate-related risks and opportunities remain a key focus for the Group. By prioritising energy efficiency, innovation and reduced footprints, Metinvest is committed to decreasing its emissions and advancing towards a low-carbon transition. The policy emphasises transparency and accountability, with regular monitoring and reporting on climate-related indicators.

[1] Paris Agreement (unfccc.int)
[2] Task Force on Climate-Related Financial Disclosures (ifrs.org)

CLIMATE GOVERNANCE STRUCTURE

SUPERVISORY BOARD AND ITS COMMITTES	Oversight of climate-related matters and their implementation
MANAGEMENT BOARD	Review and control over climate-related matters and management of their implementation

STRATEGY

Metinvest manages climate-related risks within its broader risk framework (for more details, please see page 66), taking into account the specific attributes of its assets. The Group's strategic approach to climate issues draws primarily upon scientific research from recognised global climate organisations.

Metinvest initially assessed climate risks with the assistance of consulting experts. During the reporting period, the Group's in-house team continued to develop a process for effectively evaluating climate risks and reassessing opportunities, aiming to gain a more nuanced understanding of the situation.

CLIMATE SCENARIOS

The TCFD recommends climate scenario modelling to identify and evaluate the potential impacts of both physical and transition climate risks. Metinvest uses such analyses to better understand the risks and uncertainties associated with different future climate conditions, enhancing the strategic resilience and flexibility of its operations.

Physical climate risk scenarios

To assess physical climate risks, Metinvest evaluated three climate scenarios published by the Intergovernmental Panel on Climate Change (IPCC)[3], summarised in the chart below. These scenarios depict commonly accepted trajectories of global warming until 2100. The Group based its analysis on the scenario with the highest physical risks – Representative Concentration Pathway (RCP) 8.5 – which anticipates the most severe weather events. To maintain consistent assumptions, the assessment presumes no material impact from the full-scale war in Ukraine on operating assets.

Transition climate risk scenarios

Shifting to a lower-carbon economy may involve substantial policy, legal, technological and market transformations aimed at climate mitigation and adaptation.

Climate transition scenarios support strategic planning by incorporating varying assumptions and parameters relevant to specific climate issues. Metinvest has evaluated scenarios from leading global organisations, including the International Energy Agency (IEA)[4], Network for Greening the Financial System (NGFS)[5], International Renewable Energy Agency (IRENA)[6] and Principles for Responsible Investment (PRI)[7].

Based on this analysis, the Group has developed scenarios synthesising elements from these global authorities to effectively evaluate transition-related climate risks aligned with the objectives of the Paris Agreement.

SYNTHESISED TRANSITION SCENARIOS

Net Zero

Combines features of the IEA's Net Zero Emissions and NGFS Net Zero 2050 scenarios, envisaging stringent policies and technological advances that limit global temperature rise to 1.5°C, achieving global net zero CO_2 emissions by around 2050.

Announced Pledges

Combines the IEA Announced Pledges scenario with the NGFS NDCs scenario. This tailored approach assumes full implementation of existing energy and climate commitments, restricting global warming to below 2°C by 2100.

RISK MANAGEMENT

In 2024, Metinvest began to implement an approach to integrating climate-related risks into its broader risk management framework. These risks represent external factors with potential implications for the Group's strategy, business model and operational performance.

Metinvest employs standardised principles and core risk management stages in the evaluation of climate risks. The latter cover: identification, assessment, prioritisation, mitigation, implementation, process review, reporting and monitoring.

For further details on the Group's approach to managing risks, please see the Risk Management section of the report.

METRICS AND TARGETS

Metinvest continuously tracks essential climate-related metrics, including GHG emissions, to measure the effectiveness of its climate actions. It is committed to enhancing transparency in reporting climate data, although challenges persist due to the ongoing full-scale war in Ukraine.

For detailed information on the Group's latest climate metrics performance, please see pages 49-50.

Prior to the full-scale invasion, Metinvest initiated development of a long-term decarbonisation roadmap. Due to the war, this initiative is currently postponed and a thorough post-war review of decarbonisation plans for Ukrainian assets will be necessary.

Although major investments in Ukraine are presently restricted, Metinvest continues to explore opportunities for enhancing its iron ore quality and transitioning towards established and emerging low-carbon technologies in steelmaking, such as electric arc furnaces powered by low-carbon materials and renewable energy. Additionally, the Group is advancing a steel production project in Italy utilising innovative low-carbon technologies. For more details, please see page 20.

Metinvest continues to drive towards a future built with green steel. The Group is involved in the Ukrainian government's platform aimed at expanding stakeholder engagement on green steel development to foster a sustainable recovery in the local industry.

PHYSICAL SCENARIOS

Metrics until 2100	RCP 2.6 scenario	RCP 4.5 scenario	RCP 8.5 scenario
Description	Peak in radiative forcing at ~ 3 Watt/m² before 2100 and decline	Stabilisation without overshoot pathway to 4.5 Watt/m² at stabilisation after 2100	Rising radiative forcing pathway leading to 8.5 Watt/m² 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

[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)

CLIMATE RISKS

Climate-related risks comprise physical risks arising directly from climate change and transition risks linked to evolving mitigation and adaptation requirements.

Physical risks

Physical risks include acute events or chronic climate shifts. Relevant risks identified for Metinvest's operations are rising average temperatures, wildfires, storms, flooding, drought, altered precipitation patterns, extreme temperatures, landslides, increased wind activity and sea level rise.

Given the Group's geographic locations, initial analyses under the RCP 8.5 scenario suggested that forecast physical climate changes are minor. Qualitative and quantitative assessments indicate that these risks would have negligible financial impacts, even under the most severe climate scenarios projected to 2050. During the reporting period, Metinvest continued to work on the assessment to improve the evaluation's accuracy.

Further details of key climate-related physical risks are available in Annex 3.

Transition risks

Metinvest recognises transition risks such as increased greenhouse gas emission pricing within the EU and Ukrainian emission trading systems; EU Carbon Border Adjustment Mechanism (CBAM) implementation; rising raw material costs; evolving customer demand for lower-carbon products; potential constraints on capital availability; expenses related to transitioning to lower-emission technologies; and reduced demand for coking coal products.

One of the most significant risks identified is the increasing cost of greenhouse gas emissions, particularly in relation to the implementation of the CBAM. Metinvest continues to assess the implications of CBAM on its operations and long-term strategy. While near-term effects are expected to be limited, medium- to long-term exposure may increase. More detailed CBAM regulatory rules and subsequent benchmarks are expected to be adopted by the European Commission in the second half of 2025. To address the potential regulatory burden, the Group is actively implementing optimisation initiatives, pursuing market diversification and refining its asset strategy both within Ukraine and internationally.

In 2024, Metinvest advanced its evaluation of transition climate risks by testing several decarbonisation pathways for the Group. This approach allowed for a more robust assessment of potential climate-related impacts under different low-carbon transition scenarios.

Further details of significant transition risks are provided in Annex 3.

CLIMATE OPPORTUNITIES

Opportunities linked to climate action arise primarily through climate mitigation and adaptation initiatives.

Diversified resource base

The global transition to lower-carbon technologies is expected to drive higher demand for raw materials supporting green steel production. Metinvest's existing iron ore extraction and processing assets offer substantial potential for increased production of DR-grade pellets in the medium term, as well as hot briquetted iron (HBI) and direct reduced iron (DRI) in the longer term.

Diversification of the Group's activities supports the transition towards lower-carbon production methods, including opportunities to supply green steel aligned with customer sustainability objectives.

Circular economy

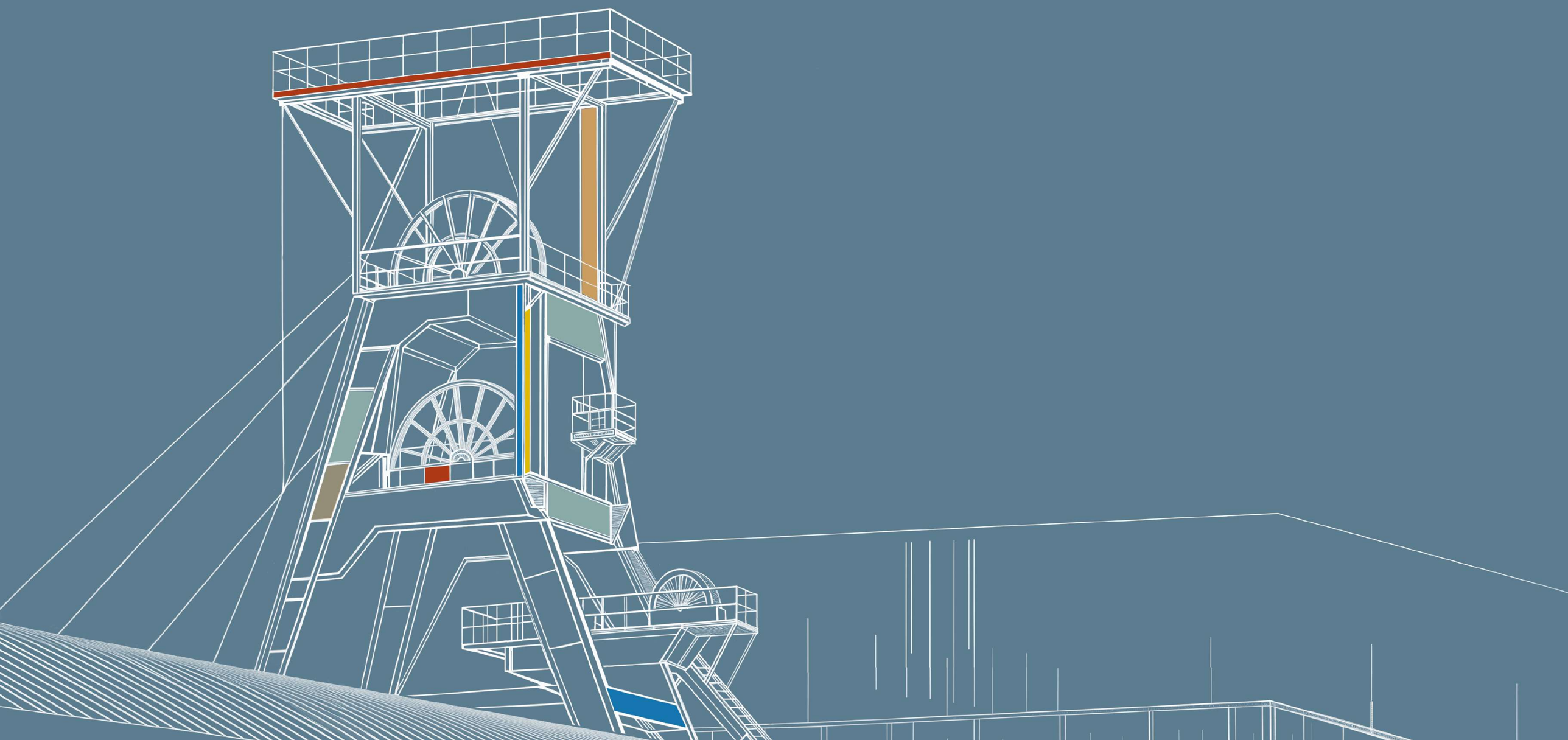
Recycling metallurgical by-products provides a sustainable resource alternative for steelmakers, helping to reduce negative environmental footprint, despite potential additional capital costs. Metallurgical wastes such as waste rock, slag and pickling sludge are reused to decrease consumption of construction materials: for example, crushed rock in road repair and construction.

Additionally, Metinvest integrates internally generated scrap as an iron ore substitute in steel production.

For more details, please see the Environment section of the report.

03 GOVERNANCE REPORT

Throughout 2024, Metinvest maintained operations at Pokrovske Coal, providing vital supplies of high-quality coking coal. At the same time, it built up stockpiles and secured alternative suppliers. These measures ensured that the Group could stay the course when security concerns later required a suspension of coal mining activities.



CORPORATE GOVERNANCE

RESOLUTE STEWARDSHIP

In 2024, Metinvest's governance framework showcased adaptability amid the challenges of the full-scale war. Its guiding principles emphasised the Group's dedication to responsible leadership.

GOVERNANCE PRINCIPLES

Metinvest's governance framework is founded on the core principles of specialisation, vertical integration, unified strategic management, centralisation, growth and investments, global best practices, tradition and innovation, commitment to leadership, and personal commitment.

These principles continue to guide the Group in maintaining operational resilience and adapting its business amid the challenges of doing business in a country at full-scale war.

Metinvest B.V.'s corporate governance structure is established in alignment with Dutch law and adheres to its requirements. It comprises: the General Meeting of Shareholders, the Supervisory Board and the Management Board.

At the Group level, the executive team plays a critical role in providing operational support.

GENERAL MEETING OF SHAREHOLDERS

SUPERVISORY BOARD

Strategy and Investments Committee	Audit and Finance Committee	Appointments and Compensations Committee	Health, Safety and Environmental Committee

MANAGEMENT BOARD

EXECUTIVE TEAM

GOVERNANCE PRINCIPLES

Specialisation	Vertical integration	Unified strategic management
Centralisation	Growth and investments	Global best practices
Tradition and innovation	Commitment to leadership	Personal commitment

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

GENERAL MEETING OF SHAREHOLDERS

In accordance with Dutch law and Metinvest B.V.'s Articles of Association, the General Meeting of Shareholders has the authority 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 2024, shareholder meetings were convened 20 times to make decisions on a wide range of matters, including but not limited to: financial statements; material transactions; and changes in the composition of the Supervisory Board.

For details about Metinvest B.V.'s shareholders, please see Notes 1 and 15 to the Summary IFRS Consolidated Financial Statements 2024.

SUPERVISORY BOARD

As at the end of the reporting period, Metinvest B.V.'s Supervisory Board had nine 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

• three B-Members appointed by the Class B shareholder

Alexey Pertin[1], Deputy Chairperson
Gregory Mason
Olena Nusinova.

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, can also 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 2024, the Supervisory Board welcomed a new member, enhancing the Group's oversight. Beyond this addition, the composition of the Supervisory Board remained consistent with that presented in the Annual Report 2023.

[1] For more details, please see Annex 1.

OLENA NUSINOVA

Class B Member
Tenure: less than one year

Olena Nusinova was appointed as a Class B Member of the Supervisory Board on 10 July 2024.

She oversees the areas of corporate governance, investment strategy and international affairs.

Since September 2021, Olena has served as Director of Smart Corporate Service, a Ukraine-based provider of business support services. She also holds director positions at Smart Energy, a Ukrainian hydrocarbon exploration and production company, and IF Smart, an investment firm headquartered in Ukraine.

Since December 2021, she has chaired the Supervisory Board of Ukrgasvydobuvannya, Ukraine's largest natural gas producer. Previously, Olena worked at the European Bank for Reconstruction and Development, leading Ukrainian financial sector reform projects. Her earlier career includes senior roles at investment firms and regulatory institutions, including Ukraine's National Securities and Stock Market Commission.

Olena holds a degree in Accounting and Audit from Kyiv National Economic University (Ukraine), an MBA from the London School of Business and Finance (UK), and a Doctor of Business Administration in Corporate Governance from the British Business Academy (UK). She also holds a Doctor of Science in Economics and a diploma from the Chartered Institute of Management Accountants.

Note: tenure in full years as of 31 December 2024.

SUPERVISORY BOARD

The Supervisory Board is responsible for overseeing the activities of the Management Board and the general course of business of Metinvest B.V. and the Group as a whole. It approves and updates corporate values, strategies, policies and goals related to the Group's broader economic, environmental and social agenda. The Supervisory Board also provides advice to the Management Board.

Four committees assist the Supervisory Board in its work. As at 31 December 2024, the composition of those committees remained unchanged from the information presented as at 31 December 2023.

The Supervisory Board provides oversight and guidance on key issues through resolutions relating to the following matters, among others: the Group's strategic goals; the investment programme for each calendar year; the annual business plan; appointments at the level of top management, approval of their compensation system and key performance indicators, and decisions on annual bonuses; the 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), and external financing over US$30 million if included in the annual financing programme approved by the Supervisory Board, as well as any financing transaction regardless of the amount if 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.

In 2024, the Supervisory Board convened 23 times to take decisions on a wide range of matters, including: annual business planning; financial statements; the annual report; the appointment of an independent external auditor; the appointment of senior management; approval of the senior management's performance; material transactions; operational efficiency; investment projects; health, safety and environmental reports; and the governance structure for climate-related issues.

STRATEGY AND INVESTMENTS COMMITTEE

The Committee is tasked primarily with conducting reviews and providing recommendations to the Supervisory Board on the Group's strategic objectives, including existing and new businesses, investments, mergers and acquisitions.

Its work is supported by the Technology Sub-committee, which provides guidance to management in developing and implementing the Group's technological strategy.

In 2024, the Strategy and Investments Committee met four times to consider the following matters, among others: business planning; the capital investment programme and strategic projects; key M&A projects; sales, procurement and logistics; HR management; new product development; seaborne logistics strategy; the power supply situation in Ukraine; climate regulations and their practical implications for the Group; as well as governance structure in relation to climate issues.

During the reporting period, the Technology Sub-committee met eight times to consider the following matters, among others: the capital investment programme; a green steel project in Italy; climate risks; EU decarbonisation trends and prospects for Ukraine; the reconfiguration of the maintenance and repair function; as well as power supply restrictions at the Group's Ukrainian assets.

AUDIT AND FINANCE COMMITTEE

The Committee is responsible for overseeing Metinvest's financial and audit activities on behalf of the Supervisory Board.

Its core responsibilities include monitoring the budget, financial reporting, risk management, internal controls and the internal audit function, as well as assessing the external auditor. The Internal Audit Directorate supports it in fulfilling these tasks.

In 2024, the Audit and Finance Committee convened eight times to consider the following matters, among others: internal audit issues; external auditor selection for the 2024 financial year; the financial statements for the 12 months ended 31 December 2023 and the six months ended 30 June 2024; the annual report for 2023; the Compliance Programme; management of financial liabilities and working capital; audit, tax and compliance issues; new financing facilities; CSRD reporting; as well as 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 oversees the strategy, policies, systems, controls and principles related to health, safety and the environment on behalf of the Supervisory Board.

In 2024, the Health, Safety and Environmental Committee convened four times to consider the following matters, among others: health and safety performance, including audits; incident investigations; the Safe Workspace programme; environmental safety reporting, including the impact of CBAM requirements; as well as other projects and programmes.

APPOINTMENTS AND COMPENSATIONS COMMITTEE

The Committee advises the Supervisory Board on appointments to and dismissals from senior positions at Metinvest; KPIs and annual bonuses for senior management; the Group's motivation and assessment reward systems; as well as succession planning.

In 2024, the Appointments and Compensations Committee convened four times to consider the following matters, among others: performance assessment; headcount dynamics; remuneration; improvement of the goal-setting system; adjusting the organisational model; and the status of HR management at Metinvest assets.

MANAGEMENT BOARD

Two Directors serve on the Management Board:

- 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.

In accordance with Dutch law, the Management Board's remit encompasses the management of Metinvest B.V., including economic, environmental and social considerations, excluding those matters that fall within the authorities of the General Meeting of Shareholders and the Supervisory Board.

Metinvest B.V.'s Articles of Association stipulate that it may only be represented by the entire Management Board (that is, Director A and Director B, acting jointly). In carrying out their responsibilities, the Directors must act in the best interests of Metinvest B.V. and its businesses. The Articles of Association do not determine a specific term of office for the Management Board members.

As at 31 December 2024:

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

EXECUTIVE TEAM

The executive team manages and coordinates Metinvest's daily operations while ensuring the implementation of strategic decisions set by the Supervisory Board and its committees across economic, environmental and social matters.

In 2024, the executive team experienced notable enhancements with the appointments of a new Chief Strategy Officer and Chief Legal Officer. The core management team, however, has largely remained intact, as detailed in previous annual reports.

YURIY RYZHENKOV

Chief Executive Officer,
Director A of the Management Board
Tenure: eleven years

Yuriy Ryzhenkov was appointed as Chief Executive Officer of Metinvest Holding in December 2013.

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.

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).

ELIZA DÉSIRÉE DEN AANTREKKER

Director B of the Management Board
Tenure: three years

Eliza den Aantrekker was appointed as Director B of Metinvest B.V. on 18 May 2021.

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.

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.

ILDAR SALIEIEV

Chief Strategy Officer
Tenure: less than one year

Ildar Salieiev was appointed as Chief Strategy Officer in October 2024. He is responsible for defining and implementing the Group's long-term strategic agenda.

Ildar began his career in 2006 at DTEK, overseeing investment activities at coal assets. In 2010, he joined Corum Group as Director of Strategy and, from 2014, led its Underground Development Division. From 2015 to 2018, he headed Metinvest's procurement operations. He then served as Chief Executive Officer of PJSC DMZ in (2018-2020). Ildar returned to DTEK Energy in 2020 as Chief Operating Officer and was promoted to Chief Executive Officer in 2021.

Ildar holds a master's degree in Finance from Donetsk National Technical University (Ukraine), a master's degree in Mining Engineering from the National Mining University in Dnipro (Ukraine), and a PhD in Production and Technology (Mining) from Dnipro University of Technology (Ukraine).

ROMAN OGNEVYUK

Chief Legal Officer
Tenure: less than one year

Roman Ognevyuk was appointed as Chief Legal Officer in October 2024. He leads the Group's legal function, covering corporate governance, mergers and acquisitions, dispute resolution and regulatory compliance.

Roman started his career in 2005 at Sergiy Koziakov & Partners before joining Asters in 2008. In 2009, he became a counsel and later a partner at Engarde Attorneys-at-Law. Between 2019 and 2021, Roman headed the Legal Support and Corporate Governance Department of AST Holding. He joined Metinvest in 2021 to lead the Corporate Governance Department.

Roman holds a master's degree in International Law and a qualification in English translation from the Institute of International Relations, Taras Shevchenko National University of Kyiv (Ukraine). He holds an Executive MBA from the Quantic School of Business and Technology (US).

Note: tenure in full years as of 31 December 2024.

EXECUTIVE PERFORMANCE EVALUATION AND REMUNERATION

Each year, the Supervisory Board sets team objectives for senior management and individual goals for the CEO, who then assigns them to executive team members according to their roles, subject to the Supervisory Board's approval.

These objectives are integrated into a KPI scorecard, with each target weighted according to a manager's level of influence over its outcome. Following the year-end, the Supervisory Board conducts an annual performance review of senior management, taking into account their self-assessments.

Senior management contracts do not include pension entitlements or other benefits upon termination of service.

For more information regarding management remuneration, please see Note 24 to the Summary IFRS Consolidated Financial Statements 2024.

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.

ROBUST ASSURANCE

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 focused on further development of metrics and drivers related to non-commercial risks and associated costs, as well as advising management on the update of procedures that were formalised in prior years.

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 2024, 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 101.

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.

For example, 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.

BUSINESS ETHICS AND COMPLIANCE

INTEGRAL PRINCIPLES

Metinvest remains committed to upholding the highest standards of integrity and compliance. In 2024, the Group enhanced training processes and introduced new measures to reinforce transparency and resilience across its operations.

ETHICAL FRAMEWORK

Metinvest's Code of Ethics is a cornerstone of business conduct across the Group. It upholds fundamental human rights – including freedom of thought, religion and opinion – and ensures health and safety, decent work, non-discrimination and social responsibility. Metinvest promotes these principles through leadership by example, targeted training and awareness campaigns.

In 2024, the Group conducted dedicated training on the Code of Ethics across its Ukrainian assets and in the EU and the UK. Mandatory courses, which had been paused following the outbreak of the full-scale war, were reinstated during the reporting period for any employee who had not received training since 2022. These sessions were compulsory for administrative staff. Workers in operational roles were invited to participate voluntarily. Overall participation rose to more than 2,300 employees, compared with 540 in the previous year.

Alongside the Code of Ethics, the Code of Business Partnership and the Human Rights Policy form the backbone of the Group's ethical framework and stakeholder relationships.

The Code of Business Partnership provides a foundation for cooperation with suppliers and business partners. It establishes criteria for responsible commercial practices and ethical business conduct. For more information, please see page 64.

In early 2024, Metinvest introduced the Human Rights Policy to further strengthen its commitment to respecting and protecting human rights. Complementing the Code of Ethics and the Code of Business Partnership, this policy is designed to mitigate risks related to human rights violations across the Group's operations and supply chain.

ETHICS COMMITTEE

Metinvest's Ethics Committee is led by the CEO and comprises senior management. Its responsibilities include addressing conflicts of interest, reviewing reports submitted via the Trust Line and ensuring effective governance in these areas.

In 2024, in addition to its ordinary business, the Committee considered controls imposed for high-risk positions and compliance-related training for employees. Additionally, it handled war-related matters such as economic sanctions checks and blocked counterparties.

BUSINESS ETHICS FRAMEWORK

REGULATORY DOCUMENTS
- Code of Ethics
- Code of Business Partnership
- Human Rights Policy

INSTRUMENTS
- Compliance Programme
- Compliance checks
- Anti-monopoly procedures
- Trust Line

GOVERNANCE
- Supervisory Board
- Audit and Finance Committee
- Ethics Committee

THE TRUST LINE DETAILS:

Ukraine:

0 800 60 07 77

(Toll free number within the borders of Ukraine)

Number: +38 044 224 72 32

Email: trustline@scm.com.ua

Outside Ukraine:

Number: +357 97 974 407

Email: trust_line@trustlinescm.org

Web: www.scm.com.cy/trustline

TRUST LINE

Metinvest relies on the Trust Line, operated by SCM – one of the Group's shareholders – to bolster transparency and accountability. This platform allows stakeholders to anonymously report any legal infractions, unethical business conduct or other non-compliance as covered by the Human Rights Policy, Code of Business Partnership, Code of Ethics or other governance documents. It also serves as a channel for voicing environmental and safety concerns.

Available 24/7, the Trust Line is staffed by authorised representatives who can provide advice and support. Submissions are accepted through various methods, such as email, phone and text message, in any of Metinvest's operational languages. Oversight of the Trust Line is conducted by the Internal Audit Directorate.

The Group's Procedure for Routing, Investigating and Closing Reports Received through the Trust Line defines investigative responsibilities, outlines reporting formats, and ensures all corrective actions are properly monitored and implemented.

During the year, the Group introduced a separate application channel to submit complaints via the Trust Line for assets in the EU, helping to minimise cross-border transfers of personal data.

In 2024, a total of 289 reports were submitted to the Trust Line, of which 167 were confirmed. Among the most frequent issues reported were violations of HR and other internal policies and procedures, as well as breaches of contractual obligations by third parties.

In the reporting period, there were no confirmed cases of human rights discrimination at the Group.

COMPLIANCE PROGRAMME

Metinvest's Compliance Programme plays a vital role in ensuring fair business practices and serves as a key measure for the Group to prevent corruption and ensure compliance with sanctions regulations. Its progress is reviewed quarterly by the Supervisory Board's Audit and Finance Committee and annually by the Supervisory Board. At the executive level, the Ethics Committee evaluates the Programme's performance on a quarterly basis.

The Compliance Officer function, operating within the Legal Directorate, is responsible for compliance strategy, high-risk transactions, centralised compliance controls, GDPR matters and legal support. The relevant function for Ukrainian assets is centralised within the Compliance Risks Department at Metinvest Business Services, which focuses on operational matters, sanctions risks, personal data protection and conflict of interest management. Outside Ukraine, compliance coordinators oversee the relevant risks and conflicts of interest while promoting ethical business practices through training and communication.

In 2024, Metinvest continued to prioritise counterparty sanctions screening as a key aspect of its efforts in this area. During the year, the Group also introduced the following initiatives, among others:

- implemented additional checks to block high-risk transactions
- introduced an IT platform for supplier assessment at the Group's Italian assets
- enhanced GDPR compliance measures at some EU assets.

WORKING TOWARDS ACCOUNTABILITY

In 2024, Metinvest continued its journey in pursuit of justice and compensation for damages caused by Russian aggression. This included engaging international legal channels such as the European Court of Human Rights (ECHR) and investment arbitration under the Ukraine-Russia bilateral investment treaty.

This initiative highlights the Group's commitment to defending its fundamental values and legal rights under international law, despite facing extended court challenges.

The claims focus on Russia's infringement of Metinvest's rights under Article 1 of Protocol 1 to the European Convention on Human Rights. This includes causing substantial damage and destruction to the Group's assets; denying control over them, often to the extent of effectively stripping ownership; and depriving it of their business use and income-generating potential.

Specialised personnel have documented the inflicted damage, particularly on the Mariupol plants: to provide information to Ukrainian law enforcement agencies, and to seek compensation for damages through mechanisms expected to be established in the future. Metinvest has also initiated several criminal proceedings. The Group has coordinated its legal efforts with SCM.

CONFLICTS OF INTEREST

Metinvest acknowledges that employees have legitimate personal interests and supports their professional and personal growth, particularly when it contributes to the wider community. At the same time, the Group emphasises the need to prevent conflicts between individual and corporate interests.

To ensure transparency, Metinvest's Procedure for Declaring Conflicts of Interest requires employees to promptly disclose any actual or potential conflicts to their direct supervisor and the legal team. Managers are also obligated to submit declarations confirming the absence of conflicts or detailing any relevant concerns. The Group requires initial (upon assuming a management role), current (if any real or potential conflict arises during the year) and annual declarations (irrespective of the existence of a conflict) to be submitted.

In 2024, Metinvest refined its approach to managing conflicts of interest. The Ethics Committee revised the criteria for mandatory declarants, shifting from a position-based to a function-based determination. The compliance service monitors adherence and reports non-compliance to the general director of a particular entity. Additionally, in 2024, the annual declaration process was extended to certain assets in the EU.

During the reporting period, 93% of declarants submitted annual declarations, compared with 92% in 2023. In total, 79 filers reported a conflict of interest, compared with 82 in the year prior. Additionally, 688 employees attended a voluntary webinar about managing conflicts of interest to better understand the procedure, compared with 1,354 in the previous year.

ANTI-CORRUPTION AND ANTI-BRIBERY

Metinvest upholds all applicable anti-corruption and anti-bribery laws throughout its operations.

The Group's corruption and fraud-risk management framework is founded on defined evaluation criteria, unambiguous definitions and explicit accountabilities for risk oversight.

Adopting a multi-tiered anti-corruption approach, Metinvest emphasises staff awareness of its zero-tolerance corruption policy while conducting mandatory screenings for employees, suppliers and customers. Additional scrutiny is applied to transactions in which public sector representatives are involved and for social programmes.

All internal and external candidates for senior and high-risk positions undergo compulsory internal security checks. More rigorous assessment protocols are applied to former government officials and politicians. Overall, 626 candidates for high-risk positions were screened in 2024, compared with 171 in 2023.

In 2024, no corruption violations were reported or confirmed.

AML/CFT

Metinvest's Procedure on Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) mandates thorough due diligence screenings for all counterparties. These assessments cover sanctions lists, terrorism financing, money laundering, corruption and other relevant risks. Additionally, the Group conducts automated sanctions checks on all counterparties registered in SAP to reinforce compliance.

In 2024, Metinvest checked more than 10,000 transactions for potential violations of economic sanctions and AML/CFT regulations, resulting in 42 counterparty blocks in the SAP system. This compared with over 8,000 checks and 53 blocks in 2023.

ANTI-MONOPOLY COMPLIANCE

Metinvest upholds the principles of fair competition as outlined in its Code of Ethics and complies with all relevant regulations in its operating jurisdictions. The Group's entities, including the largest ones, operate in line with internal practices that reflect anti-monopoly compliance standards.

A dedicated anti-trust compliance function, led by the legal team, manages inquiries and requests from government authorities. It also provides expert guidance on potential anti-trust risks and delivers clarifications when required.

During the reporting period, Metinvest conducted an internal audit of contractual processes and trained its legal teams on anti-trust risks in relevant documentation. It also prepared methodological guidance for lawyers and management of the Group's Ukrainian subsidiaries on compliance with national anti-monopoly authority requirements, establishing a standard procedure for the units involved and the designated representatives.

To support compliance, Metinvest conducts annual training to help managers recognise and prevent actions that could be considered violations of competition laws.

In 2024, Metinvest did not incur any fines or sanctions related to anti-competitive practices or breaches of anti-trust and monopoly legislation.

ANTI-CRISIS MANAGEMENT

Metinvest's anti-crisis management system is integral to ensuring operational stability amid ongoing challenges. Governed by the Anti-Crisis Management Regulation and Business Security Policy, it provides a unified framework for security management across the Group. The system is designed to mitigate security risks to operational assets while protecting employees and material resources.

Metinvest actively monitors military, social, geopolitical and other external factors that could impact its business processes. Through comprehensive risk assessments and facility audits, the Group identifies potential threats, evaluates their impact and implements preventive measures. Crisis situations are classified as either operational or strategic, depending on their potential consequences.

Led by the CEO, Metinvest's anti-crisis headquarters oversees responses to urgent situations. A 24-hour hotline enables timely incident reporting, ensuring that critical information reaches the CEO and Supervisory Board members. This rapid communication mechanism enables the Group to take swift action to mitigate emerging risks.

In 2024, Metinvest further enhanced its anti-crisis management system by adopting new emergency response protocols, evacuation and audit procedures, and communication-system solutions. Additionally, the Group provided readiness training to employees covering situations such as industrial incidents or shelling.

SUPPLY CHAIN MANAGEMENT

RELIABILITY IN FOCUS

In 2024, Metinvest enhanced its supply chain management by utilising the renewed Black Sea navigation corridor. Additionally, the Group ensured business continuity by securing electricity imports during grid deficits. These measures enabled it to fulfil production requirements and meet customer commitments.

VITAL RESILIENCE

Metinvest's supply chain spans the sourcing of raw materials, goods and services, as well as procurement, production, marketing and distribution activities. The Group employs an integrated framework to oversee supplier selection, contracting processes and related operations.

At the executive level, Metinvest's activities in this area are managed through dedicated teams covering different aspects of the business. The Commercial Directorate is tasked with strategic procurement, including raw materials, fuel and energy, alongside its sales responsibilities, while the Operations Directorate handles other critical categories. Other directorates oversee the acquisition of products and services within their respective scopes.

Additionally, each production facility maintains dedicated planning, analytical, procurement and warehouse functions. In 2024, as part of implementing a new management approach for iron ore assets, the Group established a joint purchasing centre for the related operations, streamlining core business processes.

Also, the supply functions of iron ore assets are integrated into Metinvest's shared service centre for centralisation of day-to-day operations, including contract administration and invoice handling. Supplier pre-qualification for all of the Group's Ukrainian assets is also fully integrated into the shared service centre's operations.

To cultivate fair and sustainable business relationships, Metinvest's Code of Business Partnership clearly outlines standards expected from current and potential suppliers. It focuses on mutual respect, cooperation, workplace safety, environmental sustainability, information confidentiality, social responsibility and compliance with the relevant law and the Code of Ethics.

Internally, the Group's Procurement Policy and the Regulation on Procurement Management govern its activities in this area. The Policy promotes principles of ethical conduct, supplier competition, transparency, partnership, economic justification, efficiency and preferential engagement with direct producers. The Regulation sets clear expectations for supplier vetting, tender participation rights and obligations, and related procedural norms.

Additionally, Metinvest's Procedure for Procurement of Materials and Resources reinforces planning, oversight and reliability of supplies.

LOGISTICS

Metinvest-Shipping manages the logistics operations for the Group's key assets located in Ukraine and the EU. It is responsible for overseeing the entire logistics chain, encompassing road and rail transportation, port transshipment, and vessel chartering, and is guided strategically by the executive team.

The Commercial Directorate coordinates logistical processes, facilitating efficient management, clear communication and swift redirection of product flows to relevant markets.

In 2024, Metinvest's logistics function continued to manage deliveries of products to customers and supply production assets with essential raw materials, ensuring continuous and stable operations.

During the year, the Group further strengthened its supply chain capabilities to avoid significant disruptions despite challenging operational conditions. Logistics management remained strategically focused on cost optimisation and effective risk mitigation.

SAFEGUARDING SUPPLY CONTINUITY

Throughout 2024, the Group continued to diversify sourcing of critical goods and services while reinstating previously used logistics routes. These efforts contributed to improved operational resilience.

The resumption of Black Sea navigation in late 2023 evolved in 2024 into Metinvest's principal logistics artery to and from Ukrainian assets. This development restored their direct access to global markets and inbound raw-material lanes. Throughout the year, Ukrainian ports successfully managed nearly all of the Group's seaborne exports. Where economically advantageous, certain export volumes continued to be handled through foreign ports. For more details, please see page 14.

Also, amid electricity shortages at its Ukrainian operations during the reporting period, Metinvest secured supplementary power through imports from the EU to cover demand at its production sites.

SUPPLIER SELECTION

Metinvest is committed to sustainable and resilient supply chain management, requiring its suppliers and contractors to adhere to equivalent ethical and operational standards.

Counterparties are expected to comply with applicable legislation, including regulations covering child labour, living wages, working hours, freedom of association and employee collective bargaining rights.

Metinvest employs transparent and equitable procurement processes managed by a Tender Committee comprising at least three representatives from different departments. Tenders are objectively assessed against predefined criteria such as pricing, quality, delivery terms and payment conditions. The Group publicly announces information regarding significant forthcoming tenders via its website no fewer than three days before commencement. Secure bidder communication is managed through the SAP Ariba digital platform.

To meet urgent supply chain requirements efficiently, Metinvest maintains streamlined procedures for certain aspects of tenders.

To build enduring relationships with suppliers and business partners, Metinvest employs pre-contract assessments and pre-qualification checks to evaluate potential risks associated with new partnerships.

Additionally, the Group rigorously verifies suppliers providing services involving hazardous tasks to ensure adherence to health and safety standards and to confirm that they possess appropriate qualifications and licences.

Metinvest reserves the right to temporarily or permanently disqualify suppliers that engage in unethical practices. Disqualification criteria remain publicly accessible via the Group's website, ensuring transparency and providing opportunities for counterparties to rectify compliance deficiencies.

In 2024, the Group completed over 11,700 pre-contract evaluations and 8,900 pre-qualification assessments, marking a significant increase from the previous year, when it conducted almost 7,400 and more than 5,600, respectively. As a result, it selected 139 new suppliers and disqualified 92 potential counterparties, down from 166 and 95, respectively, in the prior year.

Metinvest also thoroughly screens suppliers and their products to identify and mitigate risks related to corruption, as well as potential breaches of international obligations and sanctions. The Group excludes counterparties that fail these compliance assessments from participation in procurement activities.

Participation in Made in Steel 2025 exhibition

RISK MANAGEMENT

DILIGENT OVERSIGHT

In 2024, Metinvest's risk management approach helped to address the challenges presented by the ongoing war. This promoted timely, data-driven decisions and supported the Group's agility in a constantly shifting environment.

RISK MANAGEMENT PRACTICES

Metinvest's risk management framework is guided by its Internal Audit Policy, which aligns with the strategic principles of the ISO 31000:2018 Risk Management standard. Internal regulations governing the operations of specific functions also incorporate elements relevant to their business processes, ensuring that the executive team applies a cautious approach to decision making.

The Group categorises risks into two primary groups: commercial and non-commercial. Commercial risks, which can be quantified, relate directly to product and financial flows from operations in the short and medium term, as well as investments in tangible and intangible assets. Non-commercial risks encompass all other risks outside this classification.

Risk management responsibilities are clearly defined within Metinvest; each directorate is responsible for assessing the risks pertinent to its operations. The Economics and Business System Development Directorate evaluates and monitors commercial risks, while the Internal Audit Directorate oversees non-commercial risks. The latter also presents the overall risk assessment results to the Audit and Finance Committee of the Supervisory Board.

As part of its continuous risk management efforts, the Group assesses commercial risks by analysing the sensitivity of projected EBITDA to a range of risk factors. This approach enhances flexibility and responsiveness amid the evolving risk environment, particularly in the context of the ongoing war.

To assess non-commercial risks, each directorate defines and monitors metrics that allow for evaluating the risk level dynamically, enabling timely managerial decisions while considering the necessary costs.

This approach to categorisation provides senior management with deeper insights into the state of risk management systems, supporting the prioritisation of strategic objectives.

MANAGING RISKS RELATED TO WAR

In 2024, as the full-scale war in Ukraine entered its third year, Metinvest remained committed to a disciplined risk management strategy, addressing first-tier risks (beyond management's control) while mitigating second-tier risks (arising in the course of business operations).

The Group's approach to risk management continued to prioritise informed, risk-based decision making at all levels. Metinvest conducted regular evaluations of war-related risks throughout the year, ensuring their continued relevance and refining mitigation strategies as needed.

Core war-related concerns impacted all risk-management procedures of the Group, including the following aspects: ensuring the safety and well-being of personnel in areas affected by hostilities; providing support to local communities; maintaining essential assets and infrastructure; optimising the utilisation of production capacities; adjusting the logistics model to evolving conditions; and securing steady utility supplies.

SUSTAINABILITY RISK MANAGEMENT

Continuous monitoring of sustainability risks, which are classified among non-commercial risks, remained crucial to ensuring the effectiveness of Metinvest's sustainable development approach. The table on the following page details the nature of each risk and the corresponding mitigation measures in place.

Metinvest's climate-related risk management framework is outlined on page 53.

RISK MANAGEMENT STRUCTURE

SUPERVISORY BOARD AND ITS COMMITTEES

Monitor 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

EXECUTIVE TEAM

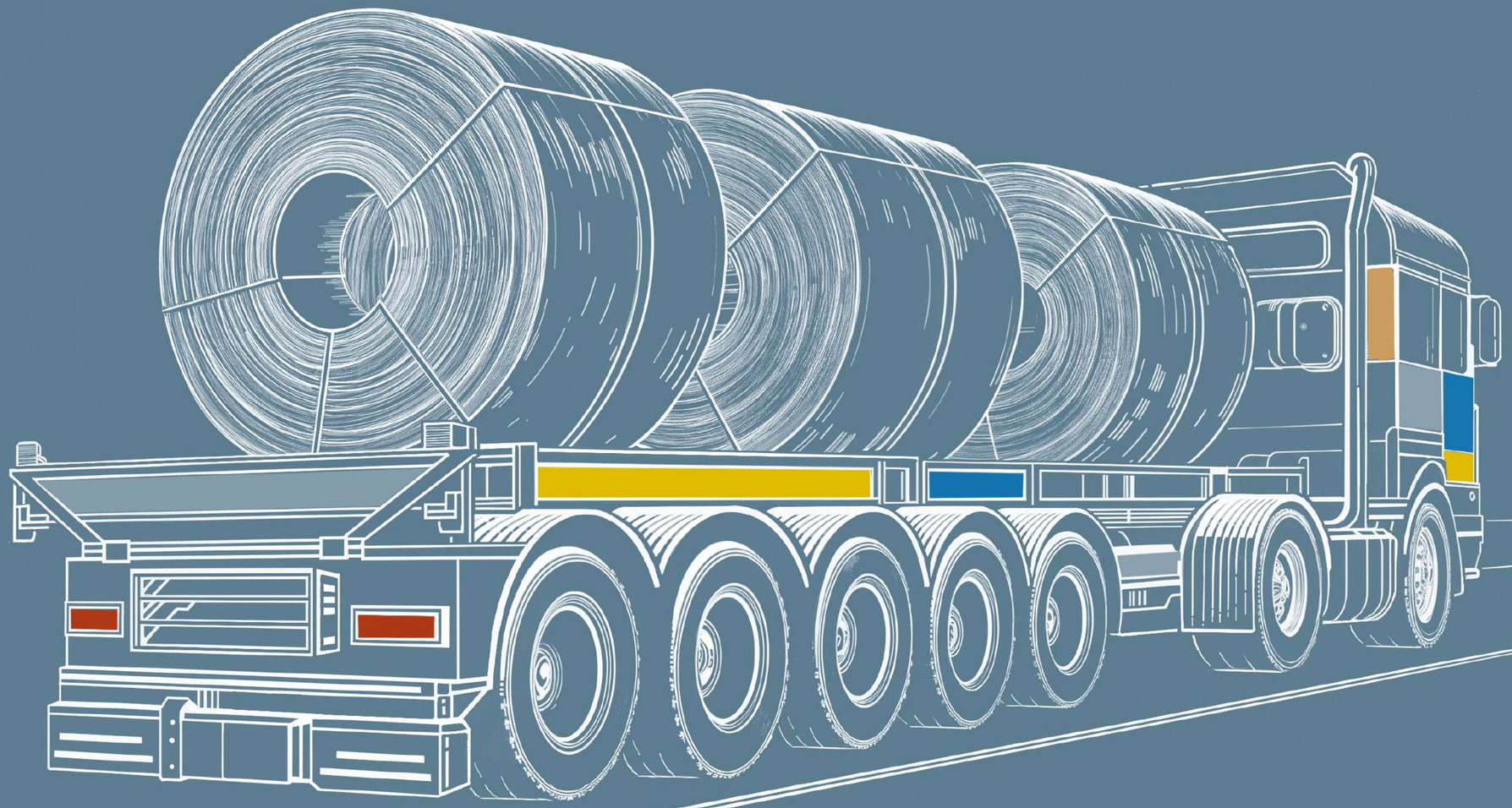
- Economics and Business System Development Directorate
- Internal Audit Directorate
- Functional management

KEY SUSTAINABILITY RISKS AND MITIGATION EFFORTS IN 2024

RISK AND ITS DESCRIPTION	MEASURES TO MINIMISE RISKS	
PEOPLE • High-skill labour deficit	• Motivation programmes • Training programmes	• Veterans reintegration programme • Trust Line to raise labour deficit issues
WORKPLACE SAFETY • Workplace injuries and fatalities	• Safe Workspace programme • Projects related to certain critical risk factors under the safety roadmap • Relevant training and incentive tools for employees	• Safety assessment of contractors involved in hazardous work • Staff training on appropriate war-related emergencies in Ukraine • Trust Line to to raise workpalce safety concerns
ENVIRONMENTAL ISSUES • Environmental impact of the Group's operations, including air emissions, wastewater discharges and waste generation	• Measures to exclude and reduce impact due to war-related emergencies in Ukraine • Regulatory compliance monitoring • Initiatives to improve energy efficiency • Implementation of technical measures to reduce environmental impact	• Increased consumption of reused and recycled water • Production waste recycling and reuse • Application of precautionary principle when planning investment projects • Trust Line to raise environmental concerns
CLIMATE CHANGE • Impact on business sustainability	• Reinforcement of the climate governance structure • Development of a comprehensive climate risk management system • Initial assessment of physical and transition climate risks and opportinities	• Exploration of potential to build a new green steel production facility in Italy • Enhancement of climate disclosures, including alignment of reporting with TCFD recommendations
BUSINESS ETHICS AND COMPLIANCE • Fraud and corruption • Conflicts of interest	• Adherence to the Code of Ethics, Code of Business Partnership, Human Rights Policy and Procedure for Declaring Conflicts of Interest • Mandatory verification of suppliers and customers for anti-corruption controls	• Internal security screenings for all senior and high-risk positions • Administration of conflict of interest declarations and relevant training for employees • Trust Line to raise relevant concerns and incident investigations to address them
COUNTERPARTY SANCTIONS RISKS • Regulatory penalties and operational disruptions due to non-compliance • Reputational damage	• Mandatory verification of suppliers and customers, business operations and the subject matter of contracts for sanctions and compliance risks • Control over execution of compliance decisions	• Ongoing IT controls regarding counterparties • Compliance training for employees • Trust Line to raise couterparty risks
INFORMATION SECURITY • Losses due to critical information leaks • Critical equipment or process interruption due to information system failure	• Continuous incident monitoring through a cybersecurity center with swift actions to prevent potential damage • Organisational and technical actions to protect personal data	• Analysis of IT infrastructure security • Measures for safe remote work • IT user skill training and testing to prevent phishing attacks • Trust Line to raise information security issues

04 INFORMATION REPORT

Output from Metinvest's assets located outside Ukraine enabled it to stay the course in 2024. These facilities delivered finished goods that complemented the Group's overall production, providing continuity and stability amid challenging times.



ANNEX 1 – GRI AND SASB INDEXES

GRI CONTENT INDEX

Statement of use Metinvest B.V. has reported in accordance with the GRI Standards for the period starting 1 January 2024 and ending 31 December 2024
GRI 1 used GRI 1: Foundation 2021
Applicable GRI Sector Standard(s) n/a

	DISCLOSURE	LOCATION	COMMENTS
	GENERAL DISCLOSURES		
GRI 2: General Disclosures 2021	2-1 Organisational details	Operational Review, pp. 15, 18 Annex 4 – Parent Company and Principal Subsidiaries, p. 91	
	2-2 Entities included in the organisation's sustainability reporting	About the Report, p. 4 Annex 4 – Parent Company and Principal Subsidiaries, p. 91	
	2-3 Reporting period, frequency and contact point	About the Report, p. 4 Annex 1 – GRI and SASB Indexes, p. 69	Contact point: ir@metinvestholding.com; csr@metinvestholding.com Publication date: July 2025.
	2-4 Restatements of information	Annex 1 – GRI and SASB Indexes, p. 69	Direct energy use data for 2022-2023 was restated due to corrections of natural gas indicators for United Coal and inclusion of indicators for Metinvest-SMC. Data on permanent and temporary contracts was restated due to corrections of indicators for Promet Steel. Indicators for training hours for 2022-2023 were restated to calculate based on adjusted headcount.
	2-5 External assurance	About the Report, p. 4 Annex 1 – GRI and SASB Indexes, p. 69	Metinvest's sustainability reporting has not been externally assured.
	2-6 Activities, value chain and other business relationships	Operational Review, pp. 15-19 Financial Review, p. 21 Supply Chain Management, p. 64	
	2-7 Employees	Our People, p. 36 Annex 2 – Additional Information on Standard Disclosures, pp. 82-84	
	2-8 Workers who are not employees	Workplace Safety, p. 45	
	2-9 Governance structure and composition	Corporate Governance, pp. 57-59 Response to Climate Change, p. 52	As of 9 October 2024, Mr Alexey Pertin informed about a temporary refrainment from fulfilment of his functions and duties as a member of the Supervisory Board of Metinvest B.V. Accordingly, he committed to abstain from voting and participating in decision making on any matters under consideration by the Supervisory Board and its committees.

	DISCLOSURE	LOCATION	COMMENTS
GRI 2: General Disclosures 2021	2-10 Nomination and selection of the highest governance body	Corporate Governance, p. 57	
	2-11 Chair of the highest governance body	Annex 1 – GRI and SASB Indexes, p. 70	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, p. 58 Risk Management, p. 66 Response to Climate Change, p. 52	
	2-13 Delegation of responsibility for managing impacts	Corporate Governance, pp. 58-59 Response to Climate Change, p. 52	
	2-14 Role of the highest governance body in sustainability reporting	About the Report, p. 4 Response to Climate Change, p. 52	
	2-15 Conflicts of interest	Business Ethics and Compliance, p. 63	
	2-16 Communication of critical concerns	Business Ethics and Compliance, p. 62	
	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, p. 60	
	2-19 Remuneration policies	Corporate Governance, p. 60	
	2-20 Process to determine remuneration	-	Data is not available due to confidentiality.
	2-21 Annual total compensation ratio	-	Data is 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. 61	
	2-24 Embedding policy commitments	Business Ethics and Compliance, p. 61 Supply Chain Management, p. 64	
	2-25 Processes to remediate negative impacts	Support for Ukraine and Communities, p. 33 Our People, p. 36 Workplace Safety, p. 43 Environment, p. 48 Response to Climate Change, p. 52 Business Ethics and Compliance, p. 61	
	2-26 Mechanisms for seeking advice and raising concerns	Our People, p. 39 Business Ethics and Compliance, p. 62	
	2-27 Compliance with laws and regulations	Annex 1 – GRI and SASB Indexes, p. 70	There were no significant instances of the Group’s non-compliance with laws and regulations during the reporting period.

	DISCLOSURE	LOCATION	COMMENTS
	2-28 Membership associations	Annex 1 – GRI and SASB Indexes, p. 71	As of the end of 2024, Metinvest was a member of: the Association of the Dutch Metallurgical Industry (Metaal Nederland), BDS AG Bundesverband Deutscher Stahlhandel, Bulgarian Association of the Metallurgical Industry, European Business Association, European Federation of Steel Tubes and Metals Distribution and Trading (Eurometal), European Steel Association (Eurofer), European Steel Technology Platform, Federation of Employers of Ukraine, Federation of the Italian Steel Companies, International Chamber of Commerce in Ukraine, Italian Marine Industry Association (ASSONAVE), Italian Pressure Equipment Association (AIPE), 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.
	2-29 Approach to stakeholder engagement	Sustainability approach, p. 31	
	2-30 Collective bargaining agreements	Our People, p. 37	
	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. 21, 24	
GRI 201: Economic performance 2016	201-4 Financial assistance received from government	Annex 1 – GRI and SASB Indexes, p. 71	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	-	In 2024, the ratio of average monthly salary at the Group's Ukrainian entities to the national industry average was 128%. Ratios by gender are not presented as industry information by gender is not available.
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	Support for Ukraine and Communities, p. 34	
	203-2 Significant indirect economic impacts	Support for Ukraine and Communities, p. 33 Environment, p. 48 Annex 1 – GRI and SASB Indexes, p. 71	Metinvest acknowledges the risks associated with its activities' impact on the environment, climate change and the well-being of local populations.

	DISCLOSURE	LOCATION	COMMENTS
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	Annex 1 – GRI and SASB Indexes, p. 72	In 2024, 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. 24	
	207-2 Tax governance, control and risk management	Financial Review, p. 24	
	EMISSIONS AND CLIMATE CHANGE		
GRI 3: Material Topics 2021	3-3 Management of material topics	Environment, p. 48	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environment, p. 49 Annex 2 – Additional Information on Standard Disclosures, p. 85	
	305-2 Energy indirect (Scope 2) GHG emissions	Environment, p. 49	
	305-3 Other indirect (Scope 3) GHG emissions	-	Data not collected by Metinvest.
	305-4 GHG emissions intensity	Environment, p. 49	
	305-6 Emissions of ozone-depleting substances (ODS)	Annex 1 – GRI and SASB Indexes, p. 72	The Group's production assets did not generate emissions of ozone-depleting substances in 2022-2024.
	305-7 Nitrogen oxides (NO_x), sulphur oxides (SO_x) and other significant air emissions	Environment, p. 50 Annex 2 – Additional Information on Standard Disclosures, p. 86	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Environment, p. 49 Annex 2 – Additional Information on Standard Disclosures, p. 86	
	302-2 Energy consumption outside the organisation	-	Data not collected by Metinvest.
	302-3 Energy intensity	Annex 2 – Additional Information on Standard Disclosures, p. 85	
	302-4 Reduction of energy consumption	Environment, p. 49 Annex 2 – Additional Information on Standard Disclosures, p. 85	
	WATER MANAGEMENT		
GRI 3: Material Topics 2021	3-3 Management of material topics	Environment, p. 50	
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	Environment, p. 50 Annex 2 – Additional Information on Standard Disclosures, p. 87	

	DISCLOSURE	LOCATION	COMMENTS
	303-2 Management of water discharge-related impacts	Environment, p. 50 Annex 1 – GRI and SASB Indexes, p. 73	Metinvest conducts laboratory studies of consumed water and wastewater quality to comply with statutory regulations and environmental standards.
	303-3 Water withdrawal	Environment, p. 50 Annex 2 – Additional Information on Standard Disclosures, p. 86	
	303-4 Water discharge	Environment, p. 50 Annex 1 – GRI and SASB Indexes, p. 73 Annex 2 – Additional Information on Standard Disclosures, p. 87	Metinvest does not publish data on water discharge by category.
	303-5 Water consumption	Environment, p. 50 Annex 2 – Additional Information on Standard Disclosures, p. 87	
	WASTE GENERATION		
GRI 3: Material Topics 2021	3-3 Management of material topics	Environment, p. 50	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Environment, p. 50	
	306-2 Management of significant waste-related impacts	Environment, p. 50 Annex 1 – GRI and SASB Indexes, p. 73	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. 50 Annex 2 – Additional Information on Standard Disclosures, p. 87	
	306-4 Waste diverted from disposal	Environment, p. 50 Annex 2 – Additional Information on Standard Disclosures, p. 87	
	306-5 Waste directed to disposal	Annex 2 – Additional Information on Standard Disclosures, p. 87	
	BIODIVERSITY		
GRI 3: Material Topics 2021	3-3 Management of material topics	Environment, p. 51	
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environment, p. 51	
	304-2 Significant impacts of activities, products and services on biodiversity	Environment, p. 51	

	DISCLOSURE	LOCATION	COMMENTS
	304-3 Habitats protected or restored	Environment, p. 51 Annex 1 – GRI and SASB Indexes, p. 74	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. 51	
	HUMAN RIGHTS		
GRI 3: Material Topics 2021	3-3 Management of material topics	Our People, p. 39 Business Ethics and Compliance, p. 61	
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	Our People, p. 39 Annex 2 – Additional Information on Standard Disclosures, p. 82	
	405-2 Ratio of basic salary and remuneration of women to men	Annex 2 – Additional Information on Standard Disclosures, p. 84	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Annex 1 – GRI and SASB Indexes, p. 74	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. 37 Annex 1 – GRI and SASB Indexes, p. 74	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. 74	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. 74	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. 39	
GRI 412: Human rights assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	Our People, p. 39 Annex 1 – GRI and SASB Indexes, p. 74	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. 39	
	BUSINESS ETHICS AND ANTI-CORRUPTION, SUPPLY CHAIN		
GRI 3: Material Topics 2021	3-3 Management of material topics	Business Ethics and Compliance, p. 61 Supply Chain Management, p. 64	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Business Ethics and Compliance, p. 63	
	205-2 Communication and training about anti-corruption policies and procedures	Business Ethics and Compliance, p. 63 Supply Chain Management, p. 65	

	DISCLOSURE	LOCATION	COMMENTS
	205-3 Confirmed incidents of corruption and actions taken	Business Ethics and Compliance, p. 63	
GRI 206: Anti-competitive behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	Business Ethics and Compliance, p. 63	
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supply Chain Management, p. 65	
	308-2 Negative environmental impacts in the supply chain and actions taken	Supply Chain Management, p. 64	
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	Supply Chain Management, p. 65	
	414-2 Negative social impacts in the supply chain and actions taken	Supply Chain Management, p. 64	
	EMPLOYMENT PRACTICES		
GRI 3: Material Topics 2021	3-3 Management of material topics	Our People, p. 36	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Annex 2 – Additional Information on Standard Disclosures, p. 83	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our People, p. 38 Annex 1 – GRI and SASB Indexes, p. 75	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. 75	In 2024, 25 men and 316 women took childcare leave.
GRI 402: Labour / management relations 2016	402-1 Minimum notice periods regarding operational changes	Annex 1 – GRI and SASB Indexes, p. 75	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. 41 Annex 2 – Additional Information on Standard Disclosures, p. 84	
	404-2 Programmes for upgrading employee skills and transition assistance programmes	Our People, p. 41	
	WORKPLACE SAFETY		
GRI 3: Material Topics 2021	3-3 Management of material topics	Workplace Safety, p. 43	
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	Workplace Safety, p. 43	

	DISCLOSURE	LOCATION	COMMENTS
	403-2 Hazard identification, risk assessment and incident investigation	Workplace Safety, p. 44 Business Ethics and Compliance, p. 62	
	403-3 Occupational health services	Workplace Safety, p. 46	
	403-4 Worker participation, consultation and communication on occupational health and safety	Workplace Safety, p. 45	
	403-5 Worker training on occupational health and safety	Workplace Safety, p. 46	
	403-6 Promotion of worker health	Workplace Safety, p. 46	
	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. 43	
	403-9 Work-related injuries	Workplace Safety, p. 44 Annex 1 – GRI and SASB Indexes, p. 76 Annex 2 – Additional Information on Standard Disclosures, p. 85	Number of hours worked in 2024: by employees: 64,109,215 by contractors: 10,733,592
	403-10 Work-related ill health	Workplace Safety, p. 46 Annex 1 – GRI and SASB Indexes, p. 76	Metinvest does not calculate occupational illness figures for contractor staff, as this falls under the responsibility of contractor organisations.
	LOCAL COMMUNITIES		
GRI 3: Material Topics 2021	3-3 Management of material topics	Support for Ukraine and Communities, p. 33	
GRI 413: Local communities 2016	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. 76	Metinvest acknowledges the risks of its operations regarding the environment and local community well-being.
	QUALITY OF PRODUCTS		
GRI 3: Material Topics 2021	3-3 Management of material topics	Operational Review, p. 19	

	DISCLOSURE	LOCATION	COMMENTS
GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Annex 1 – GRI and SASB Indexes, p. 77	In 2024, 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 2024, 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. 77	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. 19	
	417-2 Incidents of non-compliance concerning product and service information and labelling	Annex 1 – GRI and SASB Indexes, p. 77	In 2024, 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. 77	In 2024, 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. 77	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) CO2e, Percentage (%)*	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Environment, p. 49 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. 49 Response to climate change, p. 53
Air quality	EM-IS-120a.1; EM-MM-120a.1 *Metric tonnes (t)*	Air emissions of the following pollutants: CO, NO_x (excluding N_2O), SO_x, particulate matter (PM_{10}), mercury (Hg), manganese (Mn), lead (Pb), volatile organic compounds (VOCs) and polycyclic aromatic hydrocarbons (PAHs)	Environment, p. 50 Annex 2 – Additional Information on Standard Disclosures, p. 86 In 2024, the Group's air emissions of pollutants were as follows: - lead – 0.034 tonnes - mercury – 0.007 tonnes - manganese – 1.545 tonnes - PAHs – 0.012 tonnes - VOCs – 117.283 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. 49 Percentage of electricity in total energy consumed in 2024 was 24%. 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. 86 Percentage of metallurgical coal in total fuel consumed in 2024 was 9% (excluding electricity). Percentage of natural gas in total fuel consumed in 2024 was 22% (excluding electricity). Since Metinvest primarily purchases electricity from traders offering a mix of energy sources, including renewables, the percentage of renewable energy is not available to the Group.

	CODE AND ACCOUNTING METRIC	DESCRIPTION	LOCATION AND COMMENTS
Water management	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, pp. 86-87 Total fresh water consumed in 2024 was 116 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 2024, 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. 50 Annex 2 – Additional Information on Standard Disclosures, p. 87
	EM-MM-150a.4 *Metric tonnes (t)*	Total weight of non-mineral waste generated	Total weight of non-mineral waste generated in 2024 was 7 million tonnes.
	EM-MM-150a.5 *Metric tonnes (t)*	Total weight of tailings produced	Total weight of tailings produced in 2024 was 21 million tonnes.
	EM-MM-150a.6 *Metric tonnes (t)*	Total weight of waste rock generated	Total weight of waste rock generated in 2024 was 88 million tonnes.
	EM-MM-150a.7 *Metric tonnes (t)*	Total weight of hazardous waste generated	Environment, p. 50 Annex 2 – Additional Information on Standard Disclosures, p. 87 Total weight of hazardous waste generated in 2024 was 0.00074 million tonnes.
	EM-MM-150a.8 *Metric tonnes (t)*	Total weight of hazardous waste recycled	Total weight of hazardous waste recycled in 2024 was 0.00059 million tonnes.
	EM-MM-150a.9	Number of significant incidents associated with hazardous materials and waste management	In 2024, 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. 50

	CODE AND ACCOUNTING METRIC	DESCRIPTION	LOCATION AND COMMENTS
Biodiversity impacts	EM-MM-160a.1 Description of environmental management policies and practices for active sites	Discussion and Analysis	Environment, p. 51
	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 2024, 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 International Union for Conservation of Nature (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. 36 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. 37
	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. 44

	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. 61
	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. 50 Annex 2 – Additional Information on Standard Disclosures, p. 88
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 2024, Metinvest produced 100% of its steel products through BOF processes.
	EM-IS-000.B *Metric tonnes (t)*	Total iron ore production	Operational Review, p. 16
	EM-IS-000.C *Metric tonnes (t)*	Total coking coal production	Operational Review, pp. 16, 19
	EM-MM-000.A *Metric tonnes (t) saleable*	Production of (1) metal ores and (2) finished metal products	Operational Review, pp. 17, 19
	EM-MM-000.B *Number, Percentage (%)*	Total number of employees, percentage contractors	Our People, p. 36

ANNEX 2 – ADDITIONAL INFORMATION ON STANDARD DISCLOSURES

PEOPLE

War impact on personnel and families (accumulated data)

	as at 31 December 2022	as at 31 December 2023	as at 31 December 2024
Group people, fatalities	313	450	594
Family members, fatalities	191	232	268
JV people, fatalities	29	71	100
Family members, fatalities	7	11	23
Group people, wounded	488	822	1,148
Family members, wounded	100	129	158
JV people, wounded	82	198	279
Family members, wounded	2	11	15

Employee, executive team and Supervisory Board gender diversity[1]

	2022			2023			2024		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**	**Men**	**Women**	**Total**
Total employees	69%	31%	74,416	70%	30%	70,134	70%	30%	63,421
Adjusted headcount[2]	70%	30%	50,162	71%	29%	46,642	70%	30%	40,535
Executive team	73%	27%	11	64%	36%	11	75%	25%	12
Supervisory Board	90%	10%	10	87%	13%	8	78%	22%	9

Employee, executive team and Supervisory Board age diversity[1]

	2022			2023			2024		
	< 30 years	**30-50 years**	**> 50 years**	**< 30 years**	**30-50 years**	**> 50 years**	**< 30 years**	**30-50 years**	**> 50 years**
Total employees	12%	62%	26%	10%	62%	28%	9%	60%	31%
Adjusted headcount[2]	13%	64%	23%	11%	64%	25%	10%	63%	27%
Executive team	-	82%	18%	-	73%	27%	-	75%	25%
Supervisory Board	-	50%	50%	-	38%	62%	-	44%	56%

Adjusted headcount by gender and by region[1]

	2022	2023	2024
Ukraine	**47,998**	**44,807**	**38,702**
Men	33,281	31,344	26,972
Women	14,717	13,463	11,730
Other Europe	**1,139**	**1,169**	**1,169**
Men	900	929	904
Women	239	240	265
US and other	**1,025**	**666**	**664**
Men	1,005	648	647
Women	20	18	17

[1] As at year-end.
[2] Excluding employees with whom labour relations were suspended due to the impact of the war.

Adjusted headcount by employment type and gender[1]

	2022	2023	2024
Full-time employees	**48,352**	**45,877**	**39,680**
Men	34,423	32,521	27,996
Women	13,929	13,356	11,684
Part-time employees	**1,810**	**765**	**855**
Men	763	400	527
Women	1,047	365	328

Adjusted headcount by employment contract type and gender[1]

	2022	2023	2024
Employees with a permanent employment contract	**48,949**	**45,559**	**39,455**
Men	34,415	32,206	27,758
Women	14,534	13,353	11,697
Employees with a temporary employment contract	**1,213**	**1,083**	**1,080**
Men	771	715	765
Women	442	368	315

Adjusted headcount by employment contract type and region[1]

	2022	2023	2024
Employees with a permanent employment contract	**48,949**	**45,559**	**39,455**
Ukraine	46,815	43,748	37,685
Other Europe	1,109	1,145	1,106
US and other	1,025	666	664
Employees with a temporary employment contract	**1,213**	**1,083**	**1,080**
Ukraine	1,183	1,059	1,017
Other Europe	30	24	63

New employee hires by age, gender and region[3]

	2022	2023	2024
Age group	**6,817**	**5,577**	**4,590**
Under 30 years	1,827	1,159	1,278
30-50 years	4,028	3,317	2,401
Over 50 years	962	1,101	911
Gender	**6,817**	**5,577**	**4,590**
Men	5,152	3,673	2,675
Women	1,665	1,904	1,915
Region	**6,817**	**5,577**	**4,590**
Ukraine	6,154	5,102	4,271
Other Europe	134	216	148
US and other	529	259	171

[3] Excluding effect of M&A, but including intragroup movements.

Employee turnover and employees who left the Group

	2022	2023	2024
Number of employees who left the Group[4]	17,527	10,073	10,833
Employee turnover rate[5]	11%	10%	12%
General staff turnover rate	28%	24%	30%

Comparison of average monthly salary for men and women, US$

	2022	2023	2024
Men	935	1,198	1,297
Women	507	607	726
Average monthly salary in the Group	801	1,014	1,111

Average number of training hours by gender

	2022	2023	2024
Men	57	83	76
Women	34	59	73

Employee training sessions and spending on employee training

	2022	2023	2024
Employee training sessions	57,986	65,048	59,299
Spending on employee training, US$ mn	1	1	1

[4] Excluding intragroup movements and employees from Mariupol and Avdiivka with which the Group has suspended labour relations.
[5] Calculated 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

	2022	2023	2024
Metinvest	75	57	32
Contractors	3	3	4

Fatal incidents

	2022	2023	2024
Metinvest	2	11	2
Contractors	2	1	-

ENVIRONMENT

Direct GHG emissions, mt of CO_2e[6]

	2022	2023	2024
Carbon dioxide (CO_2), including:	6.7	5.4	5.6
stationary emissions[7]	6.4	5.2	5.3
mobile emissions[8]	0.3	0.3	0.3
Methane (CH_4)[9]	2.1	1.7	2.0
Total	**8.8**	**7.1**	**7.6**

Energy intensity ratio

Iron ore concentrate output (electricity), GJ per tonne

	2022	2023	2024
Northern Iron Ore	0.476	0.548	0.487
Central Iron Ore	0.418	0.469	0.380
Inhulets Iron Ore	0.770	0.808	0.704

Pellet output (electricity and natural gas), GJ per tonne

	2022	2023	2024
Northern Iron Ore	0.787	0.636	0.460
Central Iron Ore	0.363	0.352	0.323

Steel production (electricity, natural gas, coal, pulverised coal and coke), GJ per tonne

	2022	2023	2024
Kamet Steel	26.110	22.830	21.150

Total energy saved as a result of energy efficiency measures, TJ

	2022	2023	2024
Natural gas	205	804	650
Coke	23	31	-
Electric power	303	163	302
Heat energy	2	1	3
Total (fuel)	**228**	**835**	**650**
Total	**533**	**999**	**955**

[6] Emissions of nitrous oxide (N_2O) are less than 0.007 mt of CO_2e for 2024, less than 0.005 mt of CO_2e for 2023, and less than 0.003 mt of CO_2e for 2022 and are presented as part of the total line. Note on calculation methodology and conversion factors: CO_2 equivalent = VGHG x KGWP, where VGHG = volume of greenhouse gases, tonnes; and KGWP = the global warming potential (GWP) rate. KGWP of greenhouse gases: Carbon dioxide (CO_2) – 1; Methane (CH_4) – 21; Nitrous oxide (N_2O) – 310.

[7] Scope 1 stationary CO_2 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.

[8] Scope 1 mobile CO_2 emissions are calculated in accordance with the Greenhouse Gas Protocol. The indicators exclude data from the Group's assets in Mariupol.

[9] The indicators exclude the Group's assets in Mariupol. The 2024 full-year data of Pokrovske Coal has been estimated and adjusted to account for production volumes and performance in previous periods of 2024, due to the suspension of its operations.

Direct energy use, TJ

	2022	2023	2024
Coke	41,291	28,258	27,679
Metallurgical coal	10,558	2,568	3,976
Natural gas	12,143	11,641	10,123
Electricity	14,323	13,306	14,471
Diesel fuel	3,458	3,070	3,336
Petrol	50	47	43
Total (fuel)	**67,500**	**45,584**	**45,157**
Total	**81,823**	**58,890**	**59,627**

Air emissions (excluding GHG emissions), kt[10]

	2022	2023	2024
Carbon monoxide (CO)	56	60	65
Dust	13	14	14
Sulphur oxides (SO_x)	6	7	7
Nitrogen oxides (NO_x)	4	4	4
Other	0	0	0
Total	**80**	**86**	**90**

Water intake by source, mcm[11]

	2022	2023	2024
Surface water	76	85	95
Ground water	1	1	1
Utilities	10	10	10
Other sources	28	25	22
Total	**115**	**121**	**129**

[10] The air emissions indicators exclude data from the Group's assets in Mariupol. The 2024 full-year data of Pokrovske Coal for air emissions are estimated and adjusted to account for production volumes and performance in previous periods in 2024 due to the suspension of its operations.
[11] The water indicators exclude data from the Group's assets in Mariupol and Avdiivka Coke. The 2024 full-year data of Pokrovske Coal are estimated and adjusted to account for production volumes and performance in previous periods of 2024 due to the suspension of its operations.

Water consumption by source, mcm[11]

	2022	2023	2024
Surface water	76	84	95
Ground water	1	1	1
Utilities	10	10	10
Other sources	14	13	10
Total	**101**	**108**	**116**

Water discharge by area, mcm[11]

	2022	2023	2024
Surface water	69	77	80
Ground water	-	-	-
Third-party water	8	6	6
Total	**77**	**82**	**86**

Waste generated by type, mt[12]

	2022	2023	2024
Non-hazardous	111	104	115
Hazardous	0	0	0
Total	**111**	**104**	**115**

Waste by disposal method, mt[12,13]

	2022	2023	2024
Landfill waste	78	83	98
Waste transferred to third parties	1	1	1
Recycled waste	32	20	16
Total	**111**	**104**	**115**

[12] The waste indicators exclude data from the Group's assets in Mariupol and Avdiivka Coke. The 2024 full-year data of Pokrovske Coal for waste are estimated and adjusted to account for production volumes and performance in previous periods of 2024, due to the suspension of its operations.

[13] May include waste generated in previous periods. This 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”	Public Utility Vodokanal of the City of Zaporizhzhia
	Public Utility “Petrivske”	JSC “Ukrainian Railways”
	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 2024

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	380 mcm	618 mcm	686 mcm[14]
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		

[14] The indicator for 2024 reflects adjustments related to previous periods.

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 (unless delayed or abolished) 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 (unless delayed or abolished), when the gradual withdrawal of free allocations is expected to start. It could impact Metinvest's business activities, 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	Besides the rise in coal-related material costs due to increased carbon pricing, the shift to low-carbon technologies and electric metallurgy as the nearest medium-term solution will also drive up costs due to higher demand for scrap. To address this issue, Metinvest is considering natural gas and hydrogen-based DRI production as a long-term strategy to mitigate scrap shortages and avert the risk of rising coal-related material costs.
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, as well as face heightened scrutiny.
Market	Restricted access to capital	Due to the substantial interest in green steel from investors and creditors, coupled with stricter climate regulations, the capital costs, capital structure and access to financing for conventional BF-BOF steel production routes might be affected. Furthermore, the credibility of the decarbonisation plan could impact the Group's ESG ratings.
Market	Increased energy prices	Energy prices might increase due to the higher carbon cost of fossil fuel electricity generation and the surge in natural gas prices. Metinvest considers transitioning to widely adopted renewable energy sources, both internally and as part of the energy mix portfolio, as a viable solution for the medium and long term that will help to minimise the burden on the end consumer. Shifting to plant biomass as a substitute for natural gas might significantly reduce dependence on natural gas and decrease carbon costs in the medium and long term.

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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 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 or metallurgical coke.

Coking coal
Coal suitable for making into coke. Coking coal required 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 with 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 ladle, and from there 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 (see Hot briquetted iron).

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. Hot-rolled 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 (CO_2), although they also include methane (CH_4). 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 briquetted iron (HBI)
A denser form of DRI obtained by compacting freshly produced, still-hot DRI at temperatures above 650°C into pillow-shaped briquettes of high density and mechanical strength. The hot compaction passivates the sponge iron, making HBI markedly less reactive than conventional DRI and therefore safer and easier to transport or store. It also preserves high metallic iron content and very low levels of impurities such as sulphur, phosphorus and residual copper. Owing to these qualities, HBI is regarded as a premium metallic charge that can partly or fully replace scrap in electric arc furnaces or supplement the iron burden in blast furnaces, enabling steelmakers to improve melt chemistry and reduce carbon emissions.

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 EAFs, 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 to be 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 (EAF) 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 Global Reporting Initiative, 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 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 PLANT'

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-Shipping
'METINVEST-SHIPPING', LLC

Metinvest Sichsteel
'METINVEST-SICHSTEEL', LLC

Metinvest-SMC
'METINVEST-SMC', LLC

Metinvest Trametal
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

Southern Coke
PJSC 'YUZKOKS'

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

CH_4
Methane

CIS
Commonwealth of Independent States

CO, CO_2
Carbon monoxide, carbon dioxide

CO_2e
Carbon dioxide equivalent

CPI
Consumer price index

CSRD
Corporate Sustainability Reporting Directive

DMA
Double materiality assessment

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

ECHR
European Court of Human Rights

EPRP
Emergency Preparedness and Response Plan

ESG
Environment, Social and Governance

ESRS
European Sustainability Reporting Standards

ETS
Emissions trading system

EU
European Union

FCA
Free carrier

FEM
Magnetic iron

FET
Total iron

FFR
Fatality frequency rate

FOB
Free on board

FOREX
Foreign exchange

GDP
Gross domestic product

GDPR
General Data Protection Regulation

GHG
Greenhouse gases

GJ
Gigajoule

GRI
Global Reporting Initiative

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

LTIFR
Lost-time injury frequency rate

LV
Low volatility

mcm
Million cubic metres

M&A
Mergers and acquisitions

MENA
Middle East and North Africa

MSHA
Mine Safety and Health Administration

mn
Million

mt
One million metric tonnes

NATO
North Atlantic Treaty Organization

NBU
National Bank of Ukraine

NGFS
Network for Greening the Financial System

NGO
Non-governmental organisation

NO_2, NOx, N_2O
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

SO_2, SOx
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

USEC
United States East Cost

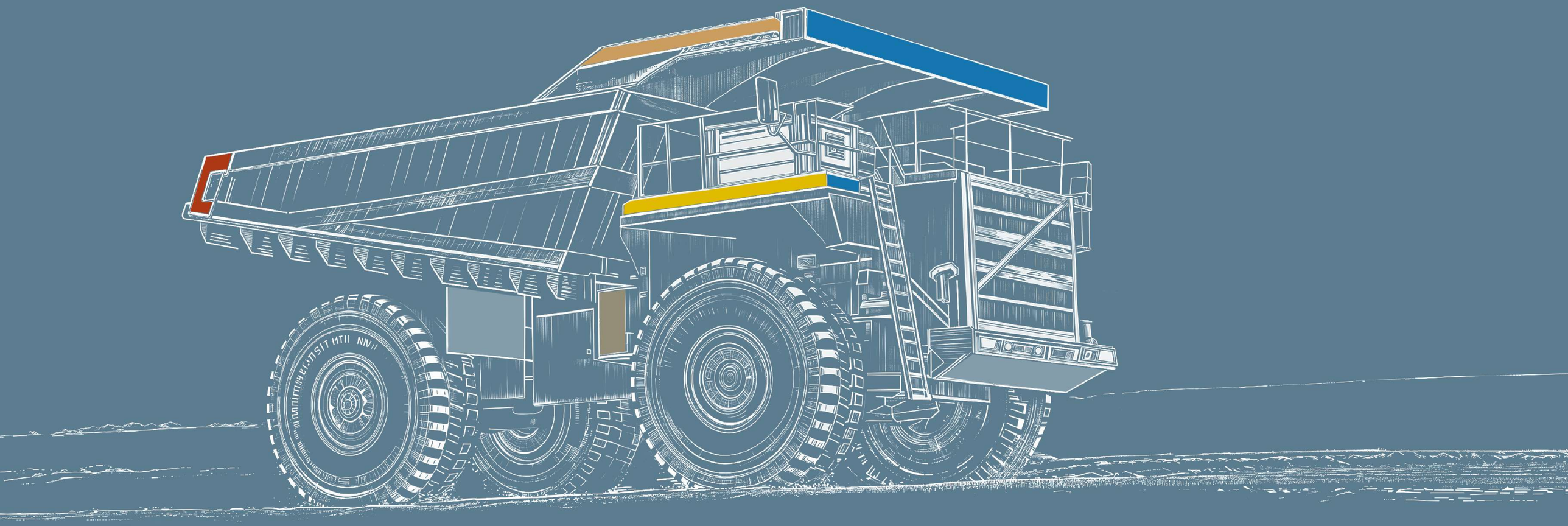
US$, USD
US dollar

WEO
World Energy Outlook

WSA
World Steel Association

05 FINANCIAL REPORT

Metinvest's output of iron ore products allowed it to stay the course in 2024. It made it possible for the Group to meet the requirements of its Ukrainian steelmaking operations while also laying the foundation for its longer-term ambitions.



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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 2024

OUR OPINION

In our opinion, the accompanying summary IFRS consolidated financial statements of Metinvest B.V. ("the Company") for 2024, 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 2024, comprise:

- the summary consolidated balance sheet as at 31 December 2024;
- 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 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 statutory 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 17 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, 17 March 2025

PricewaterhouseCoopers Accountants N.V.

Original signed by A. Westerman RA

NLE00031244.1.1

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At www.pwc.nl more detailed information on these companies is available, including these General Terms and Conditions and the General Terms and Conditions of Purchase, which have also been filed at the Amsterdam Chamber of Commerce.

METINVEST B.V.

SUMMARY CONSOLIDATED BALANCE SHEET

All amounts in millions of US Dollars

	Note	31 December 2024	31 December 2023
ASSETS			
Non-current assets			
Goodwill	8	540	669
Other intangible assets	9	57	897
Property, plant and equipment	10	2,119	2,271
Investments in associates and joint ventures	11	1,097	916
Deferred tax asset	23	76	109
Income tax prepaid	-	8	10
Trade and other receivables	13	342	358
Total non-current assets		**4,239**	**5,230**
Current assets			
Inventories	12	676	791
Income tax prepaid		46	51
Trade and other receivables	13	2,515	2,415
Cash and cash equivalents	14	657	646
Total current assets		**3,894**	**3,903**
TOTAL ASSETS		**8,133**	**9,133**
EQUITY			
Share capital	15	-	-
Share premium	15	6,225	6,225
Other reserves	16	(12,932)	(13,342)
Retained earnings		8,635	9,716
Equity attributable to the owners of the Company		**1,928**	**2,599**
Non-controlling interest	16	**47**	**24**
TOTAL EQUITY		**1,975**	**2,623**
LIABILITIES			
Non-current liabilities			
Loans and borrowings	17	1,351	1,768
Retirement benefit obligations	18	287	250
Deferred tax liability	23	85	199
Other non-current liabilities	19	96	112
Total non-current liabilities		**1,819**	**2,329**
Current liabilities			
Loans and borrowings	17	354	213
Income tax payable		38	18
Trade and other payables	20	3,947	3,950
Total current liabilities		**4,339**	**4,181**
TOTAL LIABILITIES		**6,158**	**6,510**
TOTAL LIABILITIES AND EQUITY		**8,133**	**9,133**

Signed and authorised for release on behalf of Metinvest B.V. on 17 March 2025:

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 2024	Year ended 31 December 2023
Revenue	7	8,050	7,397
Net operating costs (excluding items shown separately)	21	(7,648)	(6,817)
Impairment of financial assets	13	(23)	(123)
Allowance for impairment of assets	8, 9, 10, 12	(1,317)	(12)
Operating profit / (loss)		**(938)**	**445**
Finance income	22	74	31
Finance costs	22	(409)	(279)
Share of result of associates and joint ventures	11	56	(232)
Profit / (loss) before income tax		**(1,217)**	**(35)**
Income tax benefit / (expense)	23	65	(159)
Profit / (loss) for the period		**(1,152)**	**(194)**
Profit / (loss) attributable to:			
Owners of the Company		(1,172)	(200)
Non-controlling interests		20	6
Profit / (loss) for the period		**(1,152)**	**(194)**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

All amounts in millions of US Dollars

	Note	Year ended 31 December 2024	Year ended 31 December 2023
Profit / (loss) for the period		**(1,152)**	**(194)**
Other comprehensive loss:			
Items that will not be reclassified to profit or loss:			
Revaluation surplus of property, plant and equipment	10	720	-
Revaluation decreases that offset previous increases in the carrying amount of property, plant and equipment	10	(9)	-
Remeasurement of retirement benefit obligations	18	(47)	2
Share in other comprehensive income / (loss) of joint ventures and associates	11	214	-
Income tax related to items that will not be reclassified subsequently to profit or loss	23	(117)	-
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences		(253)	(55)
Total other comprehensive income / (loss)		**508**	**(53)**
Total comprehensive income / (loss) for the period		**(644)**	**(247)**
Total comprehensive income / (loss) attributable to:			
Owners of the Company		(671)	(253)
Non-controlling interest		27	6
Total comprehensive income / (loss) for the period		**(644)**	**(247)**

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 2024	Year ended 31 December 2023
Cash flows from operating activities			
Profit / (loss) before income tax		**(1,217)**	**(35)**
Adjustments for:			
Depreciation of property, plant and equipment and amortisation of intangible assets	21	390	403
Impairment of property, plant and equipment and intangible assets	9,10	1,212	18
Loss / (Gain) on disposal of property, plant and equipment, net		(2)	(5)
Impairment of goodwill	8	93	-
Finance income	22	(74)	(31)
Finance costs	22	409	279
Foreign exchange losses less gains / (gains less losses), net	21	117	56
Net change in retirement benefit obligations, except for interest costs, remeasurements and currency translation	18	(32)	(27)
Share of result of associates and joint ventures	11	(56)	232
Impairment of financial assets		23	123
Impairment of other non-financial assets		15	-
Inventory write-down / (reversal of write-down), net	12	18	(31)
Write-offs of trade and other payables	21	-	(4)
Other non-cash operating expenses / (income), net		33	(42)
Operating cash flows before working capital changes		**929**	**936**
Decrease / (increase) in inventories		68	189
(Increase) / decrease in trade and other accounts receivable		(340)	(893)
Increase in trade and other accounts payable		74	787
Cash generated from operations		**731**	**1,019**
Income taxes paid		(102)	(145)
Interest paid		(161)	(167)
Net cash from operating activities		**468**	**707**
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(216)	(305)
Proceeds from sale of property, plant and equipment		6	7
Interest received		13	6
Acquisition of subsidiaries		-	(5)
Net cash used in investing activities		**(197)**	**(297)**
Cash flows from financing activities			
Proceeds from loans and borrowings	17	20	10
Repayment of loans and borrowings	17	(236)	(195)
Net trade financing (repayment) / receipt	17	(25)	70
Net cash used in financing activities		**(241)**	**(115)**
Effect of exchange rate changes on cash and cash equivalents		(19)	2
Net increase / (decrease) in cash and cash equivalents		**11**	**297**
Cash and cash equivalents at the beginning of the year		**646**	**349**
Cash and cash equivalents at the end of the period		**657**	**646**

The accompanying notes form an integral part of these summary consolidated financial statements

METINVEST B.V.

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

All tabular amounts in millions of US Dollars

	Attributable to owners of the Company						
	Share capital	Share premium	Other reserves	Retained earnings	Total	Non-controlling interest (NCI)	Total equity
Balance at 1 January 2023	-	**6,225**	**(13,164)**	**9,791**	**2,852**	**18**	**2,870**
Revaluation of property, plant and equipment (Note 10)	-	-	-	-	-	-	**-**
Share in other comprehensive income of joint venture and associates (Note 11)	-	-	-	-	-	-	**-**
Remeasurement of retirement benefit obligation (Note 18)	-	-	-	2	2	-	**2**
Income tax related to items included in other comprehensive income (Note 23)	-	-	-	-	-	-	**-**
Currency translation differences	-	-	(55)	-	**(55)**	-	**(55)**
Other comprehensive income / (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	-	-	**-**
Dividends declared	-	-	-	-	-	-	**-**
Balance at 31 December 2023 1 January 2024	**-**	**6,225**	**(13,342)**	**9,716**	**2,599**	**24**	**2,623**
Revaluation of property, plant and equipment (Note 10)	-	-	697	-	**697**	14	**711**
Share in other comprehensive income of joint venture and associates (Note 11)	-	-	220	(6)	**214**	-	**214**
Remeasurement of retirement benefit obligation (Note 18)	-	-	-	(45)	**(45)**	(2)	**(47)**
Income tax related to items included in other comprehensive income (Note 23)	-	-	(123)	8	**(115)**	(2)	**(117)**
Currency translation differences	-	-	(250)	-	**(250)**	(3)	**(253)**
Other comprehensive income / (loss) for the period	**-**	**-**	**544**	**(43)**	**501**	**7**	**508**
Profit / (loss) for the period	**-**	**-**	**-**	**(1,172)**	**(1,172)**	**20**	**(1,152)**
Total comprehensive loss for the period	**-**	**-**	**544**	**(1,215)**	**(671)**	**27**	**(644)**
Realised revaluation reserve, net of tax	-	-	(134)	134	-	-	**-**
Dividends declared	-	-	-	-	-	(4)	**(4)**
Balance at 31 December 2024	**-**	**6,225**	**(12,932)**	**8,635**	**1,928**	**47**	**1,975**

The accompanying notes form an integral part of these summary consolidated financial statements

METINVEST B.V.

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2024

All tabular amounts in millions of US Dollars

1. METINVEST B.V. AND ITS OPERATIONS

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

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

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

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

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

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

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2. OPERATING ENVIRONMENT OF THE GROUP

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) Sale of services

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

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

(c) Commission income

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

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

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

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5. GOING CONCERN

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

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

Metinvest manages its financing risks, including compliance with covenants.

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

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

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

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

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5. GOING CONCERN (CONTINUED)

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

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

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

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

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

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

6. NEW ACCOUNTING PRONOUNCEMENTS

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

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

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

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

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

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

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

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6. NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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7. SEGMENT INFORMATION

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

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

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

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

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

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

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

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

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7. SEGMENT INFORMATION (CONTINUED)

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

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

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

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

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:

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

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

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

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

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

[4] Except for Russia and Belarus.

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7. SEGMENT INFORMATION (CONTINUED)

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

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

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

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

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

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8. GOODWILL

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

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

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

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

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

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

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9. OTHER INTANGIBLE ASSETS

Accounting policy

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

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

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

The movements of other intangible assets were as follows:

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

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

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

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

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10. PROPERTY, PLANT AND EQUIPMENT

Accounting policy

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

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

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

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

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

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10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

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

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10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

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

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

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

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

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

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

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

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

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

• Metallurgical segment

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

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

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

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10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

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

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

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

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

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

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

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

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

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

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

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10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

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

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

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

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

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

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

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

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

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

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

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

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

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

• ***Mining segment - UCC***

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

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

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10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

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

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

11. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

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

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

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

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

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

Southern Iron Ore Enrichment Works Group

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

Zaporizhstal Group

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

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

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

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11. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

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

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

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

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

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

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11. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

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

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

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

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

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

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11. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

Impairment assessment of investments in joint ventures

Southern Iron Ore Enrichment Works Group

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

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

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

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

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

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

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11. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

Zaporizhstal Group

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

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

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

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

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

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

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

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12. INVENTORIES

Accounting policy

Cost of inventory is determined on the weighted average principle.

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

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

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

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

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13. TRADE AND OTHER RECEIVABLES

Accounting policy

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

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

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

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

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

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

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

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

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

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13. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

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

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

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

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

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13. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

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

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

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

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13. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

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

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

14. CASH AND CASH EQUIVALENTS

Accounting policy

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

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

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

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

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

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

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

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

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

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15. SHARE CAPITAL AND SHARE PREMIUM

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

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

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

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

16. OTHER RESERVES AND NON-CONTROLLING INTEREST

Other reserves

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

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

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

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

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

Non-controlling interest

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

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

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

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

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

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

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

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

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17. LOANS AND BORROWINGS

Accounting policy

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

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

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

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

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

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

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

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

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

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

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17. LOANS AND BORROWINGS (CONTINUED)

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

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

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

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

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

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

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18. RETIREMENT BENEFIT OBLIGATIONS

Accounting policy

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

The Group's defined benefit obligations relate to:

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

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

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

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

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

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

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

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18. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

The principal actuarial assumptions used were as follows:

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

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

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

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

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

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

19. OTHER NON-CURRENT LIABILITIES

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

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20. TRADE AND OTHER PAYABLES

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

21. NET OPERATING COSTS (EXCLUDING ITEMS SHOWN SEPARATELY)

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

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

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

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

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

22. FINANCE INCOME AND FINANCE COSTS

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

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

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

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

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

In 2024 financial year, the Group recognized non-cash losses of USD 112 million on factoring operations of accounts receivable with the Group's subsidiaries located on the temporarily occupied territory and being under bankruptcy procedure. These balances were initially eliminated through consolidation, but after selling them to an external party the Group recognized losses (shown in Other Finance Costs), which arose due to a substantial discount embedded in the transaction, given the nature of the transferred balances.

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

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

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23. INCOME TAX

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

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

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

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

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

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

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

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23. INCOME TAX (CONTINUED)

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

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23. INCOME TAX (CONTINUED)

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

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

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

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

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23. INCOME TAX (CONTINUED)

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

Pillar Two preliminary impact assessment

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

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

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

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

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

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

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

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24. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

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

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

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

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

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24. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

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

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

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

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

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

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24. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

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

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

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

25. CONTINGENCIES, COMMITMENTS AND OPERATING RISKS

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

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

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

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

Contingencies regarding tax legislation

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

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

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

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25. CONTINGENCIES, COMMITMENTS AND OPERATING RISKS (CONTINUED)

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

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

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

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

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

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

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

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

26. FINANCIAL RISK MANAGEMENT

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

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

(a) Market risk.

(i) Foreign exchange risk.

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

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

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26. FINANCIAL RISK MANAGEMENT (CONTINUED)

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

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

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

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

(II) Price risk.

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

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

No financial instruments are exposed to price risk.

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

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

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

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

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

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

(b) Credit risk

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

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

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

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

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

(c) Liquidity risk

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

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

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

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

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

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

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27. CAPITAL RISK MANAGEMENT

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

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

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

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

28. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

29. RECONCILIATION OF CLASSES OF FINANCIAL INSTRUMENTS WITH MEASUREMENT CATEGORIES

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

30. EVENTS AFTER THE BALANCE SHEET DATE

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

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

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