



Investor presentation

May 2021

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- **NLMK at a glance**
 - Market update
 - Strategy 2022 highlights
 - Strategy 2022 execution
 - Capital allocation
 - NLMK's performance
 - Appendix



#1 producer in Russia*

TOP-20 globally*

Strong positions on the domestic and global markets (i.e. #1 in global slabs trade, TOP-5 in electrical steel**)

Balanced and diversified production chain

- Vertical integration
- Steel production in Russia
- Downstream – in the EU, the US, Russia

One of the most diversified steelmakers globally

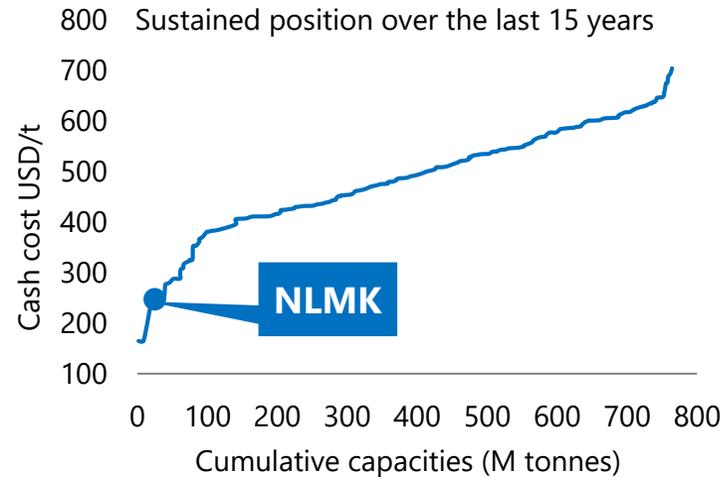
- Geography of operations
- Product portfolio
- Customers
- Sales regions (>70 countries)

One of the most profitable globally

Investment grade ratings from Moody's, S&P and Fitch (Baa2/BBB-/BBB)

*in terms of crude steel production ** electrical grain oriented (GO) steel

NLMK IS ONE OF THE LOWEST COST STEEL PRODUCERS



Source: World Steel Dynamics, Mar'21 data

Q1'21 LTM FINANCIALS SNAPSHOT

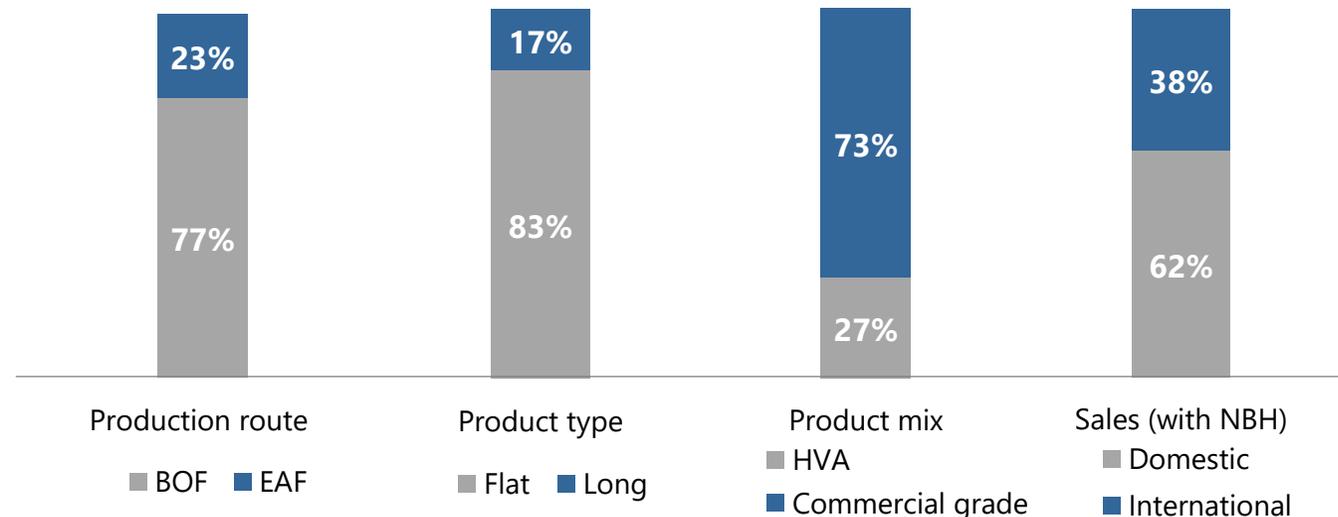
\$3.2 bn - EBITDA

33% - EBITDA MARGIN

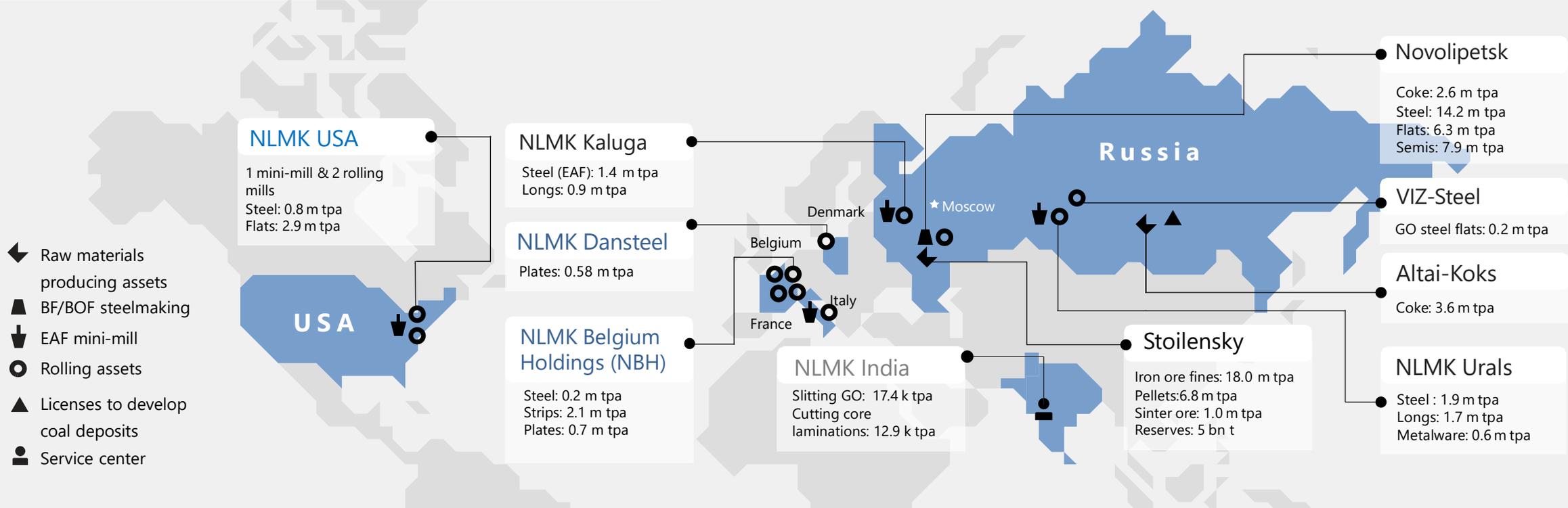
\$2.1 bn - NET DEBT

0.65x - NET DEBT/EBITDA

DIVERSIFIED BUSINESS MODEL, LTM *



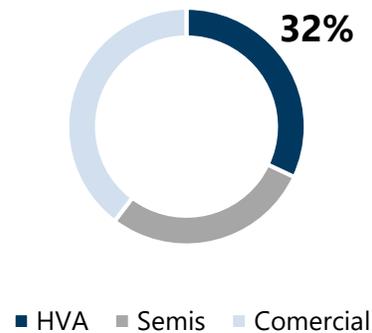
* Source: NLMK data, financial and operating results as of Q1'21 (LTM)



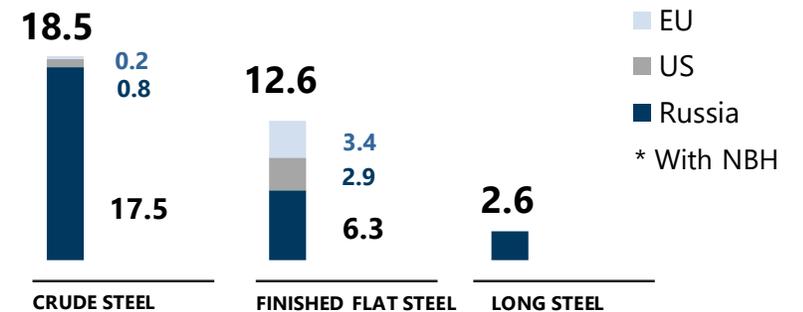
RAW MATERIALS SUFFICIENCY



HVA SHARE IN GROUP'S SALES*, %



CAPACITY STEEL VS DOWNSTREAM (WITH NBH), m t pa**



* With NBH

** Effective capacities, at current shifts and product mix

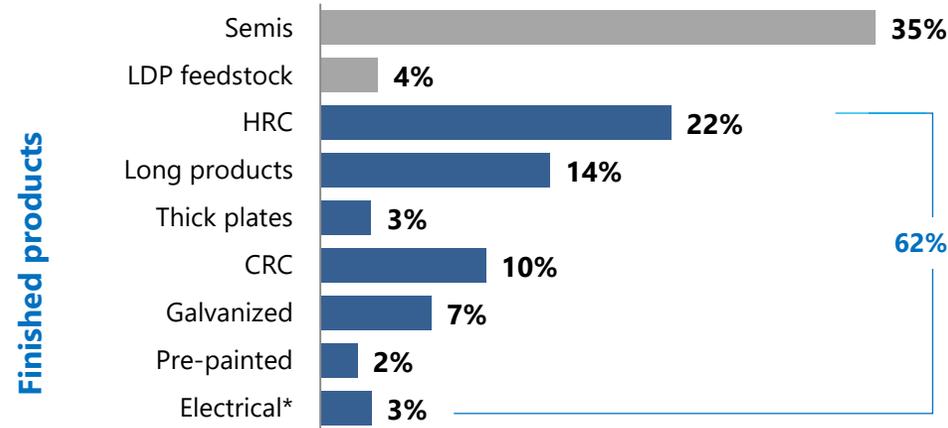
63% of NLMK's sales were made in markets where the Group operates (home markets)

Global shipments with strong domestic footprint

- About 37% of NLMK's deliveries was export
- Well diversified geography of sales with customers in more than 70 countries

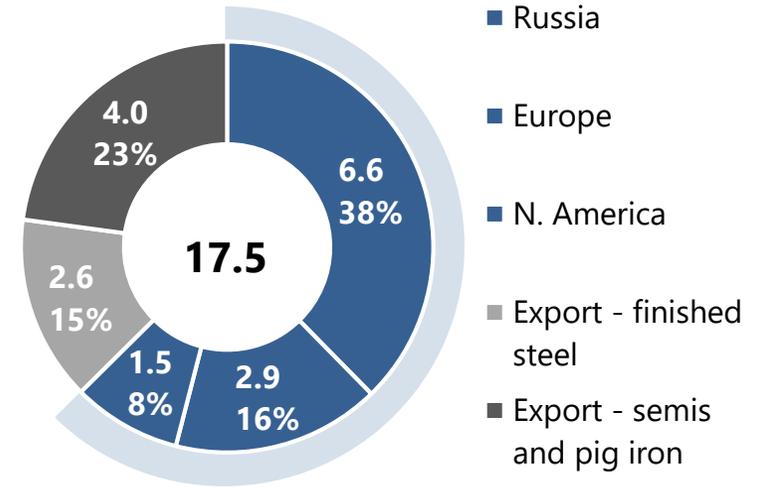
Finished steel was 62% of total shipments without NBH and 73% with NBH LTM

~62% OF GROUP'S SALES W/O NBH WERE FINISHED STEEL PRODUCTS



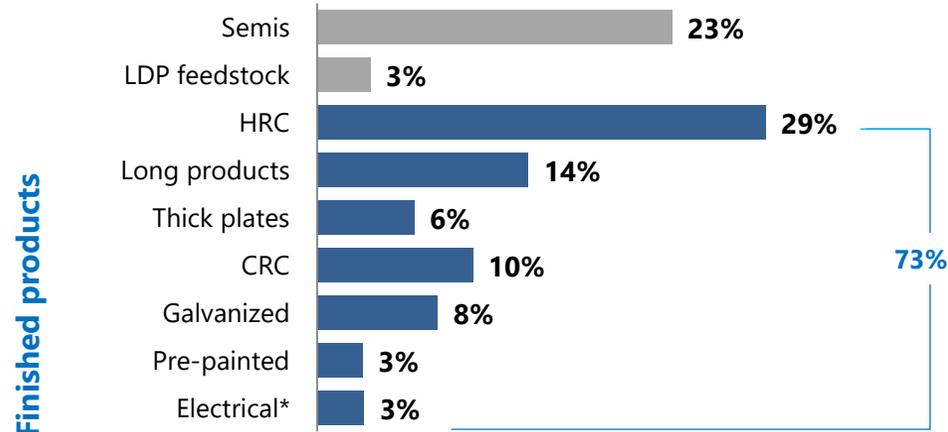
*Transformer and dynamo steel

NLMK: HOME MARKET SALES WITH NBH*, m t



Home markets sales – 11.0 m t (63%)

73% OF GROUP'S SALES WITH NBH WERE FINISHED STEEL PRODUCTS



* Sales in the regions where the products are manufactured

NLMK's key principles of sustainable development:

- Creating long-term shareholder value
- Caring about health, wellbeing and development of employees
- Treating environment responsibly
- Delivering value-added products to our customers
- Adhering to high ethical standards in conducting business
- Developing, supporting and respecting the interests of local communities
- Maintaining transparency & high quality information disclosure

Selected non-financial indicators for 2020 were independently verified

SASB and TCFD recommendations were implemented in the 2020 disclosure

WE SUPPORT



NLMK IS THE UN GLOBAL COMPACT'S PARTICIPANT



ENVIRONMENT



HEALTH & SAFETY

\$183 m

Allocated to operational and investment projects with an environmental impact in 2020

0.5

LTIFR target in 2023 vs. 0.84 in 2018 as per WSA

1.91 t/t

NLMK's CO₂ specific emissions target by 2023

661k

Overall hours of OHS training in 2020

97%

of water used in production is recycled



SOCIAL

4th

Every 4th tonne of steel is made of scrap

48%

Of management and administrative staff are women

95%

of generated waste is reused

6.0%

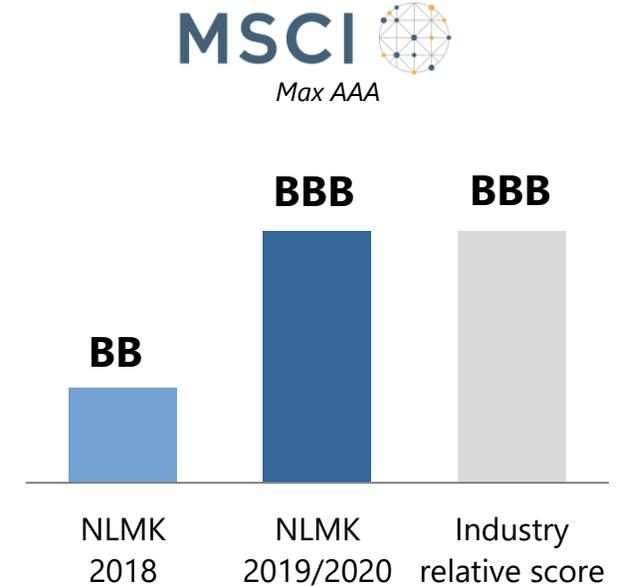
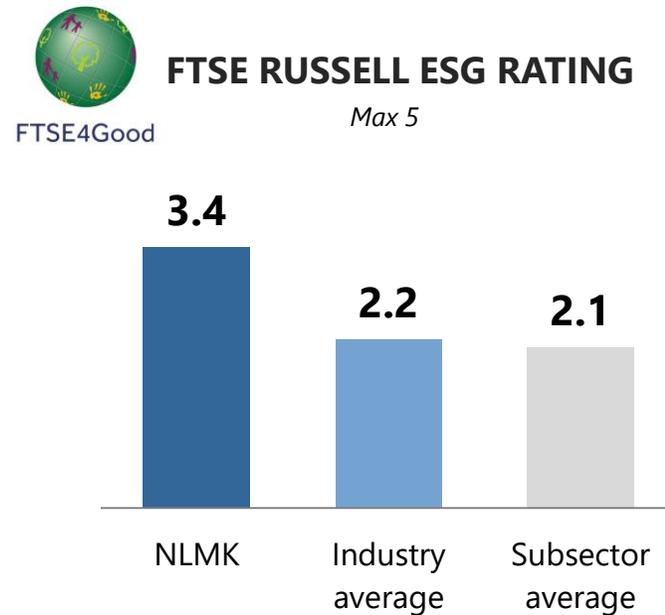
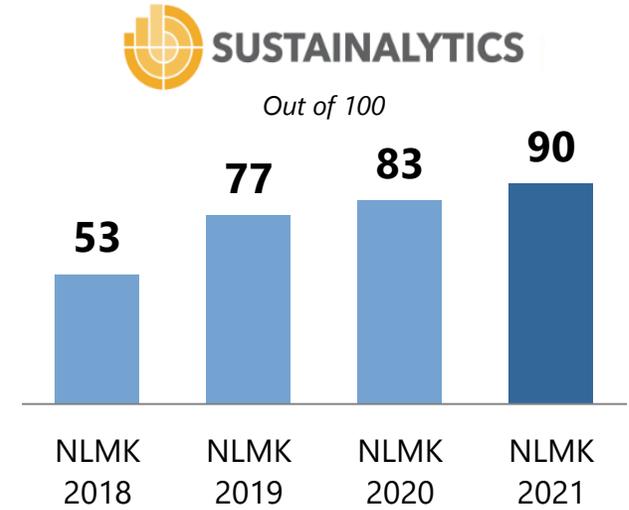
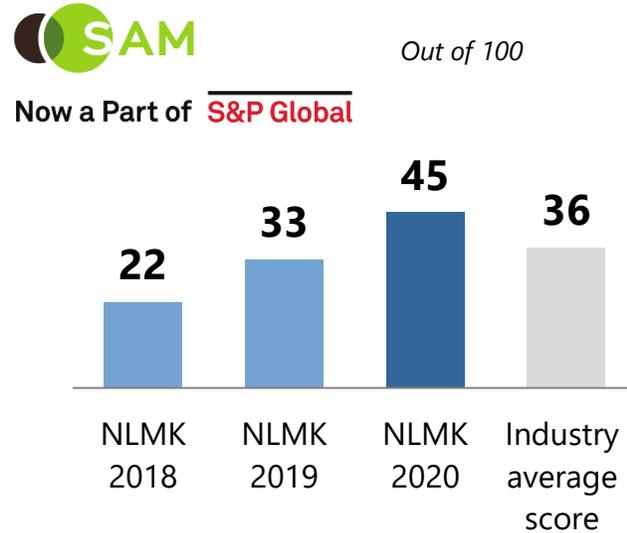
Turnover rate in 2020

Continuous improvements across the board resulted in NLMK's ESG ratings upgrades by the leading rating agencies in the area of sustainability

Sustainalytics revised NLMK's ESG rating score from 31.5 in 2019 to 28.1 in 2021: the lower the number – the stronger the management of ESG issues by a company

NLMK is currently ranked among top-5 steel companies analyzed by Sustainalytics

NLMK remained a constituent of the FTSE4Good Index following June 2020 review



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Business activity in Q1'21 remained strong in all key regions

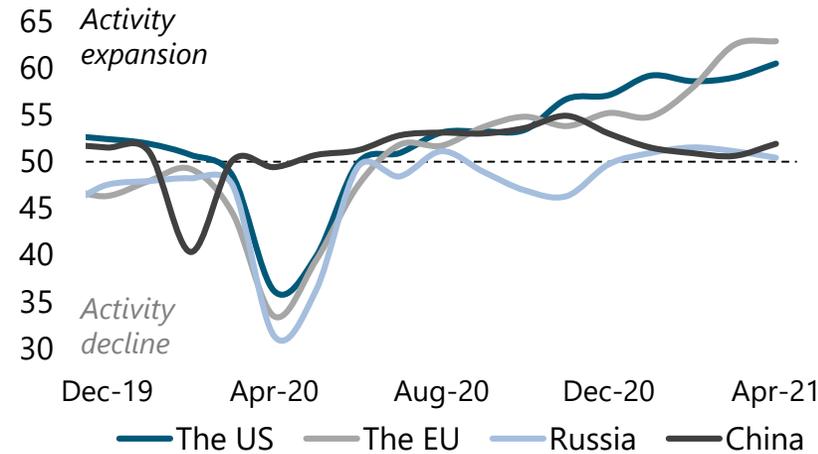
Steel demand trends vary across geographies

- In the US, demand grew qoq in Q1'21 accompanied by a sharp increase in imports, supported by record high prices due to a local supply shortage
- In the EU, demand growth was capped by slow automotive market recovery
- After abnormally strong Q4'20, consumption in Russia and China was lower qoq partially due to seasonality

Iron ore prices remained strong supported by seasonal scrap shortage and solid demand from Chinese mills

Australian HCC prices remained volatile but were up qoq driven by robust demand from key importers while prices in China continued to rise due to import ban and supply disruptions in Mongolia

MANUFACTURING PMI



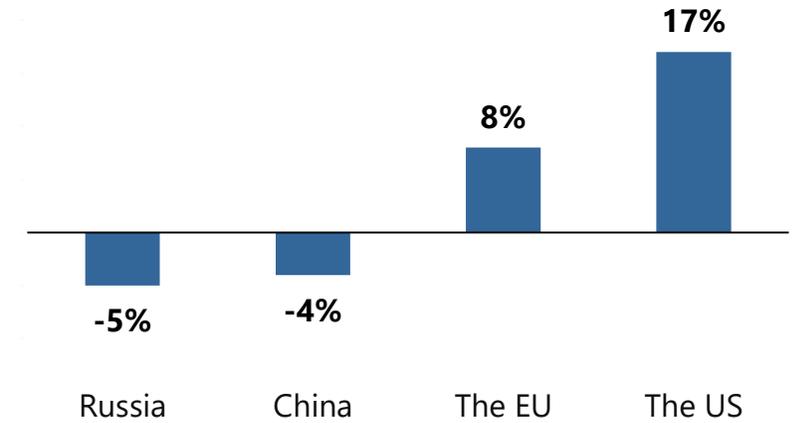
Source: Bloomberg

IRON ORE AND SCRAP PRICE



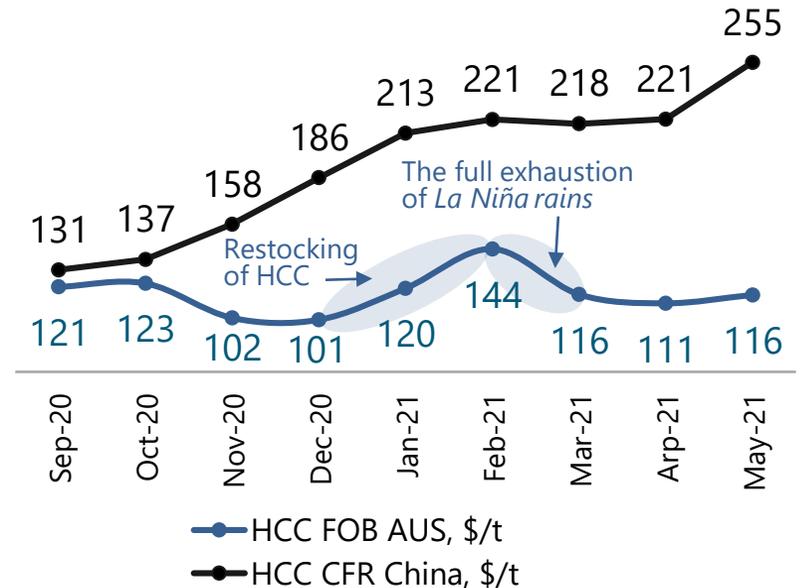
Source: Bloomberg, *consensus estimates

STEEL DEMAND IN KEY REGIONS, Q1'21, QoQ



Source: Worldsteel, Bloomberg, Eurofer, Metal Expert, estimates

HCC PRICES

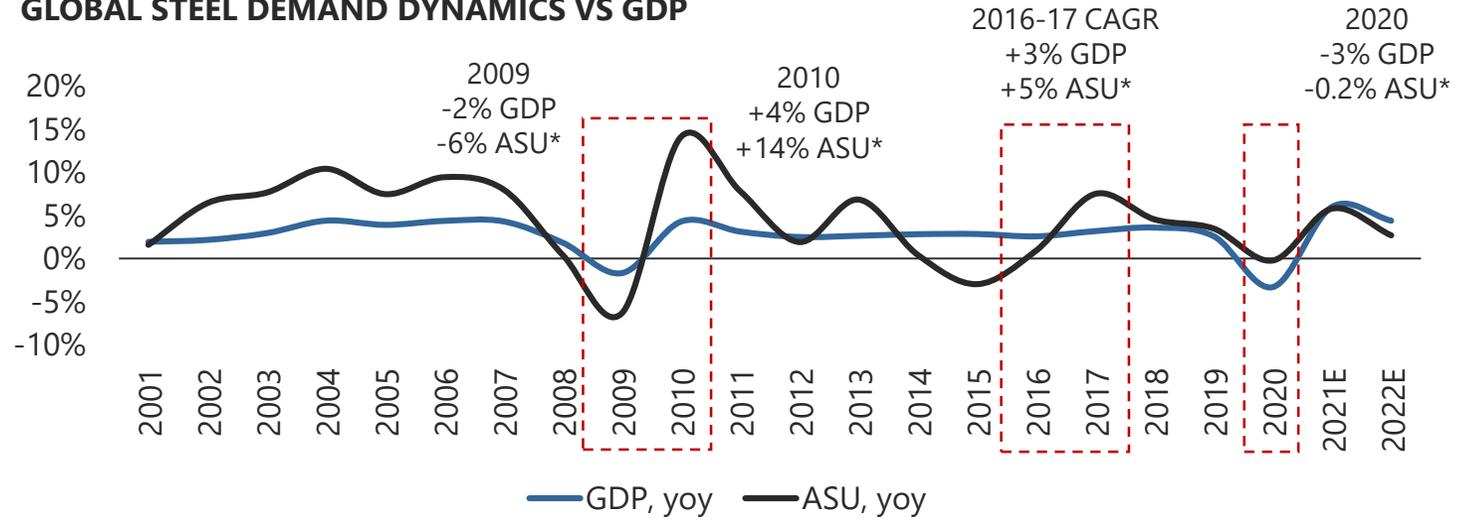


Historically, every 1 p.p. change in global GDP leads to a 2-3 p.p. change in apparent steel consumption, on average

Construction and infrastructure were the key steel saviors in 2020, as even under strict containment measures most of the countries continued activities in these sectors

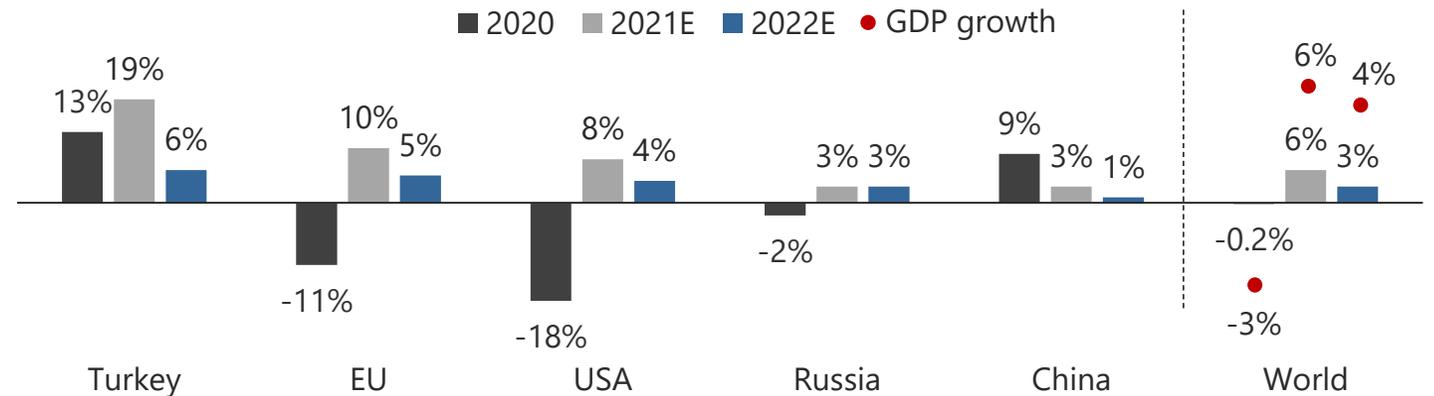
Global steel consumption in 2021 is expected to exceed the 2020 level by 6%

GLOBAL STEEL DEMAND DYNAMICS VS GDP



Source: Bloomberg, worldsteel, analysts estimates

STEEL DEMAND FORECAST FOR 2020-2021



Source: worldsteel, Eurofer, AISI, CISA, estimates

* ASU – apparent steel use = output + imports - exports

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Targeted structural effect of Strategy 2022 is extra \$1.25 bn of EBITDA

Operational efficiency improvements (no capex) to contribute almost half of the target

Effect is balanced across strategy targets that should reduce execution risks

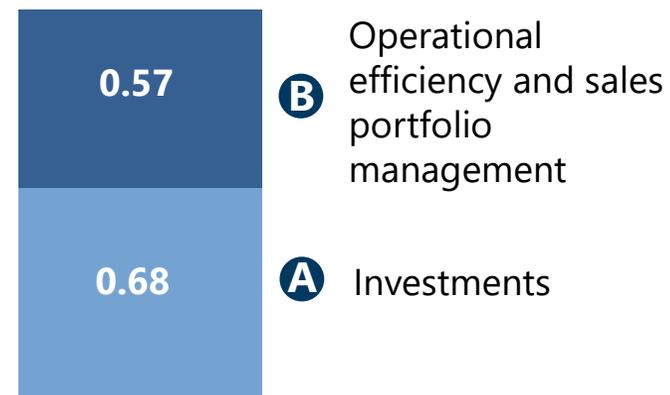
Russian Flat division to generate 2/3 of target effect, however sizable gains targeted across the whole value chain

Slab cost reduction of \$27/t to be achieved through operational efficiency and investments

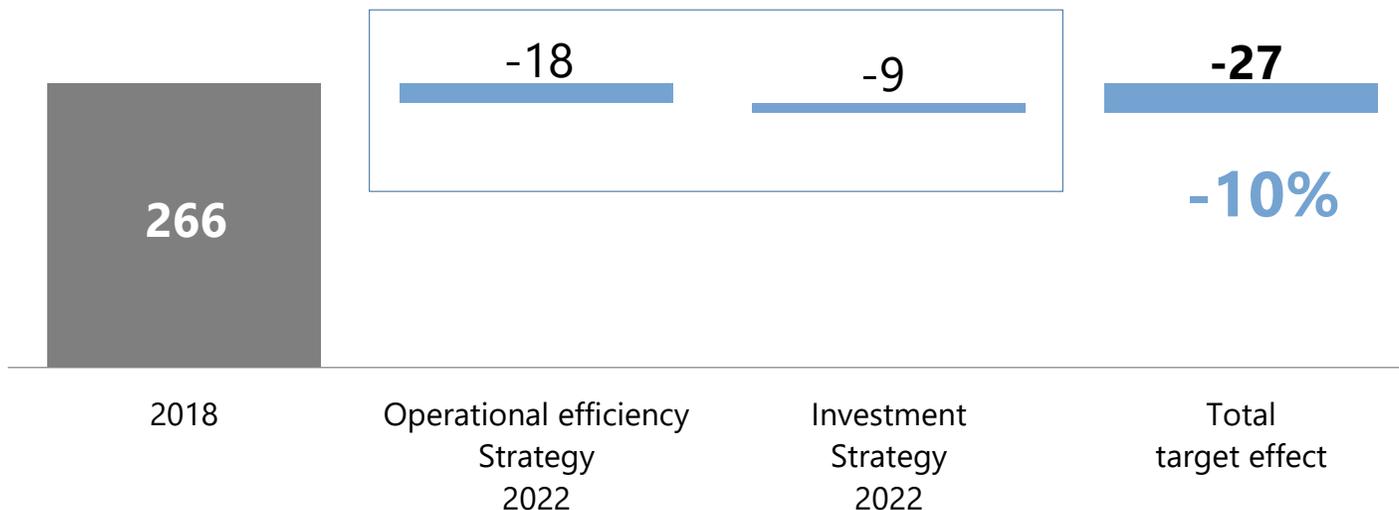
BY STRATEGIC OBJECTIVE: \$1.25 bn



BY SOURCE: \$1.25 bn



EFFECT ON SLAB CASH COSTS BY 2022, \$/t



Note: the data on the slide are presented with NBH

Source: NLMK data, NLMK Annual Report 2018

Development capex under Strategy 2022 to total \$2.1 bn

Investment portfolio remains flexible

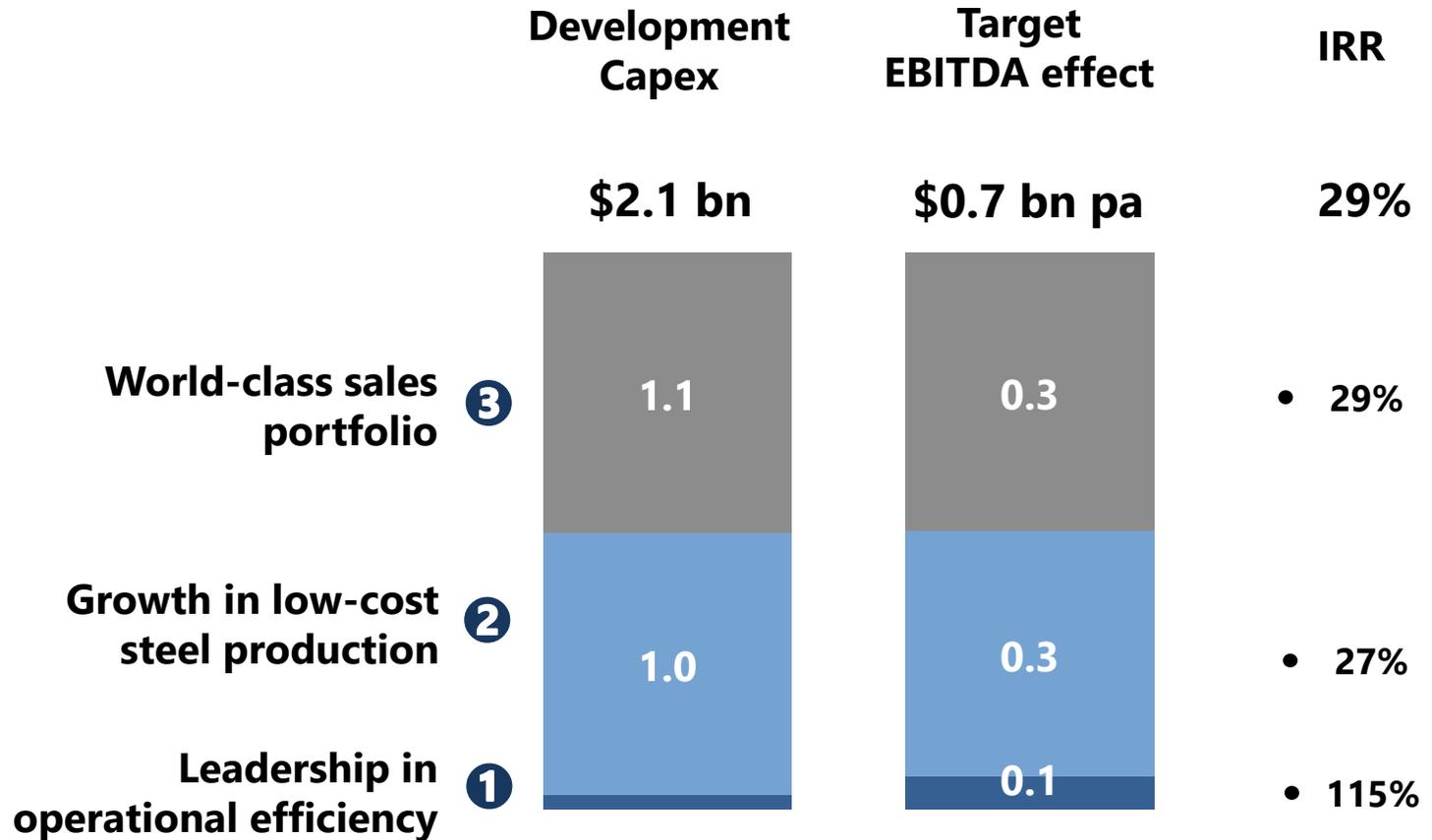
Focus is on low-risk projects that meet strict investment criteria

IRR is the key metric used to assess projects. Hurdle rate is 25%

Overall IRR for development capex program is 29%

Conservative pricing assumptions are used for key projects: forecasted prices and spreads at or below 5Y average

CAPEX & EFFECTS, \$ bn



Source: NLMK data, NLMK Annual Report 2018

Note: the data on the slide are presented with NBH

Key focus areas of operational improvements with zero or minor capex

- Production growth along integrated value chain
- Lower cost of steel - targeted slab cash cost reduction of \$18/t

Target setting

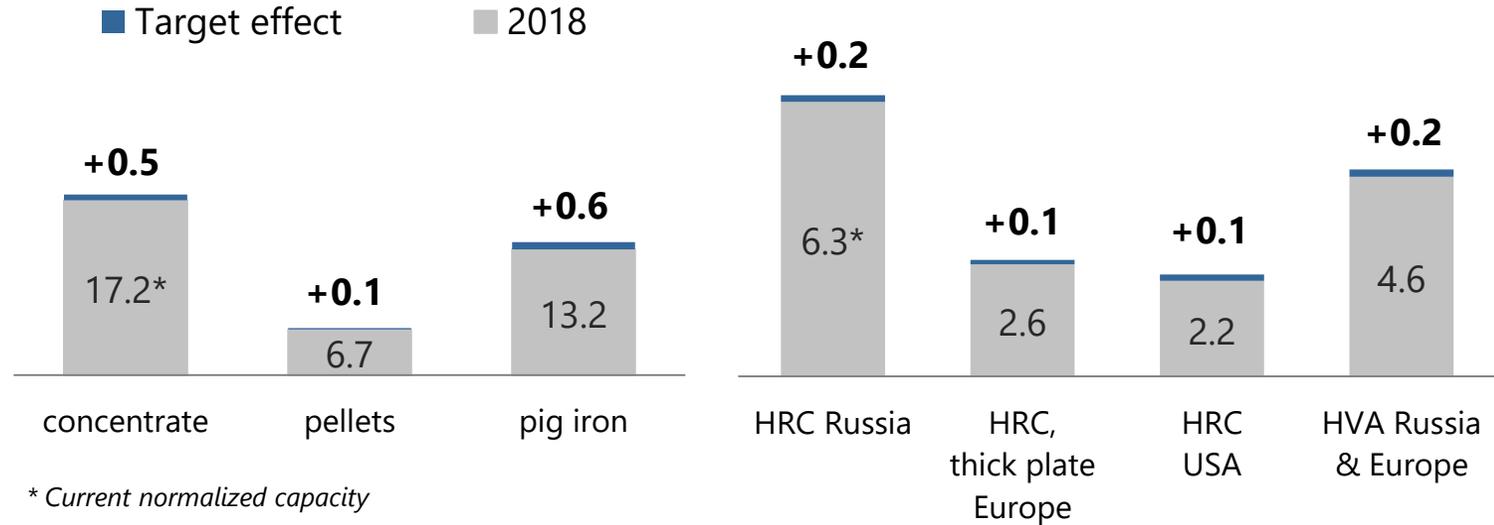
- Technology based
- Internal benchmarking
- Peers' best practice

NLMK Production System to drive the process

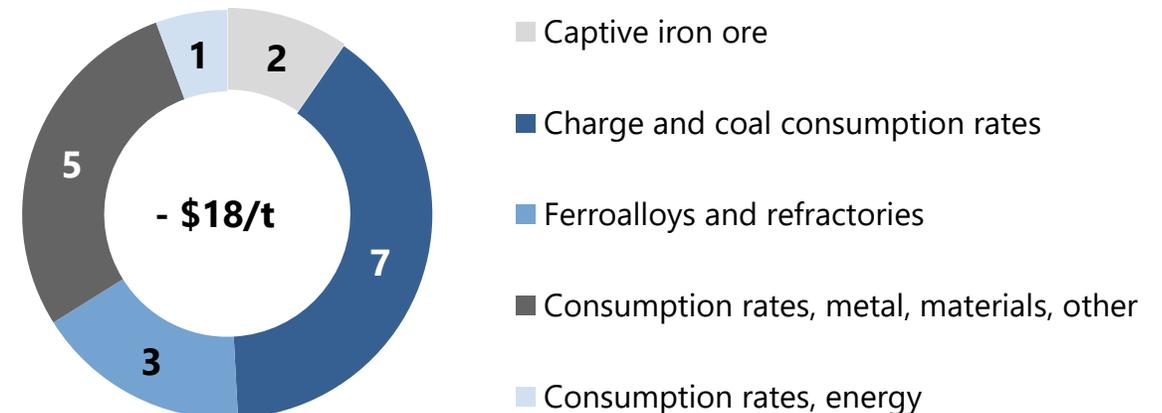
- Ongoing technology development with the highest impact in the hot end production
- High engagement of operational personnel

Labor productivity to grow by 25% across the Group

GROWTH IN PRODUCTION THROUGH IMPROVED OPERATIONAL EFFICIENCY, m t



TARGETED REDUCTION IN SLAB CASH COSTS RELATIVE TO 2018, RUSSIA FLAT, \$/t



Note: the data on the slide are presented with NBH

Source: NLMK data, NLMK Annual Report 2018

Target structural EBITDA gain of (+) \$500 m pa

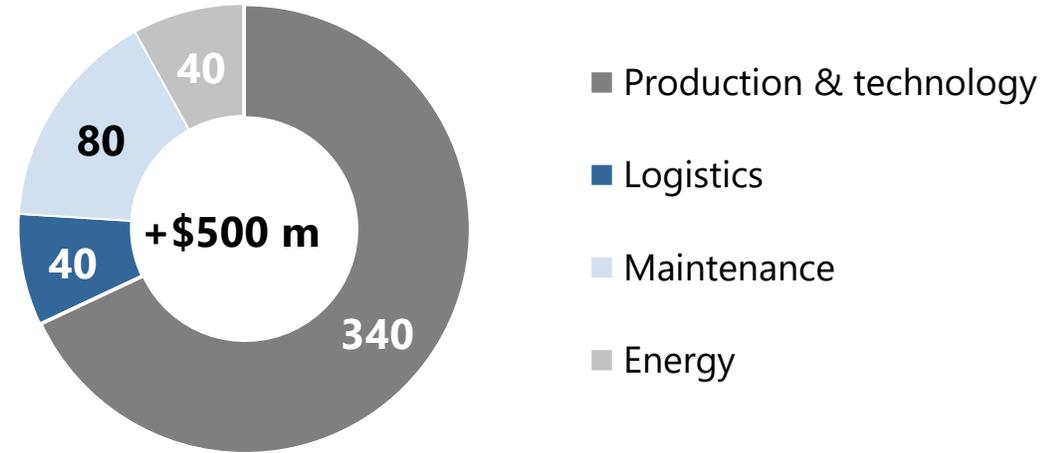
Minor CAPEX requirements of \$50 m

The largest gains to come from production processes and technology

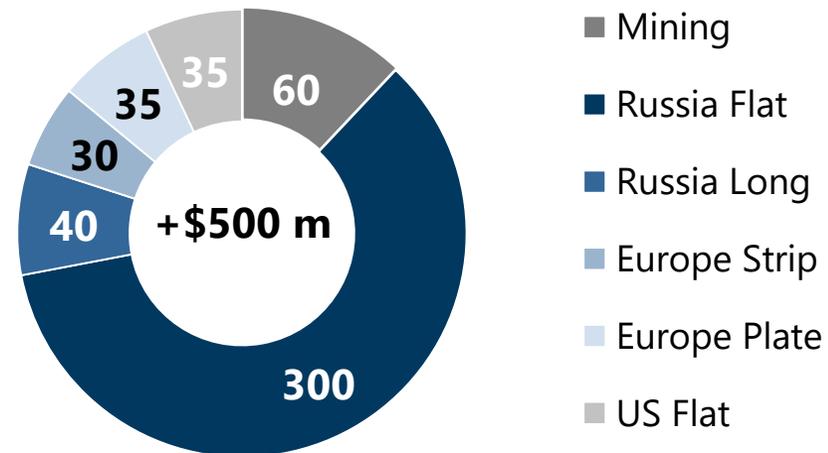
Russia Flat division to contribute the most

- Lower cost of steel
- Better yields
- Improved logistics and overhauls
- Removed bottlenecks
- Higher quality and productivity

TARGET EBITDA GAIN BY 2023 VS 2018, BY AREA, \$ m pa



TARGET EBITDA GAIN BY 2023 VS 2018, BY DIVISION, \$ m pa



Note: the data on the slide are presented with NBH

Source: NLMK data, NLMK Annual Report 2018

'No-regret' growth project to increase steel production to 14.2 m t pa (+1 m t)

- Continuous casting upgrade at NLMK Lipetsk - superior quality slabs
- Concentrate and pellets output to rise by 2.3 m t and 1.2 m t pa, respectively – 100% integration in iron ore
- Infrastructure debottlenecking

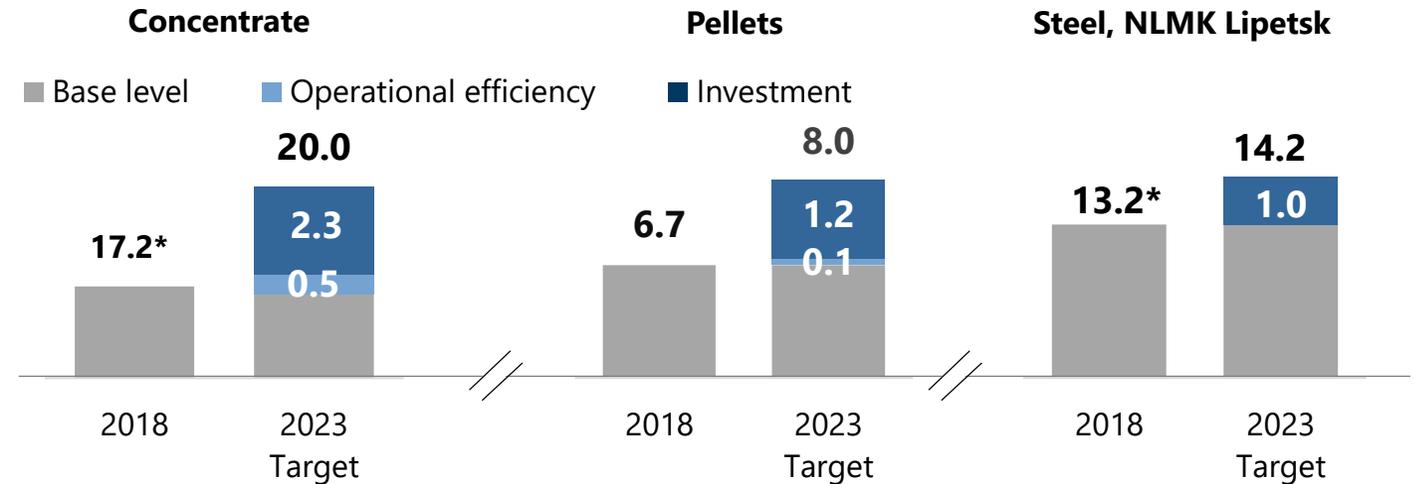
Increase in energy self-sufficiency at Russia Flat

- A 300 MW power plant project to recover by-product fuel gases
- 94% energy self-sufficiency at NLMK Lipetsk

Reduction of premium coal grades in total consumption

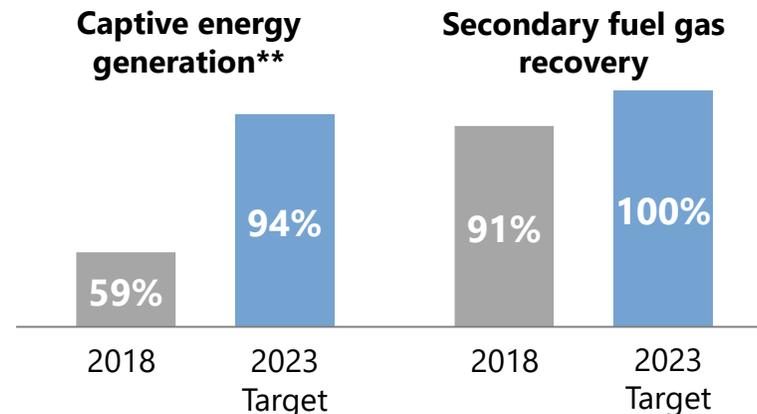
- Coal charge stamping project to reduce premium grades consumption from 4.2 m t to 3.8 m t (from 45% to 40%)

PRODUCTION VOLUMES, m t

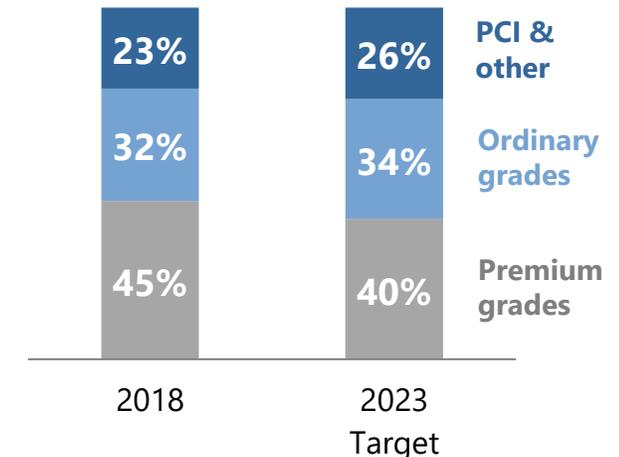


* Normalized capacity

ENERGY SELF-SUFFICIENCY TARGETS, NLMK LIPETSK



COAL CONSUMPTION BY GRADE



Source: NLMK data, NLMK Annual Report 2018

** Electricity generation at NLMK's own facilities

Target structural EBITDA gain of (+) \$300 m pa

Targeted slab cash cost reduction of \$9/t

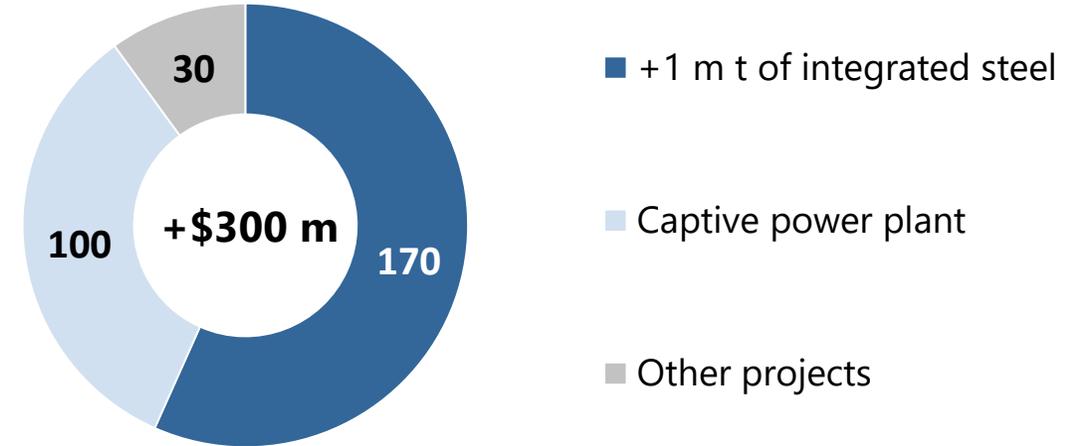
CAPEX requirement: \$990 m

- +1 m t of integrated steel: \$510 m
- Captive power plant*: \$420 m

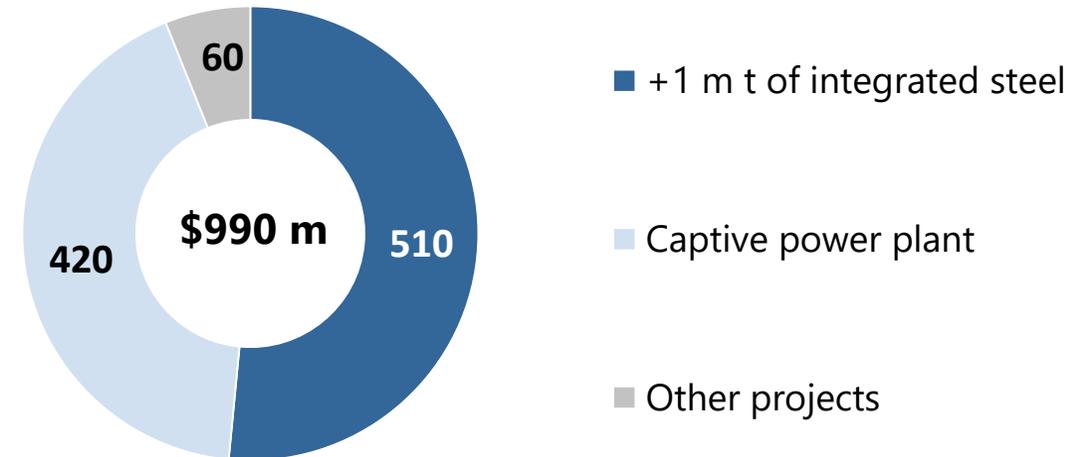
IRR on investments: 27%

*Note: the data on the slide are presented with NBH
* Energy generation at NLMK's own facilities*

TARGET EBITDA GAIN BY 2023 VS 2018, \$ m pa



TOTAL REQUIRED CAPEX 2019-2023, \$ m



Source: NLMK data, NLMK Annual Report 2018

Targeted structural EBITDA gain of (+) \$450 m pa

- 60% of the effect to be generated by the Russian divisions and 40% by the European and the US divisions

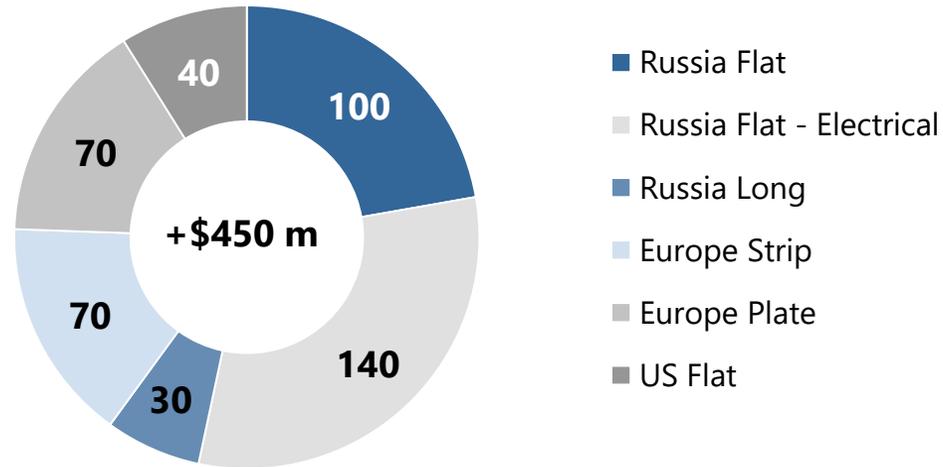
CAPEX requirement: \$1,060 m

IRR on investments: 29%

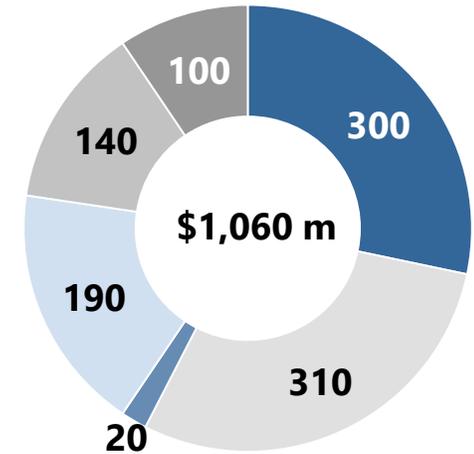
HVA products development – key objectives:

- To ensure an offtake for increased steel volumes
- To generate additional margins
- To reduce volatility of commodity segments

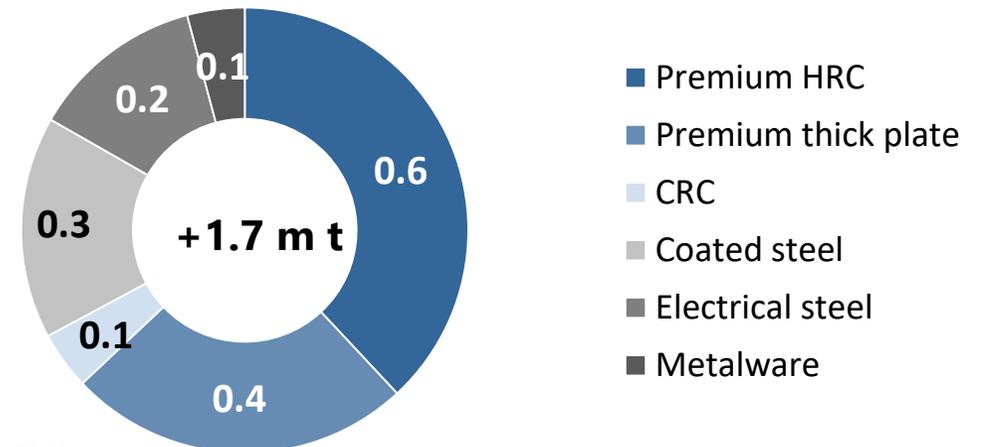
TARGETED EBITDA GAIN BY 2023 VS 2018, \$ m pa



TOTAL REQUIRED CAPEX, 2019-2023, \$ m



TARGETED INCREASE IN HVA PRODUCTS BY 2023, m t



Note: the data on the slide are presented with NBH

Source: NLMK data, NLMK Annual Report 2018

Russia Flat: New galvanizing line at NLMK Lipetsk

- Rising demand for coated products in Russia
- Additional HDG capacity of +0.4 m t to be partially used to feed existing pre-painted capacity
- Premium coatings and high strength grades

Russia Flat: Increased electrical steel output (GO and NGO) for the global market

- Expected boom in global production of EVs, energy-efficient equipment and transformers
- High grade GO output: +0.1 m t
- Premium grade NGO production for electric vehicles & energy-efficient motors: +0.1 m t

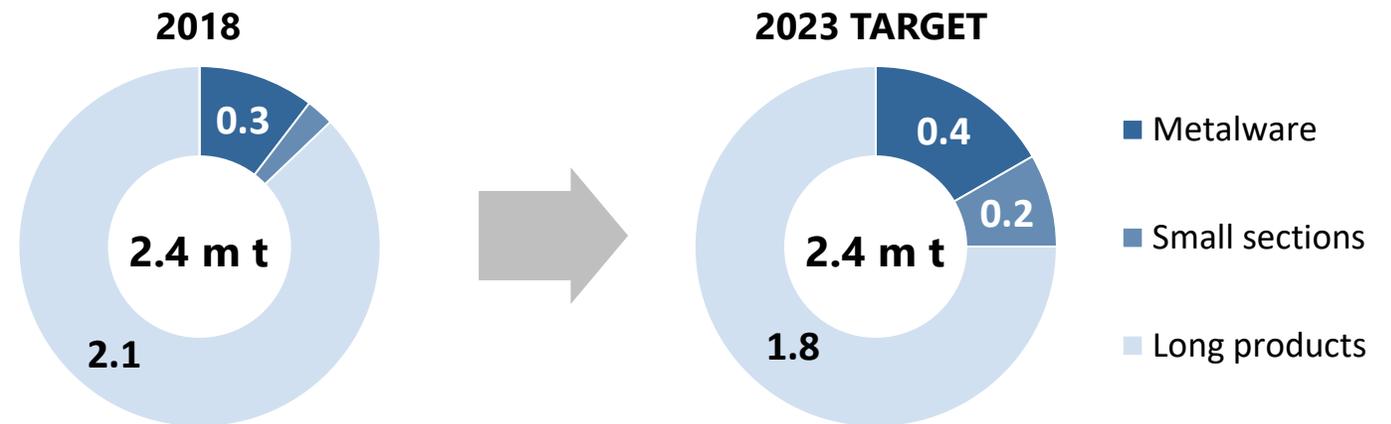
Russia Long: Improved product mix

- Switch from rebar to higher margin shapes: +0.2 m t, advanced metalware products: +65 k t
- Volumes to the Russian market: +0.5 m t (+28%)
- Direct rebar sales to construction end-users to achieve 33% of the portfolio (2018: 25%)

SALES TARGETS FOR SELECTED HVA PRODUCTS, RUSSIA FLAT, m t



TARGETED LONG PRODUCT MIX IMPROVEMENT, m t



Home markets sales – 1.7 m t

Home markets sales – 2.2 m t

Source: NLMK data, NLMK Annual Report 2018

Europe Strip: Increased exposure to fast growing premium segments

- Sales of thin and high-strength steel +0.6 m t. Wider accessible market, market share stays at the same level. Premium coatings: +0.1 m t
- Upgrade of hot strip mill and HDG line
- Europe Strip capacity utilization to reach 80-85%

Europe Plate: Premium plates at Dansteel

- Additional demand for thick plates for windmills production: 8-11 m t until 2023 and another 12-20 m t in 2023-2030
- +0.2 m t of thick plates for wind generation & pressure vessels at Dansteel
- Key projects: accelerated cooling system and new reheating furnace

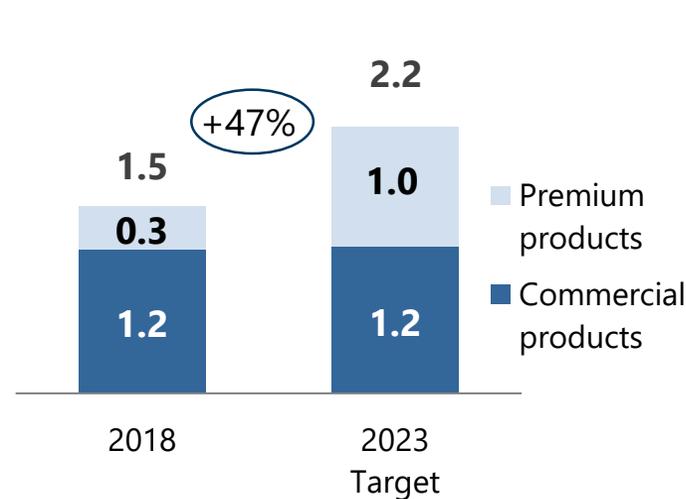
Europe Plate: Mix improvement at Clabecq & Verona

- +0.2 m t of Q&T and DQ plates at Clabecq with corresponding reduction in commercial grades
- Europe Plate capacity utilization to reach 80%

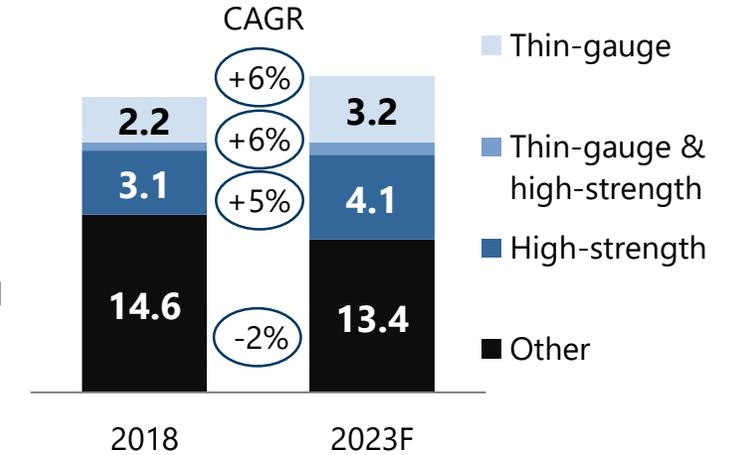
US division's strategy is under review

Note: the data on the slide are presented with NBH

EUROPE STRIP TARGET SALES, m t

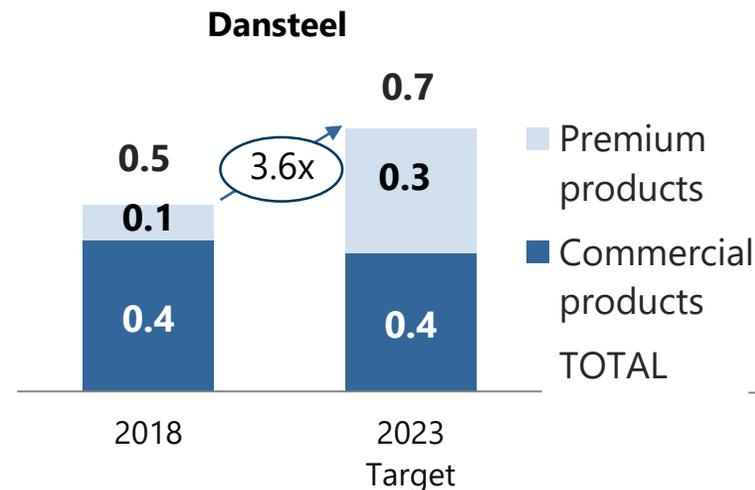


HR STEEL DEMAND FORECAST, EU-12, m t

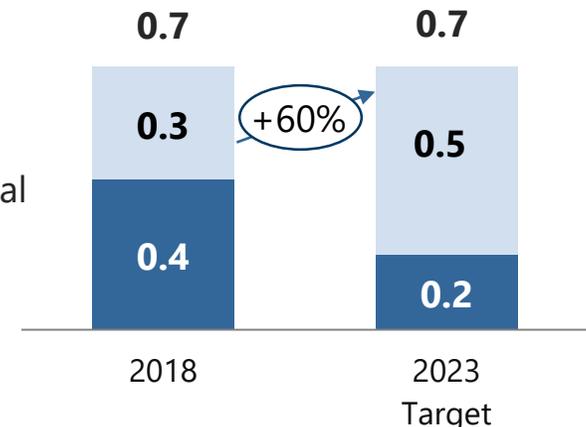


Source: CRU, customers data

TARGET PLATES SALES, m t



Clabecq & Verona (NBH)



Source: NLMK data, NLMK Annual Report 2018

Safety development programs

- Safety culture programs & communications
- Contractors management
- Safety risk management

Targeted 35% drop in LTIFR relative to 2018 and zero fatalities

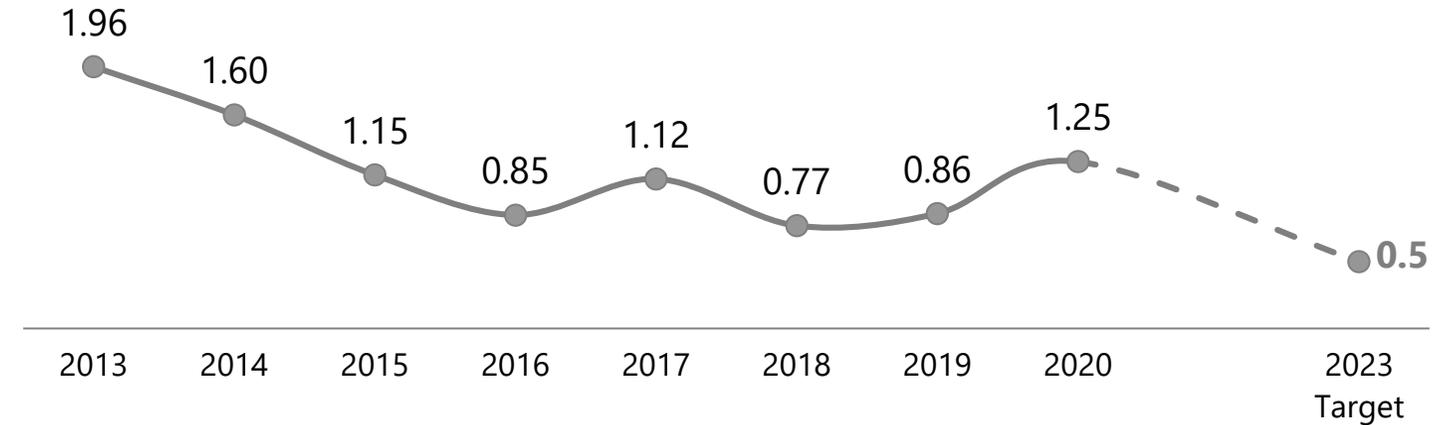
- LTIFR of 0.5 corresponds to TOP-20 steel companies, as per 2017 WSA ranking

Environmental programs' focus

- Further reduction in environmental footprint
- Waste recycling: metallurgical briquette plant with a capacity of 700 kt pa

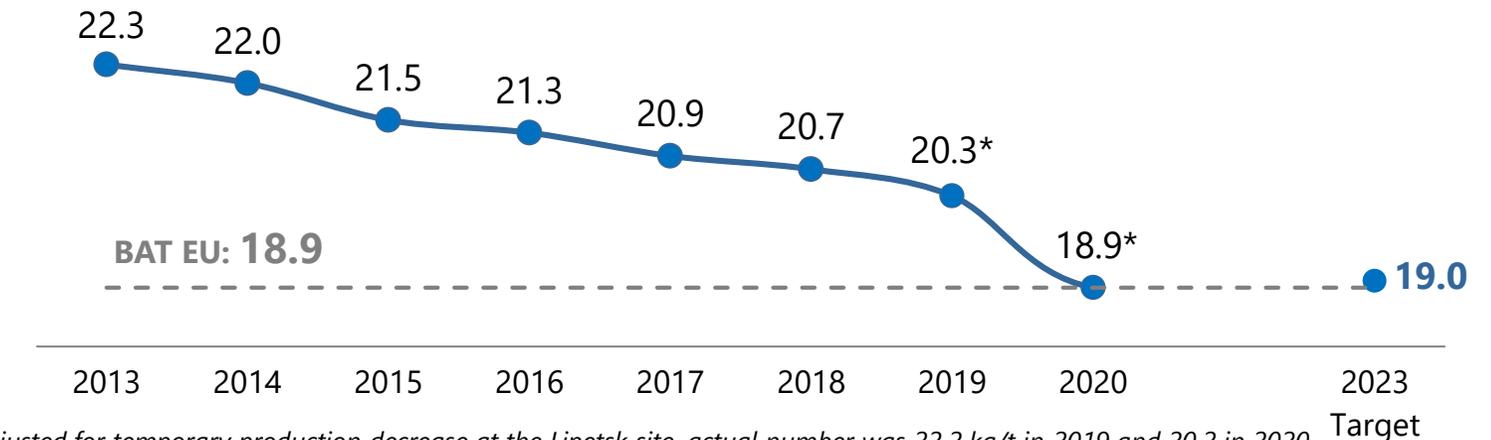
Specific air emissions to reach 19.0 kg/t of steel at NLMK Lipetsk

GROUP SAFETY TARGETS, LTIFR*, EMPLOYEES & CONTRACTORS



* LTIFR refers to Lost Time Injury Frequency Rate, the number of lost time injuries occurring in a workplace per 1 million man-hours worked, employees and contractors

SPECIFIC AIR EMISSIONS, NLMK LIPETSK, kg/t of steel



*adjusted for temporary production decrease at the Lipetsk site, actual number was 22.2 kg/t in 2019 and 20.2 in 2020
Source: NLMK data, NLMK Annual Report 2019

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Effects of Strategy 2022 implementation totaled \$261 m in 2020 to 2019 base

Contributions from the operational efficiency programs reached \$176 m, well above our annual target of \$100 m

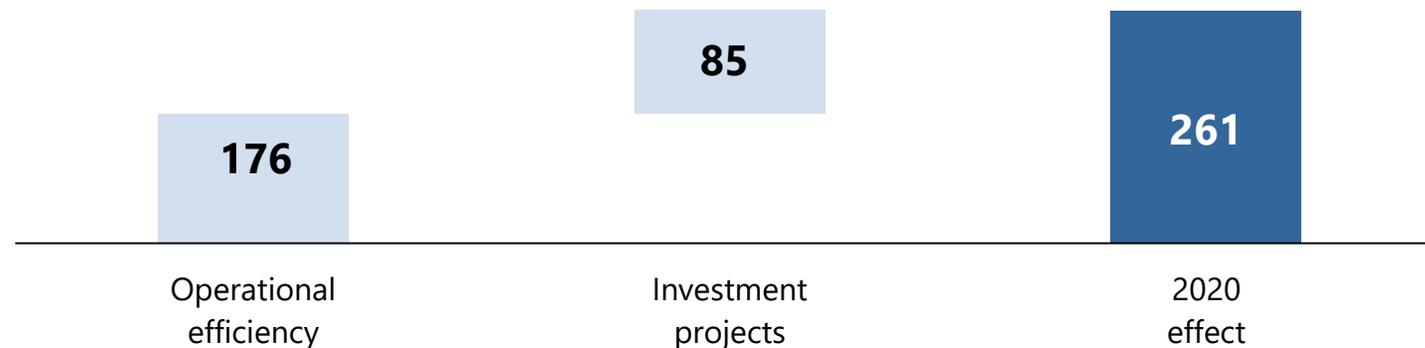
- The mining and Russia Flat divisions delivered more than 85% of total effect in 2020

Investment projects delivered \$85 m

- Mainly as a result of increase in iron ore concentrate production at Stoilensky and the launch of the briquetting plant in Lipetsk

Effect of investment projects completed in 2020 will be fully reflected in 2021 financials

STRATEGY 2022 EFFECTS IN 2020, \$ m pa



KEY INVESTMENT PROJECTS' STATUS

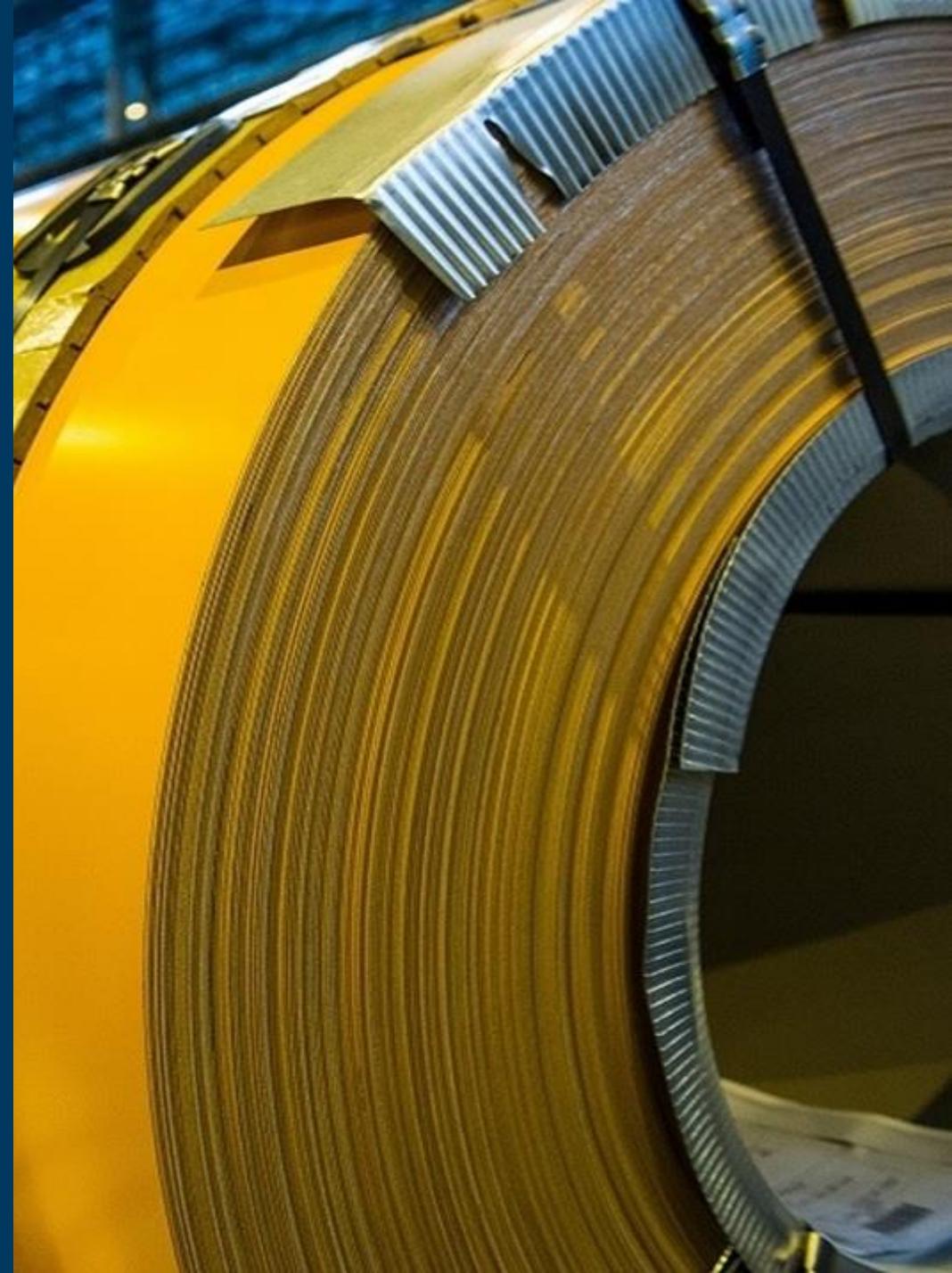
Project	Status
+1 m t of steel and corresponding increase in captive iron ore* (Russia Flat)	Completed, full gains in 2021
Continuous casting machine #9 (Russia Flat)	Completed, full gains in 2022
Coal charge stamping (Russia Flat)	Completed, full gains in 2021
Captive power plant** (Russia Flat)	To be completed in 2023
Electrical steels (Russia Flat)	First stage in 2021, full gains in 2023
Coated steels (Russia Flat)	To be completed in 2022, full gains in 2023
Premium thick plates (Europe Plate)	To be completed in 2021, full gains in 2023
Niche HRC and coated products (Europe Strip)	To be completed in 2021, full gains in 2023

Note: the data on the slide are presented with NBH

** Iron ore production at NLMK's own facilities*

*** Energy generation at NLMK's own facilities*

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Dividend policy remains intact

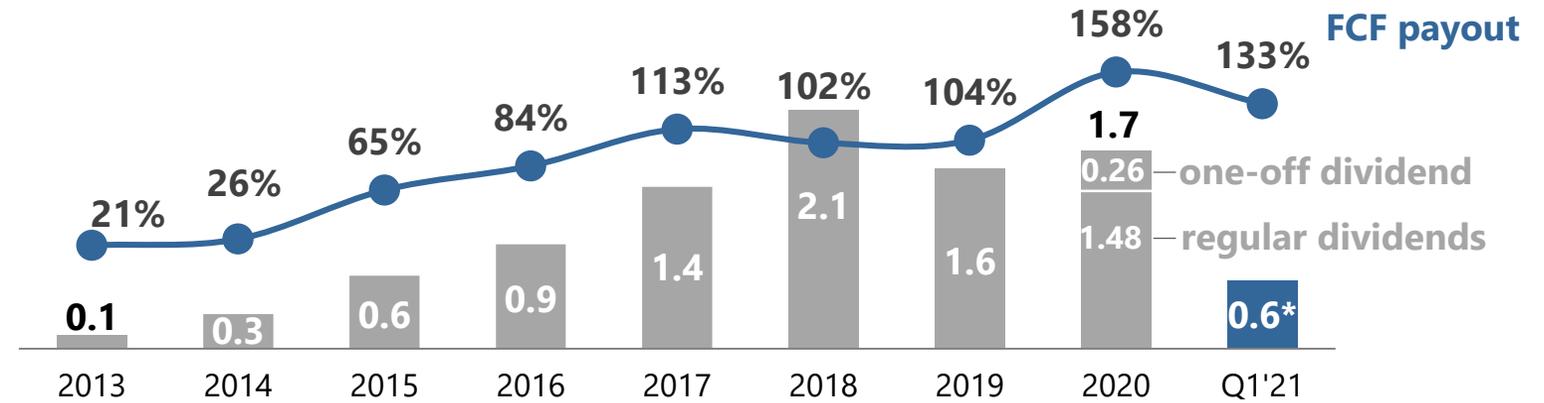
- Minimum 100% of FCF if ND/EBITDA is below 1.0x
- Minimum 50% of FCF if ND/EBITDA is above 1.0x

Higher capex during the strategy cycle is not affecting dividend payments

- Free cash flow to be calculated assuming normalized capex of \$0.7 bn pa for the purposes of dividend payments

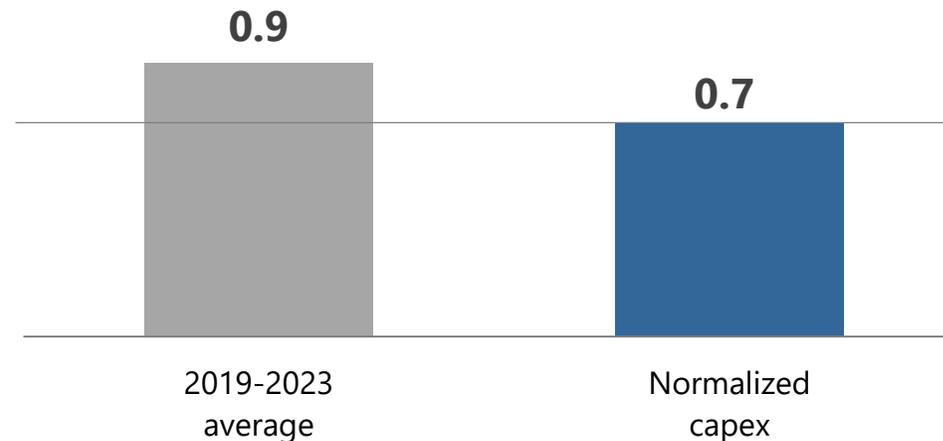
BoD recommendation for Q1'21 dividends amounts to \$600 m subject to shareholders approve at General Shareholders' Meeting

DIVIDENDS, \$ bn



* dividends recommended by the Board of Directors for Q1'21

CAPEX, \$ bn



+ \$0.2 bn of additional dividends payments pa

CAPEX level used for adjusted FCF calculation

2021 CAPEX guidance: \$1.1-1.2 bn

- \$0.5-0.6 bn: maintenance capex
- \$0.6 bn: Strategy 2022 projects

Investments to peak in 2021 due to completion of large maintenance projects and active phase of Strategy 2022 execution

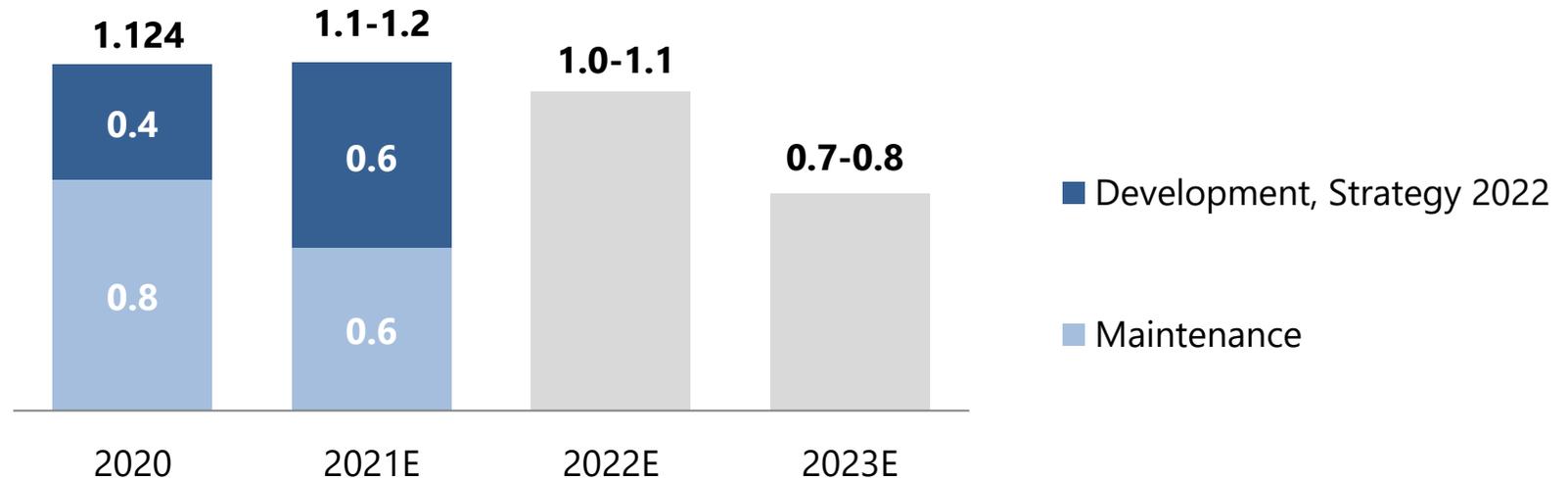
Lower steel output in 2019-2020...

- Impacted slab sales to 3rd parties only, no downstream sales were lost
- Was partially offset by higher pig iron and iron ore concentrate sales

... to be followed by +2 mt of additional steel production in 2021, onwards

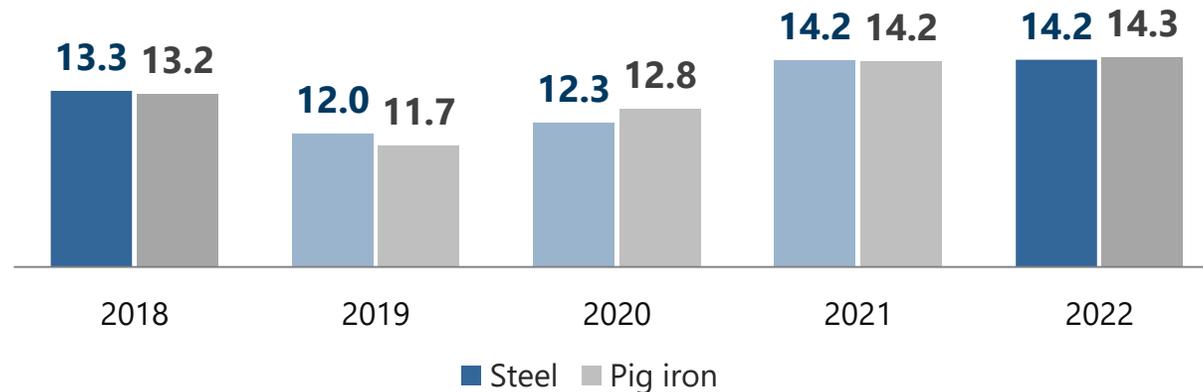
Note: the data on the slide are presented with NBH

CAPEX, \$ bn

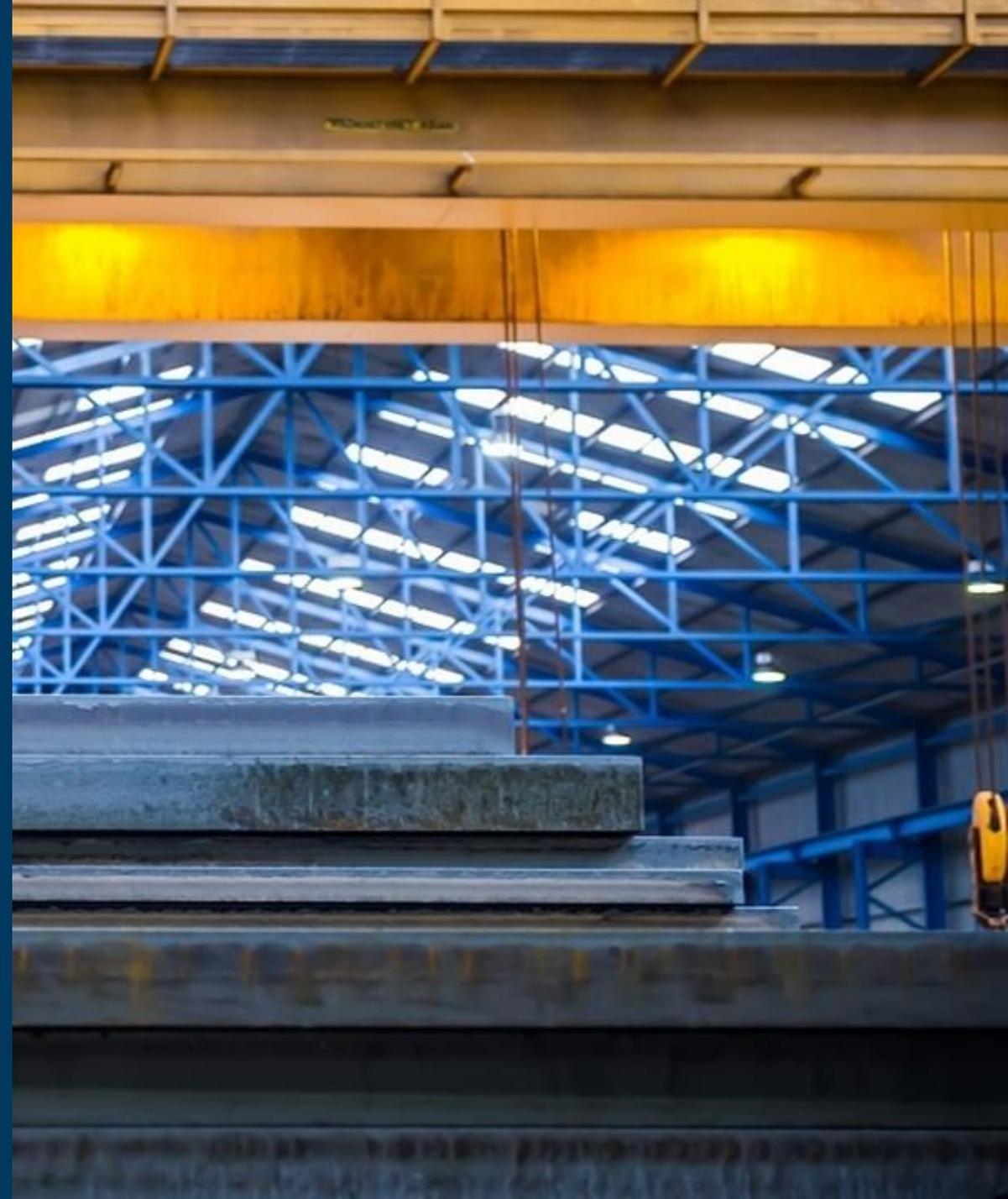


STEEL PRODUCTION AT THE LIPETSK SITE IN 2018-2022, m t

BF / BOF repairs at NLMK Lipetsk



- NLMK at a glance
- Market update
- Strategy 2022 highlights
- Strategy 2022 execution
- Capital allocation
- **NLMK's performance**
- Appendix



Steel output increased by 12% qoq to 4.4 m t following completion of steelmaking modernization at NLMK Lipetsk site in Q4'20

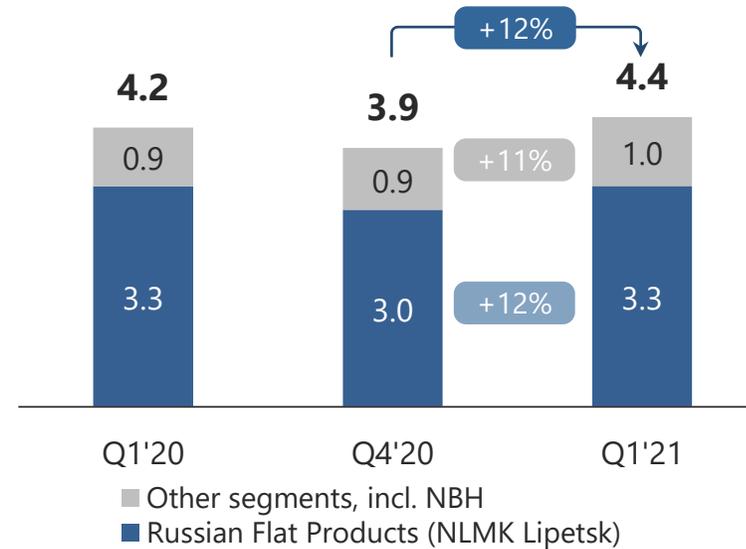
Shipments decreased by 7% qoq to 3.9 m t

- Lower pig iron sales amid one-off repairs at NLMK Lipetsk BF operations
- Inventories build up following recovery of slab shipments to NLMK USA (will be processed into finished products and sold in Q2'21)
- Higher sales of semis to NLMK USA reduced sales to external customers

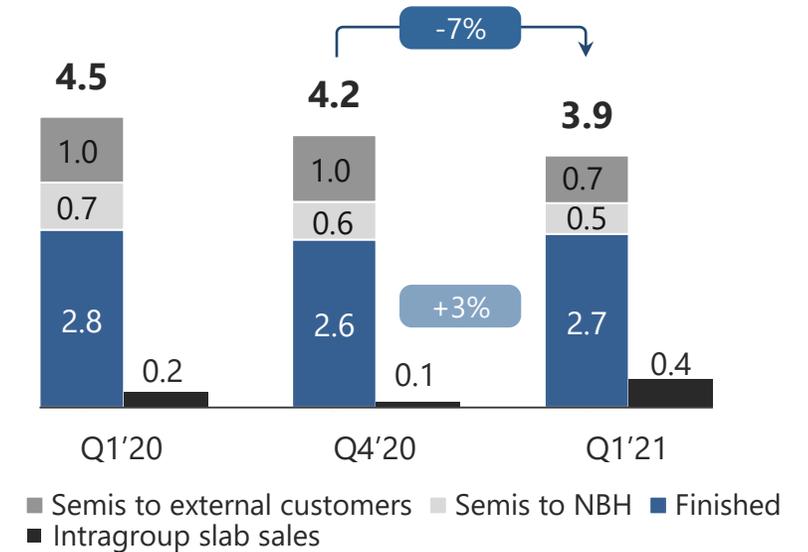
Accumulated stocks should be recognized in Q2'21 sales

Greater finished steel sales on the back of increased demand for rebar and plate

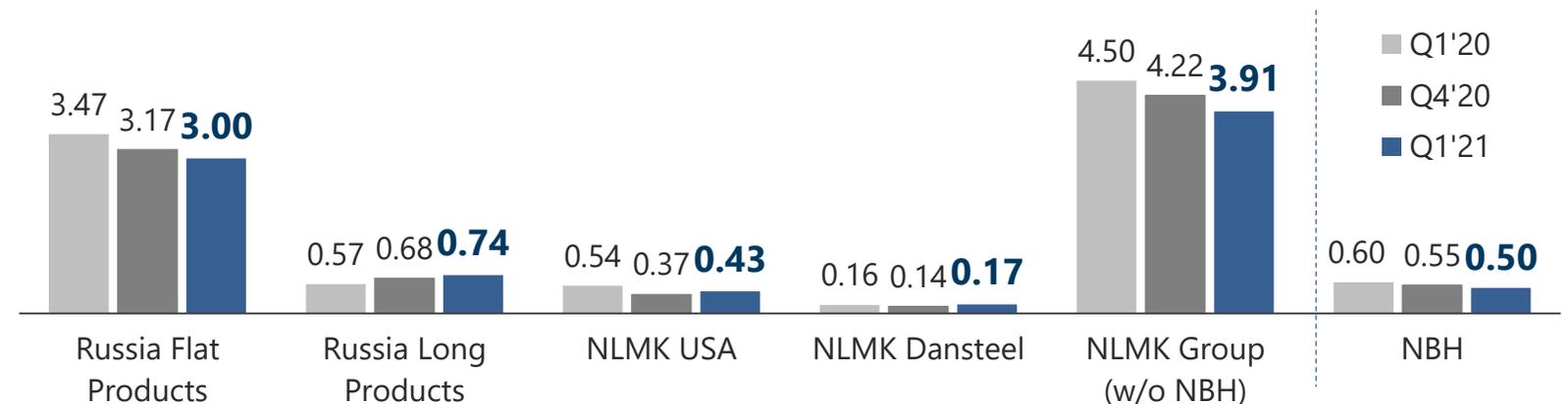
POST-OVERHAUL INCREASE IN STEEL OUTPUT



HIGHER FINISHED PRODUCTS SALES (W/O NBH)



Q1'21: LOWER SALES IN RUSSIA FLAT PRODUCTS WERE PARTIALLY OFFSET BY OTHER SEGMENTS



Revenue increased by 20% qoq to \$2.9 bn amid stronger prices

EBITDA expanded by 31% qoq to \$1.2 bn on improved price spreads

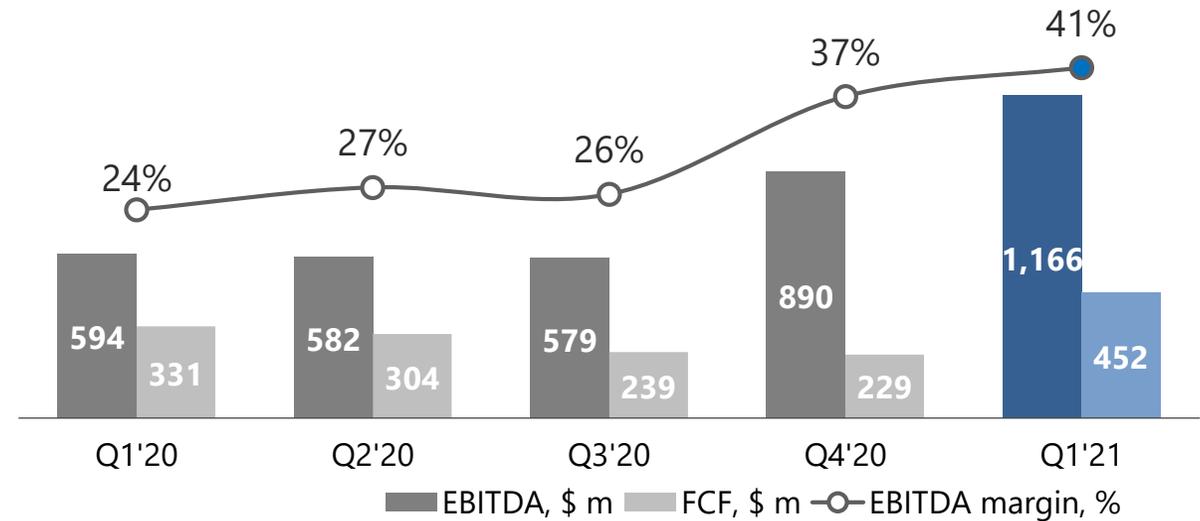
EBITDA margin reached 41%

- Revenue: \$2,867 m (+20% qoq, +17% yoy)
- EBITDA: \$1,166 m (+31% qoq, +96% yoy)
- EBITDA margin: 41% (+4 p.p. qoq, +17 p.p. yoy)
- FCF: \$452 m (+97% qoq; 37% yoy)

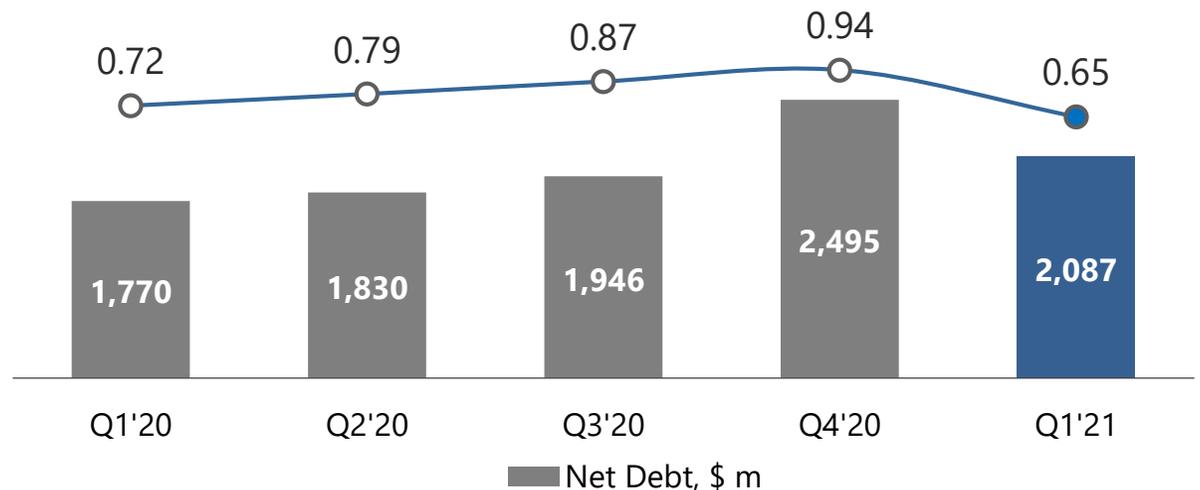
Net debt-to-EBITDA* ratio fell to 0.65x

- Net debt decreased by 16% qoq to \$2.1 bn on higher FCF

FCF, EBITDA AND MARGIN DYNAMICS



LEVERAGE DYNAMICS



* For detailed information and calculations for this indicator please refer to the Appendix of NLMK Group Q1 2021 IFRS Financial Results press release

Note: the data on the slide are presented without NBH

Russian Flat products: EBITDA expanded to \$772 m

- (+) Increased price spreads

Russian Long products: EBITDA grew to \$90 m

- (+) Improved spreads
- (+) Higher sales volumes

NLMK USA: EBITDA totaled \$65 m

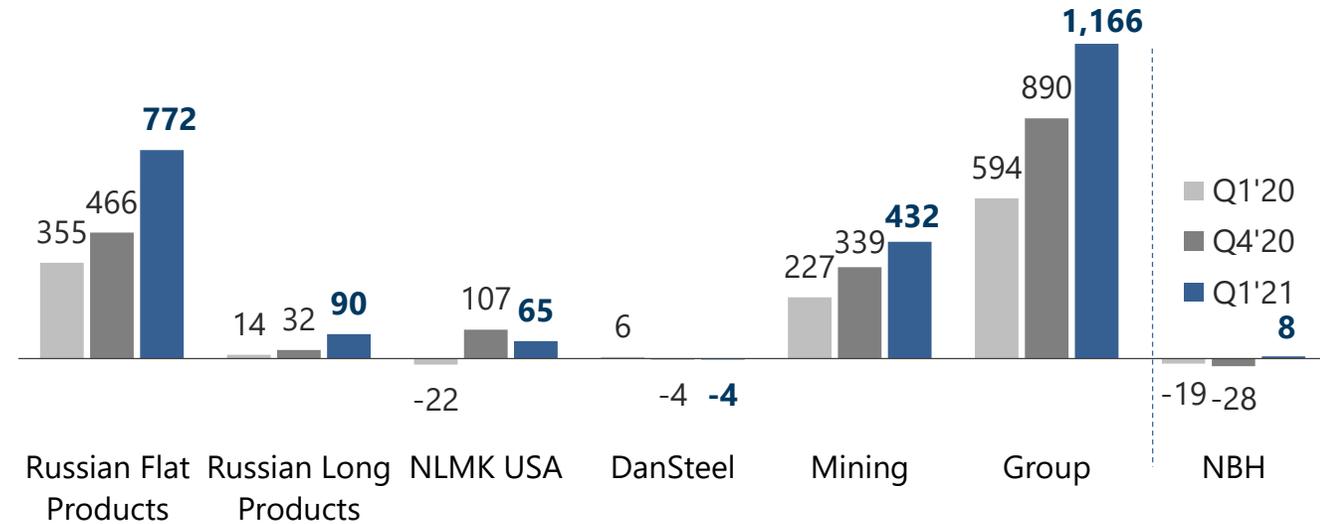
- (-) High base of Q4'20 due to accrual of a \$97 m compensation in line with the settlement agreement with the US DoC
- (+) Improved price spreads between rolled products and feedstock

Mining: EBITDA increased to \$432 m

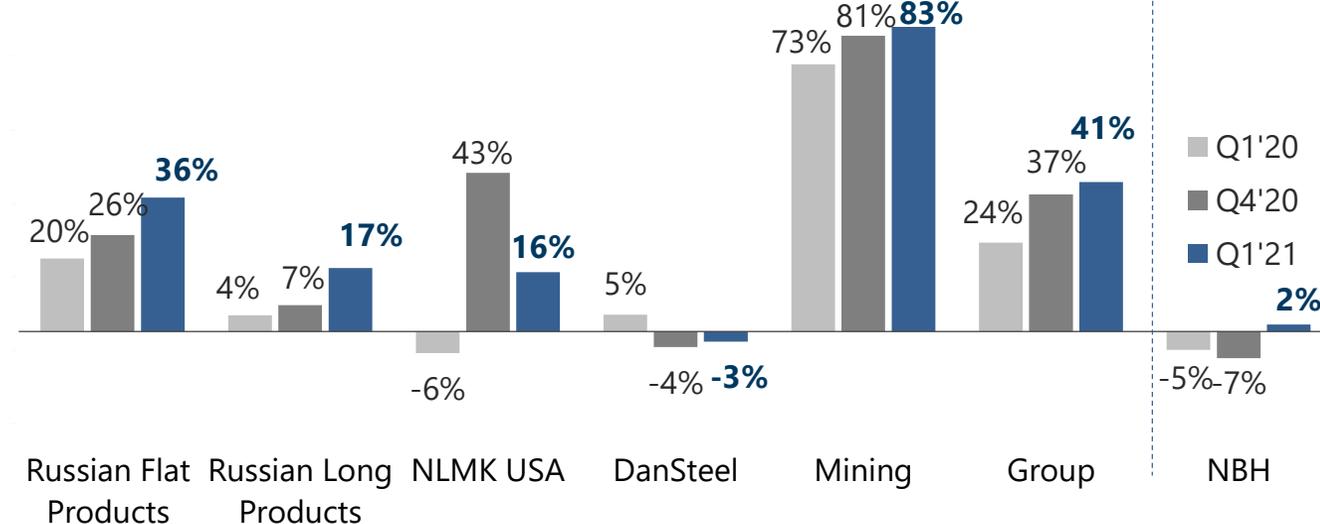
- (+) Increased iron ore prices
- (+) Gains from investment projects

NBH: EBITDA improved to \$8 m due to the expansion of spreads in the EU Strip segment

EBITDA BY DIVISION, \$ m



EBITDA MARGIN BY DIVISION, %



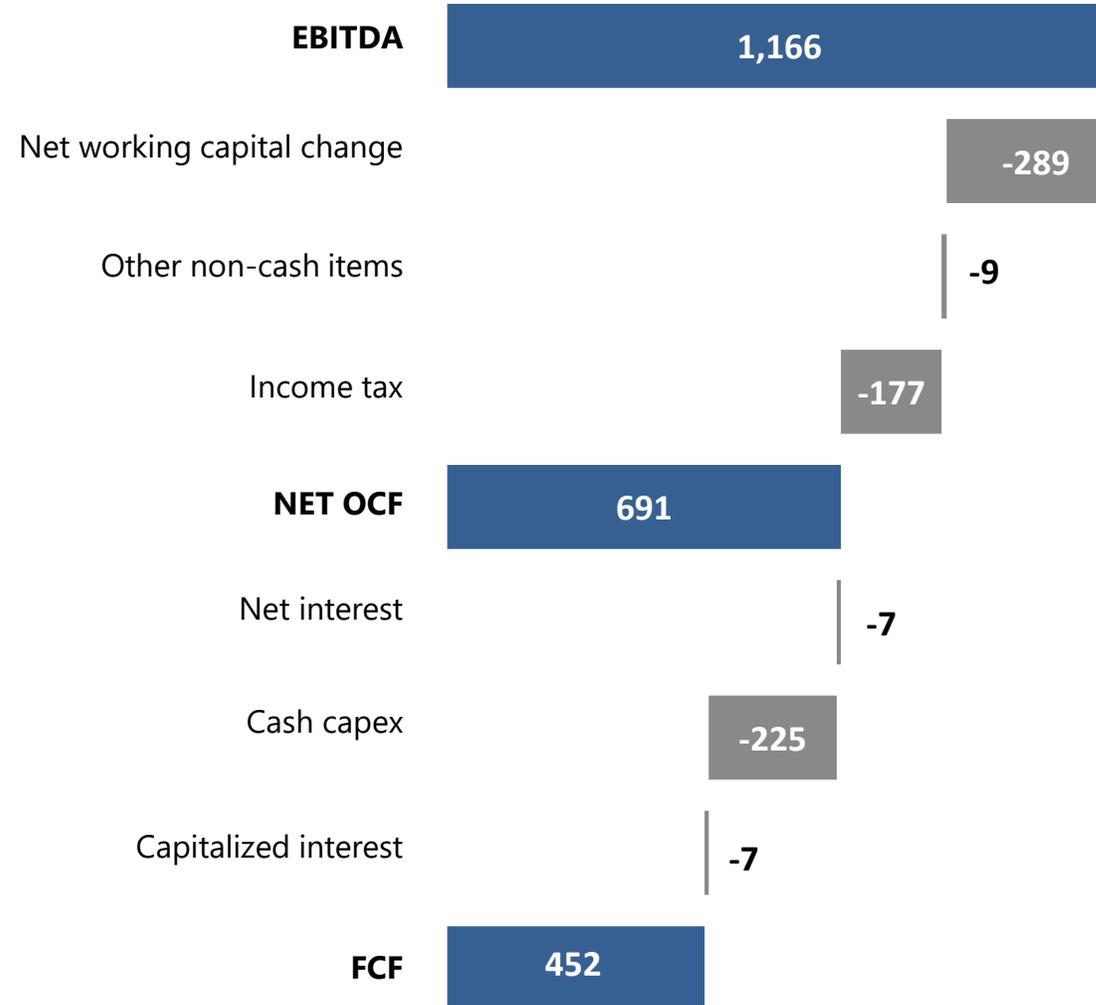
Working capital build-up amounted to \$289 m

- (-) \$304 m: increase in receivables due to higher prices for steel products, higher sales in the Russian market and the low base effect of the 2020 year-end (accelerated settlement with buyers amid high demand)
- (-) \$115 m: increased raw material costs and elevated inventories of finished products amid rising prices
- (+) \$127 m: increase in payables due to higher coal prices

Capex in Q1'21 decreased to \$232 m (-15% qoq) following seasonal slowdown of investment activity

FCF increased two-fold qoq to \$452 m

Q1'21 FCF BRIDGE, \$ m



Total debt decreased by 16% qoq to \$2.9 bn

- Scheduled repayment of working capital lines

Net debt / 12M EBITDA stood at 0.65x

- Net debt down 16% qoq to \$2.1 bn
- Liquidity of \$0.8 bn matches ST debt
- c. \$1.9 bn is available through undrawn credit lines

Working capital (WC) lines maturing in Q2'21-Q1'22 to be repaid or refinanced:

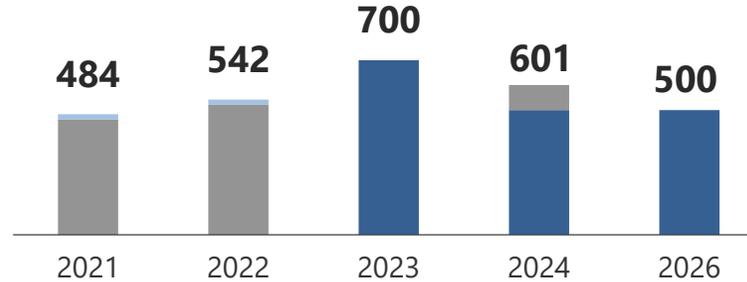
- 40% will be repaid
- 60% will be refinanced

€600 m revolving credit facility (arranged in 2020) will be used to refinance existing working capital lines

Average cost of debt stood at 3.1%

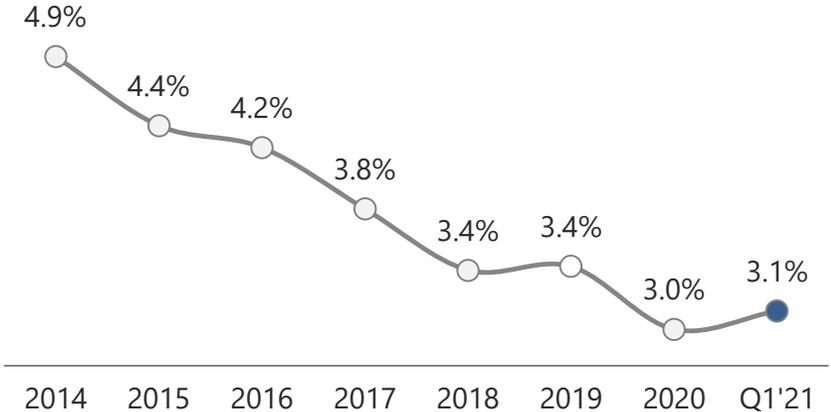
DEBT* MATURITY, \$ m

■ Working capital lines ■ ECA lines ■ Eurobonds

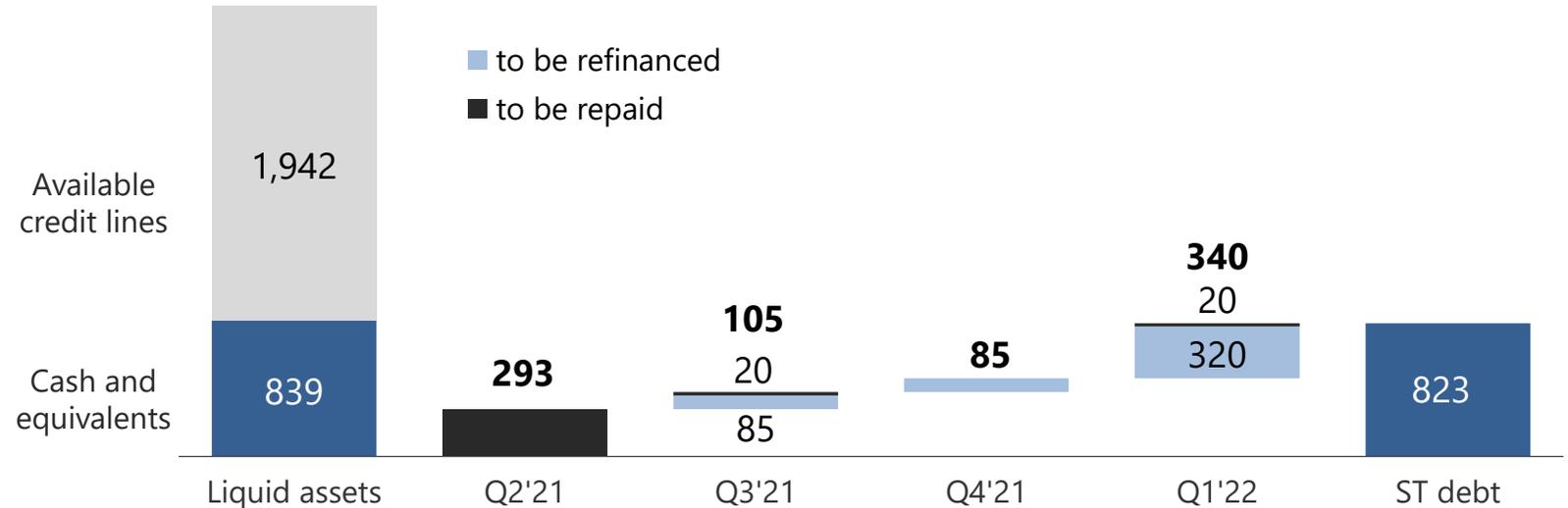


* Excluding interest payments

COST OF DEBT REMAINS LOW, %



LIQUIDITY AND SHORT-TERM DEBT, \$ m



Note: the data on the slide are presented without NBH

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- **Appendix**



Steel capacity utilization is above 90% through the cycle

Steel output growth in 2013-2018 driven by efficiency improvements

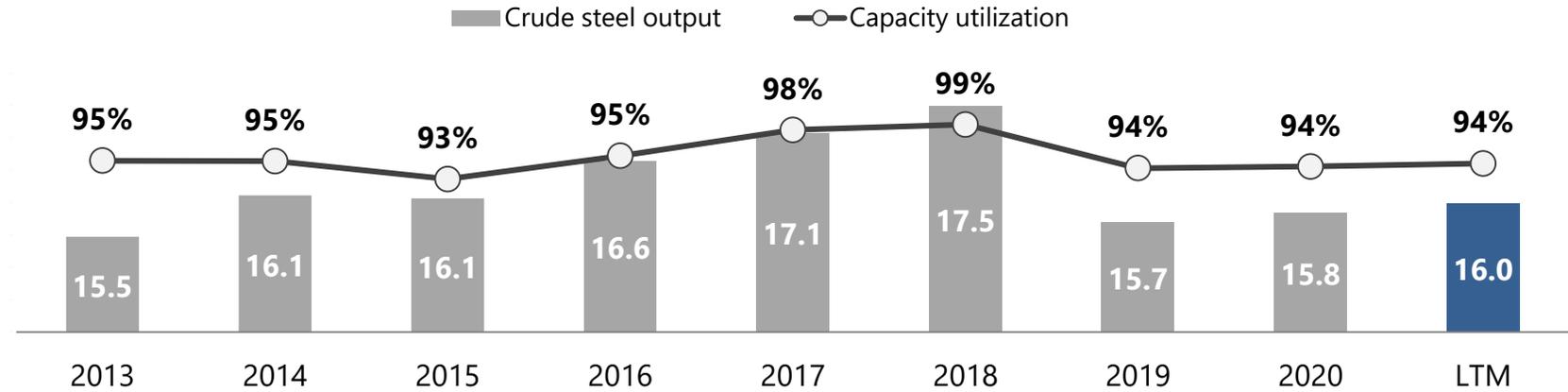
Lower steel production in 2019-2020 due to major overhauls at the Lipetsk site

62% of sales are finished products

44% of finished products sales are high value added products

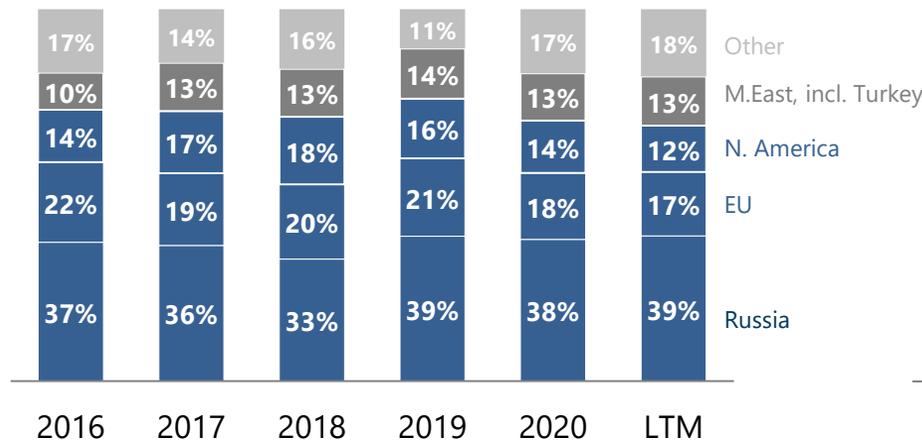
Strong domestic footprint with more than 2/3 of sales made in our home markets – Russia, Europe, USA

STEEL PRODUCTION, m t

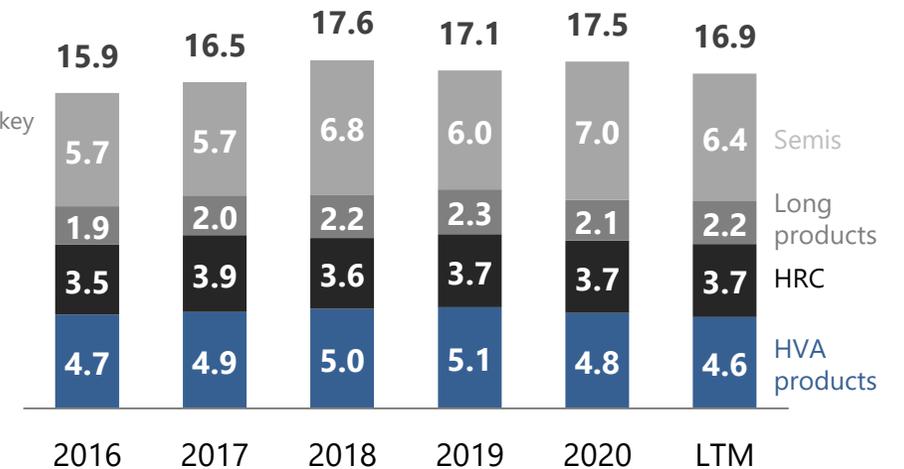


Source: NLMK operating results, with NBH

SHIPMENTS STRUCTURE W/O NBH BY REGIONS



GROUP'S SALES STRUCTURE W/O NBH BY PRODUCT, m t



NLMK holds leading positions in Russia in HVA production

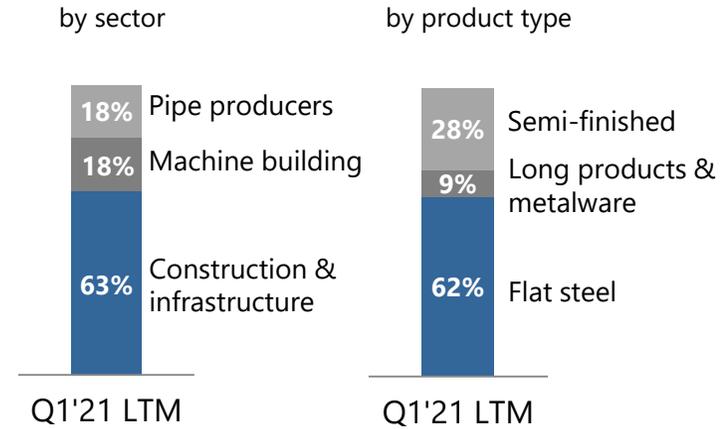
The company has exposure to niche products:

- LDP feedstock
- The only transformer steel producer in Russia

This is further supported by diversification into flat / long products

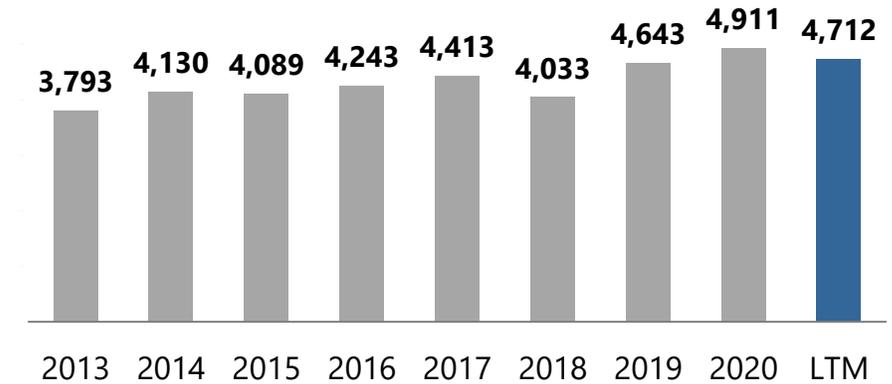
NLMK also has the flexibility to relocate shipments from domestic to export markets and vice versa

NLMK: SALES TO THE RUSSIAN MARKET

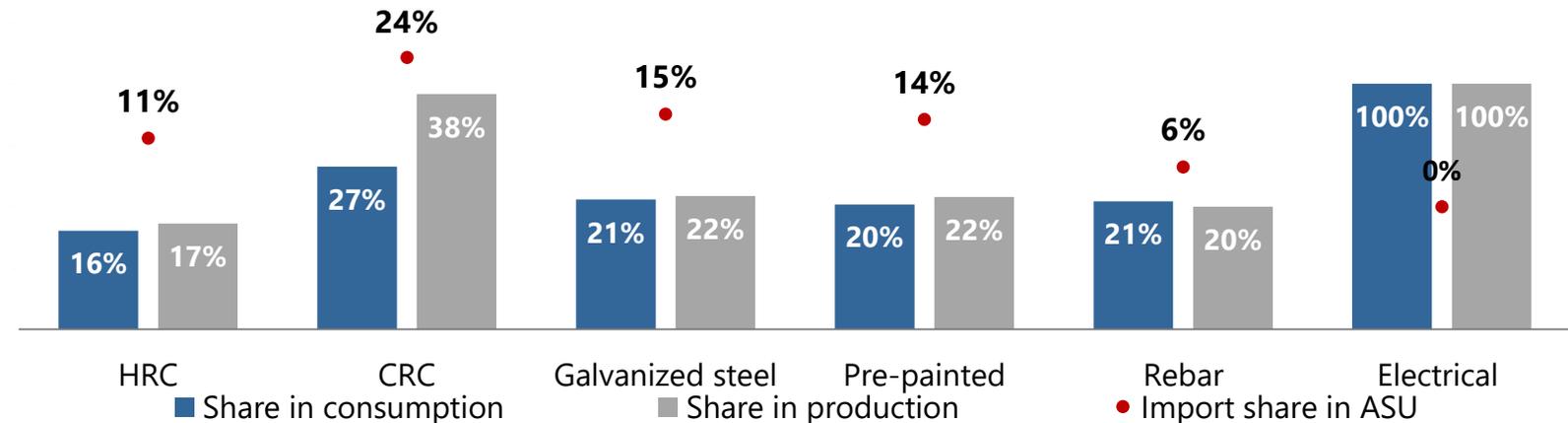


Source: NLMK financial and operating results for Q4'20

NLMK: FLAT STEEL SALES IN RUSSIA, m t

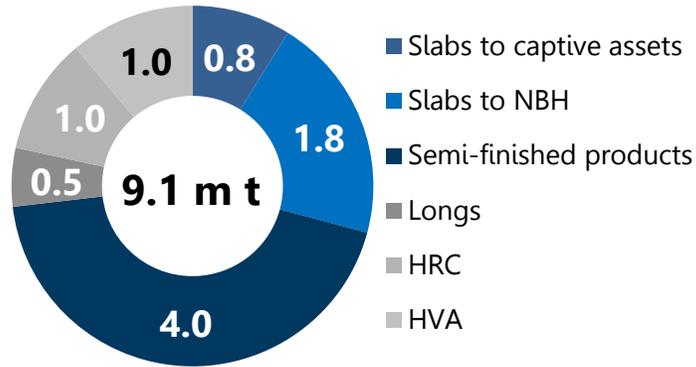


NLMK'S SHARE ON THE RUSSIAN STEEL MARKET, LTM*



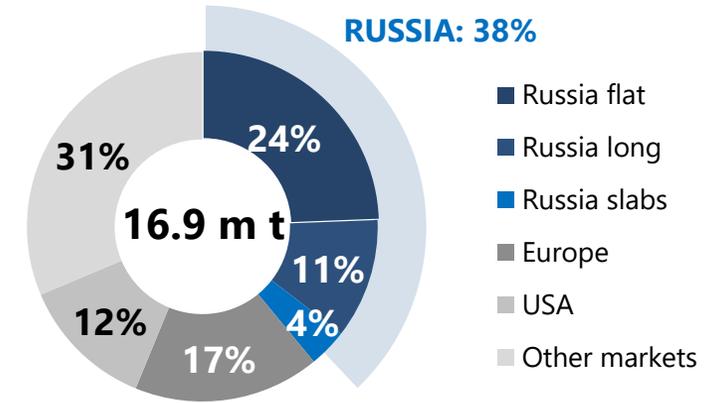
Source: NLMK financial and operating results for Q1'21, management data, Metal Expert

NLMK - EXPORTS FROM RUSSIA BY PRODUCT, Q1'21 LTM, m t



Source: NLMK financial and operating results as of Q1'21 (LTM)

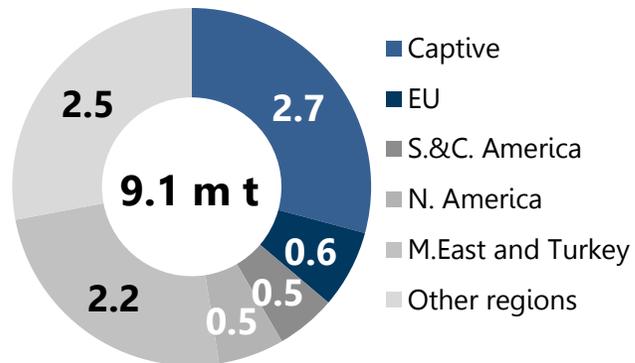
NLMK GROUP - SALES BREAKDOWN W/O NBH, Q1'21 LTM, m t



Source: NLMK financial and operating results as of Q1'21 (LTM)

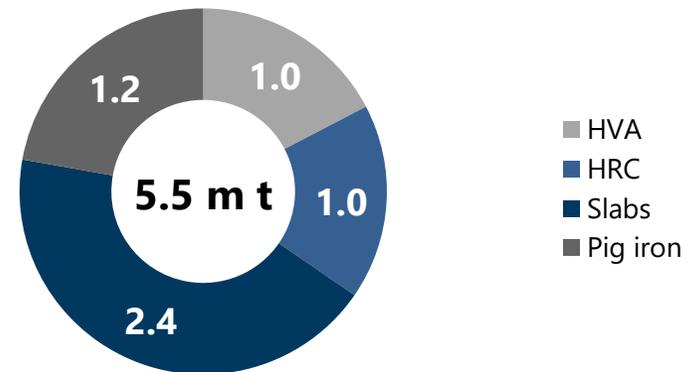
NLMK - EXPORTS FROM RUSSIA BY DESTINATION, Q1'21 LTM, m t

SALES TO CAPTIVE ASSETS* 29%
EXPORTS TO 3RD PARTIES 71%



Source: NLMK financial and operating results as of Q1'21 (LTM)
* NLMK's own facilities in the US and the EU (NLMK USA, Dansteel, NBH)

NLMK - FLAT EXPORTS FROM RUSSIA TO 3RD PARTIES, Q1'21 LTM, m t



Source: NLMK financial and operating results as of Q1'21 (LTM)

Significant portion of NLMK's exports and total shipments is not subject to import restrictions

- Semis are usually not subject to trade measures
- Sales in home markets from local assets are free from barriers

Recent trade barriers in the EU

- Specific trade restriction measures, including quotas were implemented in Feb 2019 until July 2021
- After the exhaustion of the quotas, a 25% tariff will be applied

USA trade barriers: section 232, 25% tariff on almost all shipments from Russia

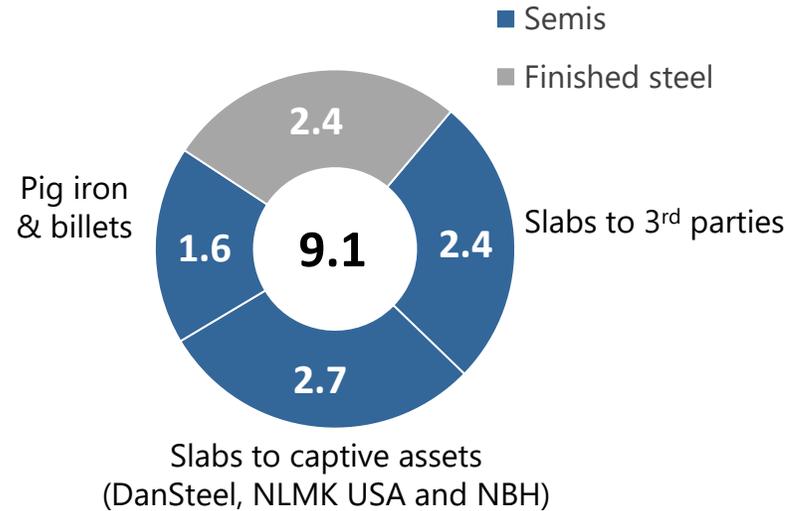
For reference: NLMK International (EU & US) rolling capacity

- NLMK EU HRC capacity: 2.2 m t* (installed 2.2 m tpa)
- NLMK EU CRC capacity: 0.4 m t*
- NLMK EU Plate capacity: 1.4 m t*
- NLMK USA HRC capacity: 2.9 m t* (with 0.8 m tpa of captive EAF capacity**)

* @current shifts

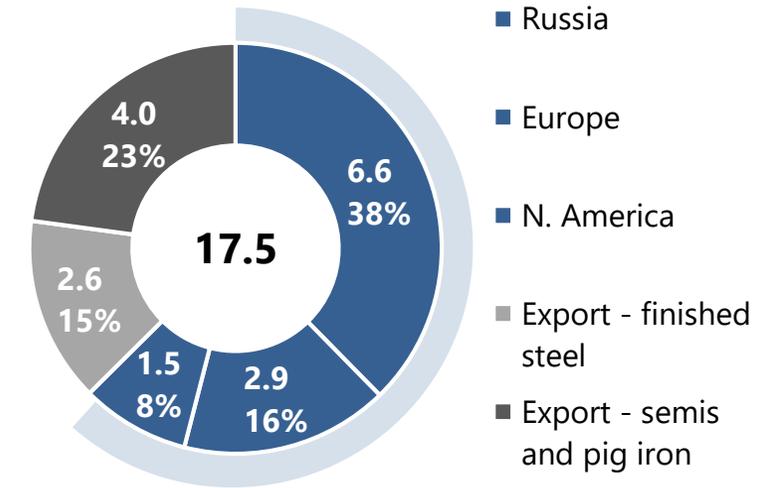
** NLMK USA own steel production capacity via EAF

94% OF NLMK'S EXPORTS FROM RUSSIA WAS NOT SUBJECT TO IMPORT RESTRICTIONS, Q1'21 (LTM), m t



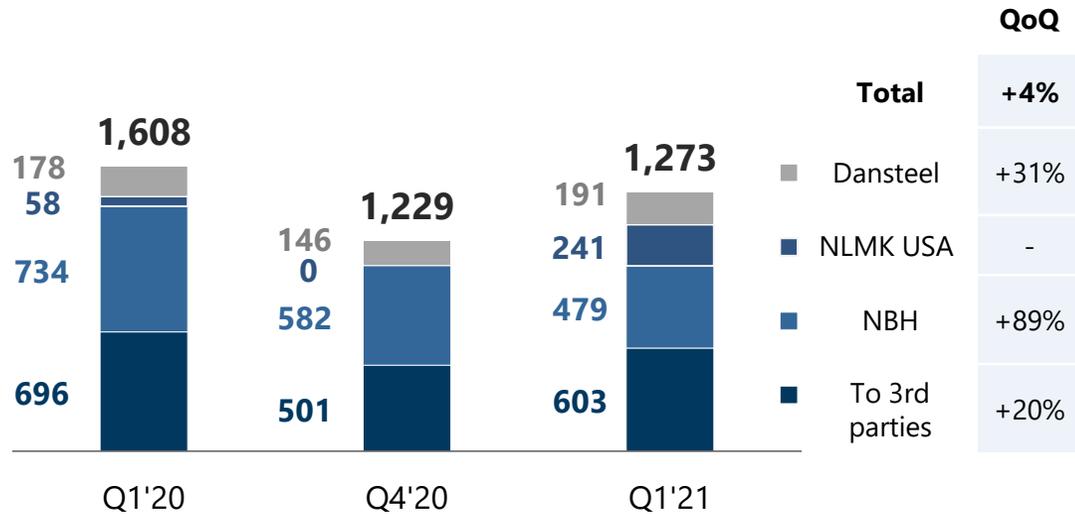
Free from import restrictions 8.6 m t

GROUP'S SALES BY REGION (WITH NBH), Q1'21 LTM, m t

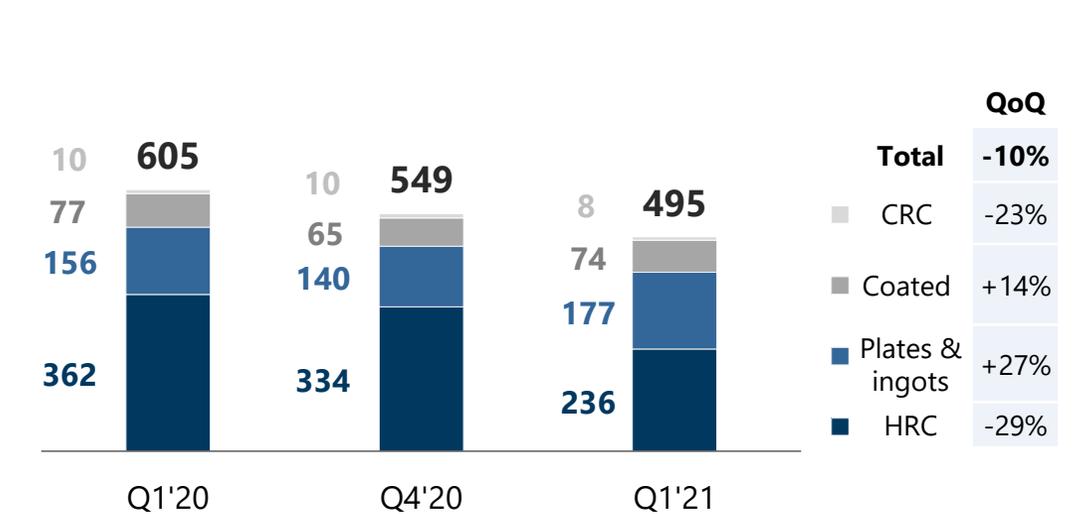


Home markets

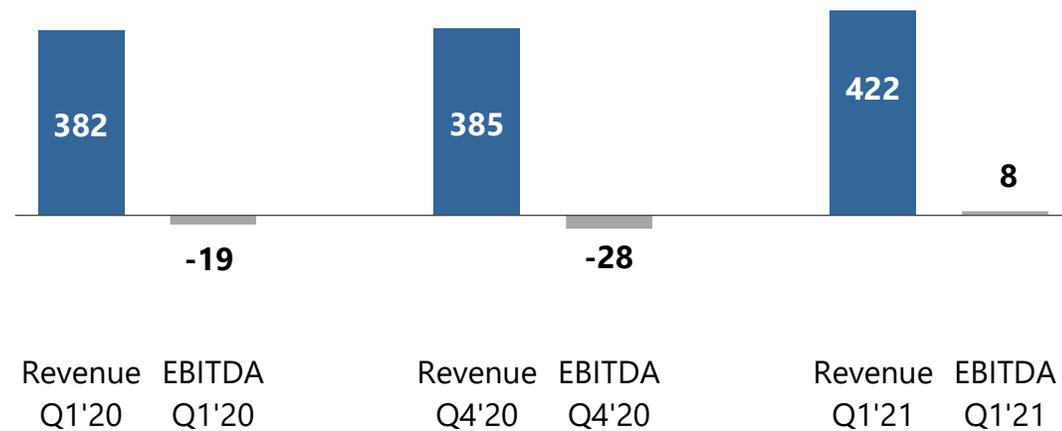
SLABS SALES FROM THE RUSSIAN FLAT PRODUCTS DIVISION, k t



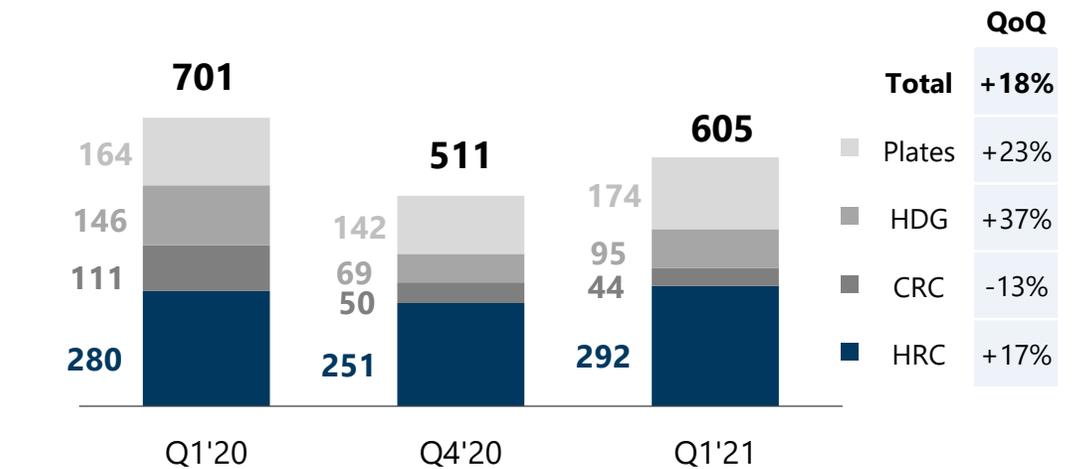
NBH ROLLED PRODUCTS SALES, k t



NBH FINANCIAL RESULTS, \$ m



NLMK USA AND NLMK DANSTEEL SALES, k t





NLMK's tailings dam was put into operation in 1984

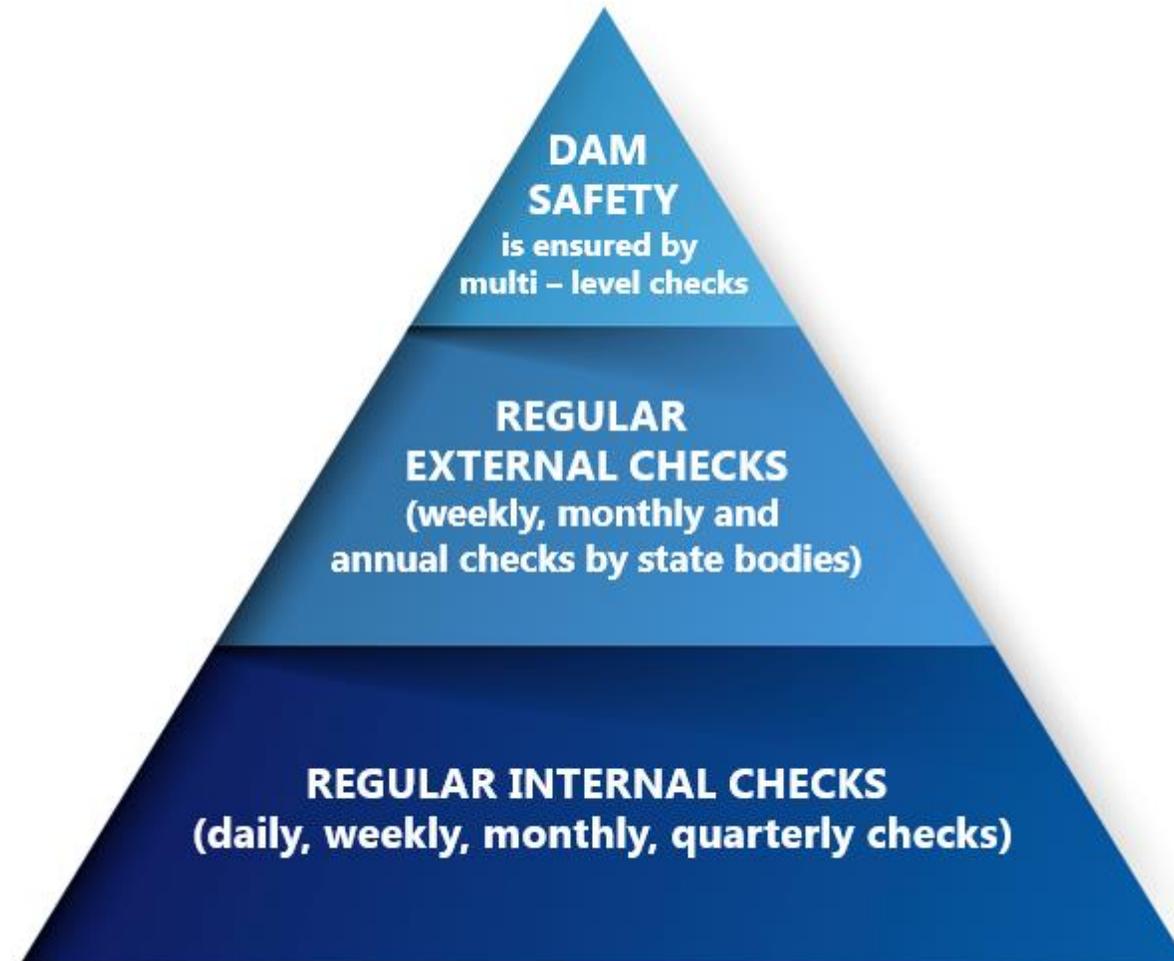
Tailings dam development plan was independently audited

Emergency preparedness is regularly assessed and response procedures are developed

Safety drills are regularly performed with the participation of Russia's Ministry of Emergency Situations

Water recycling system is in place

NLMK responded to the Church of England Pensions Board request



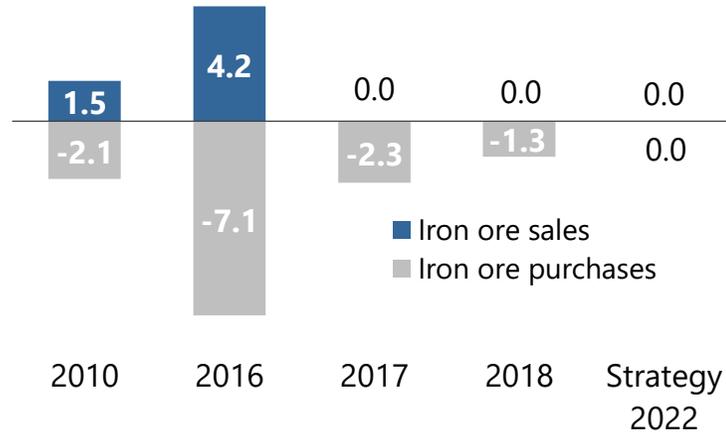
Gradual decline in reliance on volatile iron ore market

- No iron ore supplies to the third parties in 2017 - 2018 after the launch of the pelletizing plant
- Reduced purchases of third-party's iron ore
- Strategy 2022: 100% self-sufficiency with growing output at the Lipetsk site

Consistent optimization of coking coal consumption

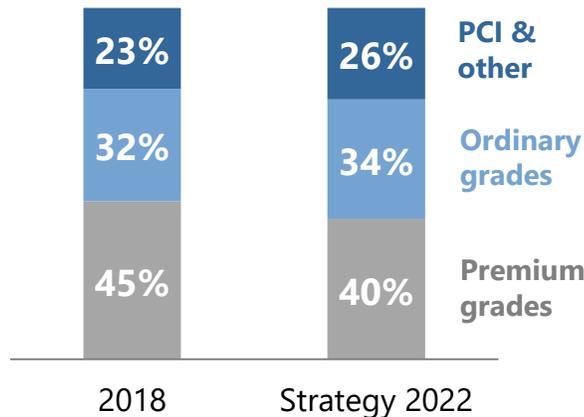
- Phase 1 - done: substituted imported coking coal with Russian grades after the launch of optimization measures at the Lipetsk site with no loss in coke quality
- Phase 2 - done: to roll out the PCI technology and introduce coking additives to optimize feedstock consumption as well as to raise coke quality
- Phase 3 - done: develop upstream technologies (charge stamping commissioned in Q3'2020)

IRON ORE BALANCE, m t



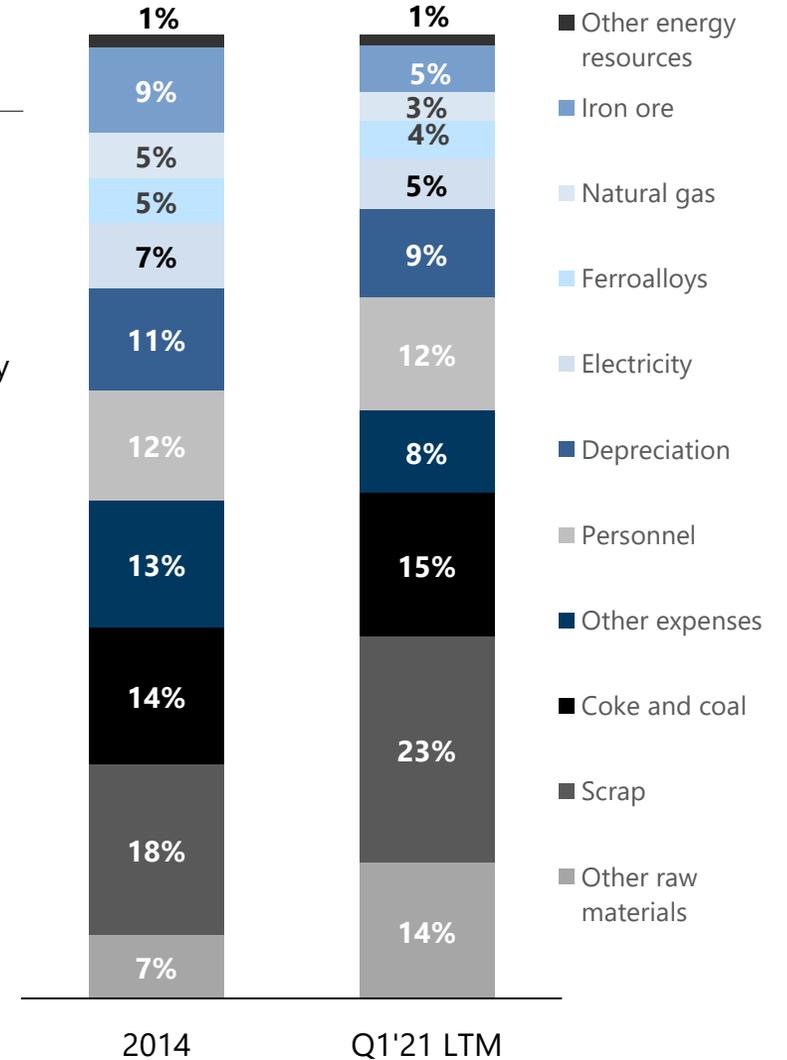
Source: NLMK financial and operating results for FY2018

COAL CONSUMPTION BY GRADE



Source: NLMK financial and operating results for FY2018

COST OF SALES STRUCTURE



Source: NLMK financial and operating results for Q1'21 LTM

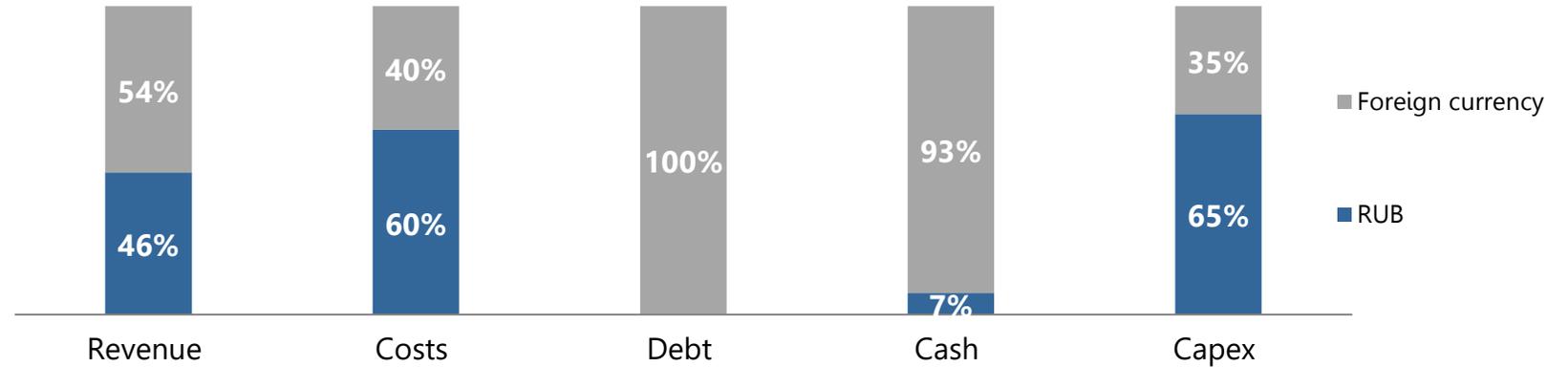
Revenue/cost FX split provides a solid cushion in volatile commodity prices fluctuation

NLMK's EBITDA sensitivity to 1 rub change translates into \$7 m effect on EBITDA on annual basis

The company's flexibility in sales mix (by product and region) allows to react quickly to FX rate changes

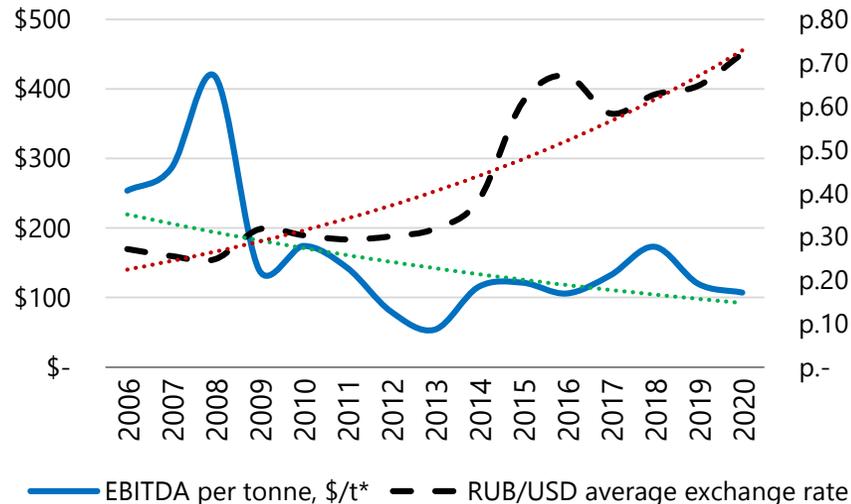
Hedging accounting: the amount of hedged revenue aligns the amount of payments on bonds and bonds' coupons

FINANCIAL RESULTS AND BALANCE SHEET CURRENCY STRUCTURE, AS AT 31 March 2021



Source: Q1'21 data

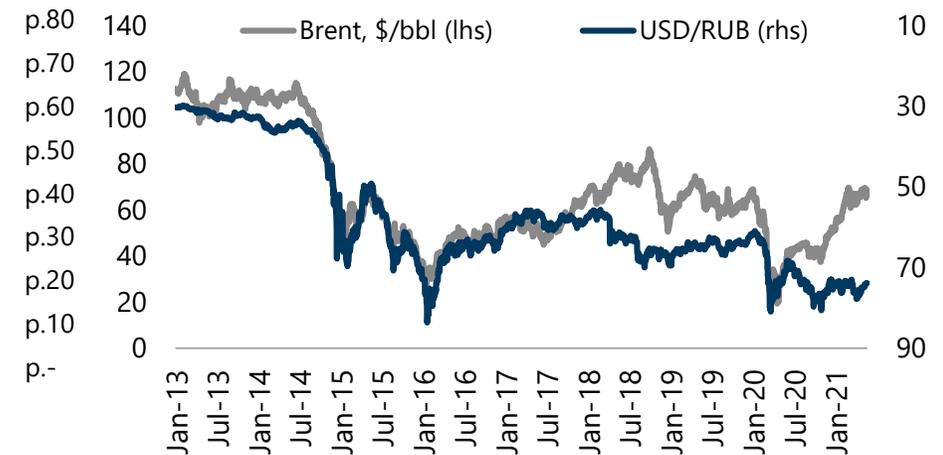
HISTORICAL DATA



Source: NLMK data

* Russian Flat Products data

\$/RUB FX RATE VS OIL PRICE



Source: Bloomberg

Russian coal market is oversupplied with 30% of output exported...

- ... hence, Russian coking coal trades with a 30-40% discount vs global

NLMK relies on Russian coal suppliers

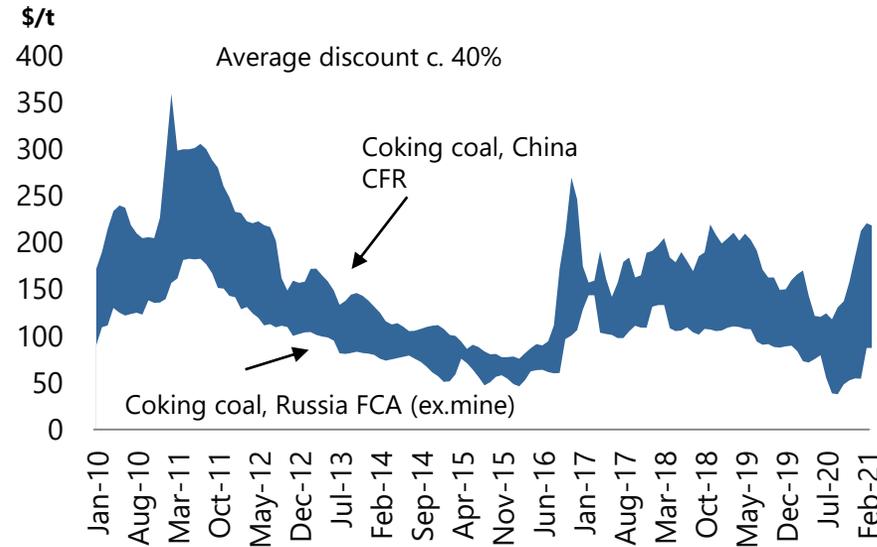
NLMK has over 100% sufficiency in coke (coal processing)

Since Q2'17 90% of BFs at Lipetsk are equipped with pulverized coal injection (PCI) technology

- PCI reduces consumption of coke and natural gas by 30-50%

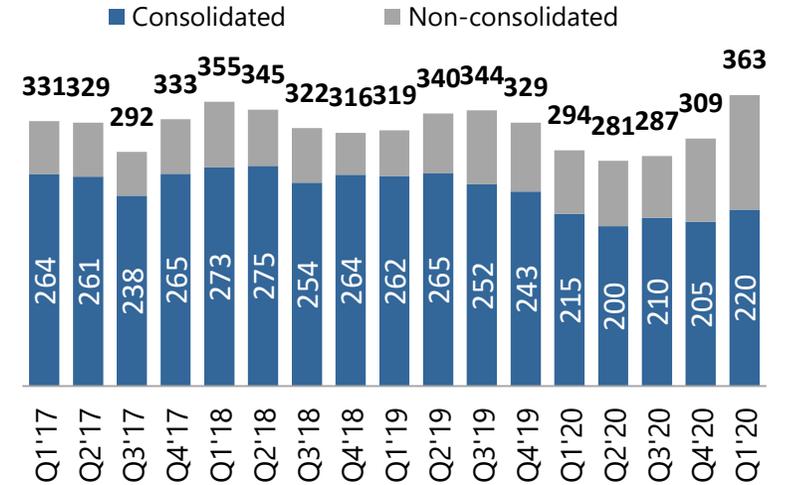
Coal charge stamping commissioned in Q3'2020

RUSSIAN COAL PRICES ARE 40% LOWER VS GLOBAL

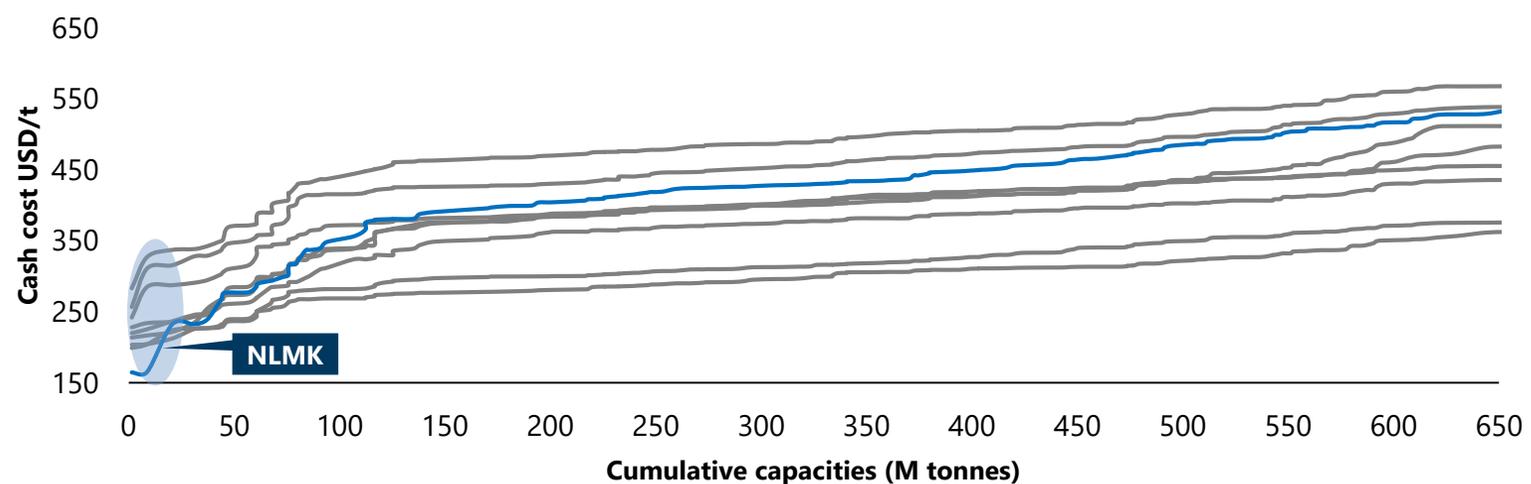


Source: Metal Expert

NLMK'S CASH COST OF SLABS



NLMK REMAINS COST LEADER AT ANY COAL PRICE



Source: WSD

C/coal, China CFR

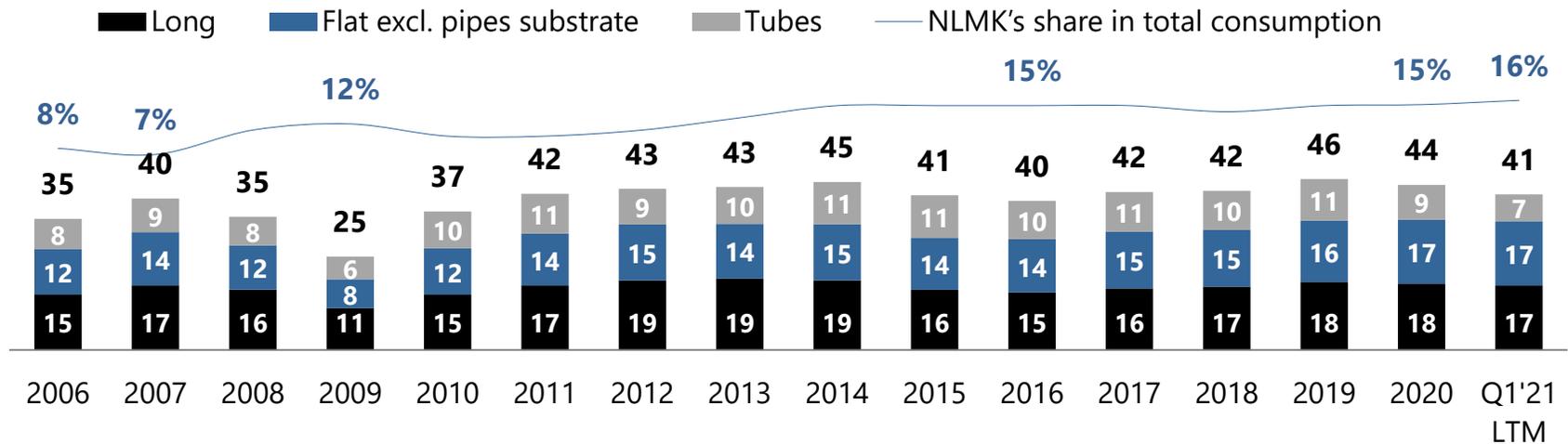
- 2012, \$200/t
- 2013, \$152/t
- 2020, \$144/t**
- 2014, \$114/t
- 2018, \$189/t
- 2019, \$169/t
- 2017, \$169/t
- 2016, \$134/t
- 2015, \$89/t

In 2009, the GFC shed almost 10 m t of Russian demand for steel. COVID-19 has had much smaller impact on steel consumption in Russia thus far (mainly in tubes segment)

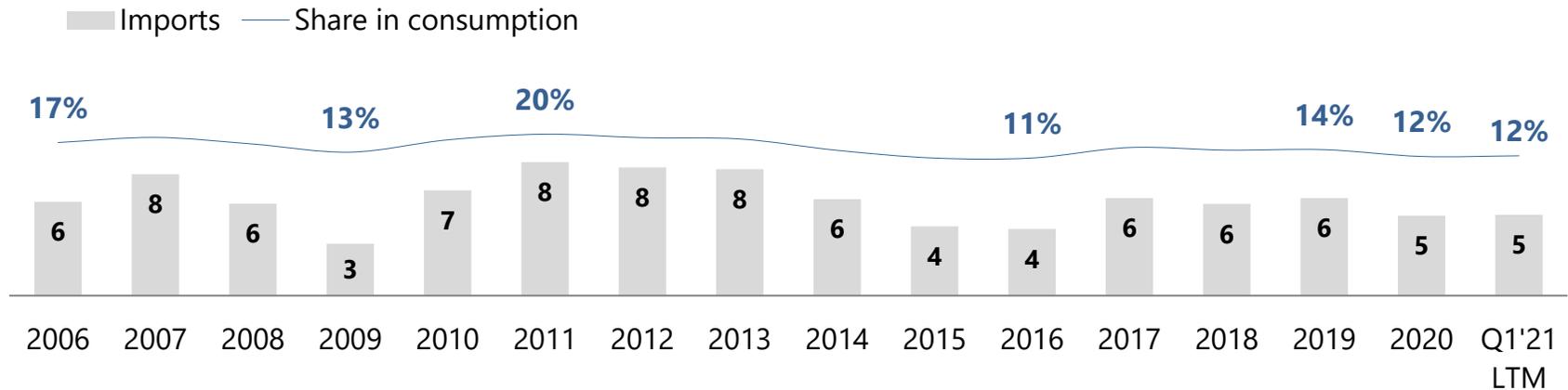
Since the expansion into long products, NLMK's share has been stable, or ~16% of the Russian ASU

During economic downturns (usually accompanied by FX devaluation) import's share in Russia's ASU tends to decline

APPARENT STEEL USAGE (ASU)* IN RUSSIA, m t



FINISHED STEEL IMPORTS IN RUSSIA, m t



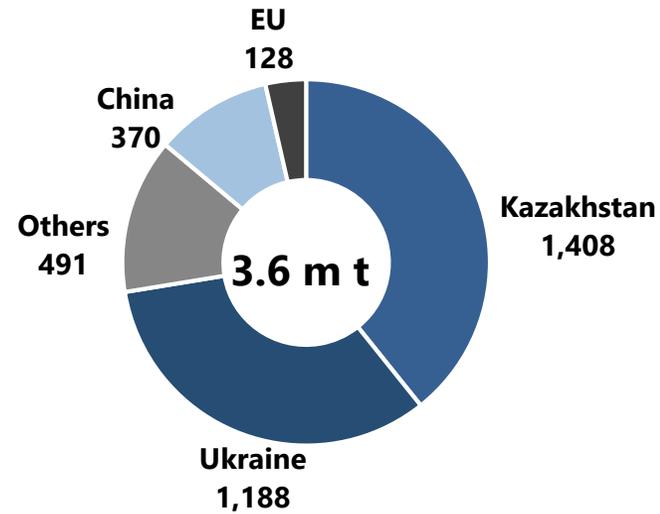
* ASU – apparent steel use = output + imports - exports

Source: Metal Expert, NLMK estimates.

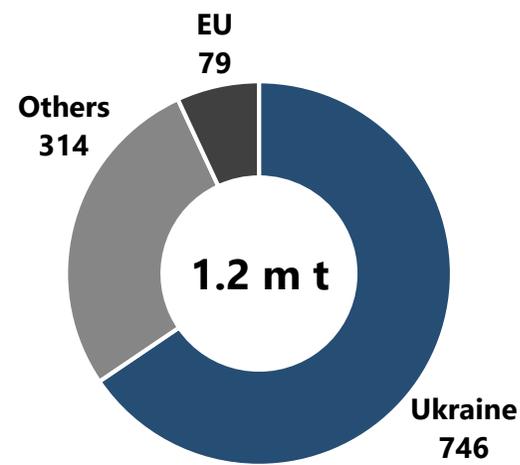
Ukraine is the main steel importer into Russia (40% of imports LTM), particularly of long products

Kazakhstan is the second largest importer (30% of imports), predominately of flat steel

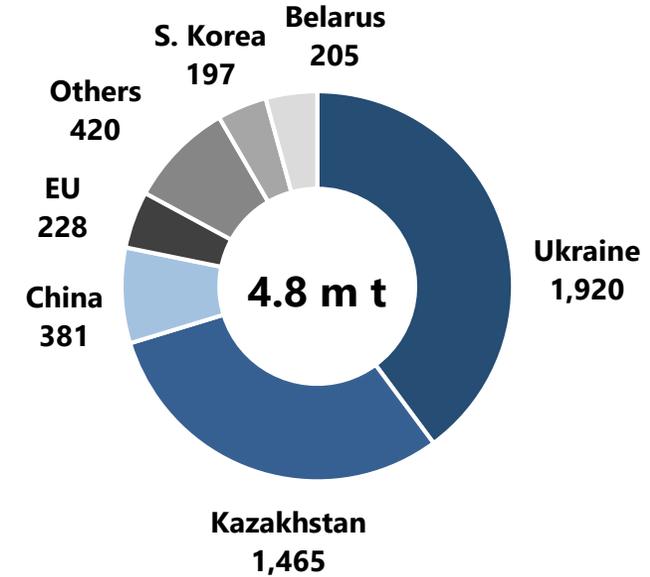
Q1'21 LTM FLAT STEEL IMPORTS, k t



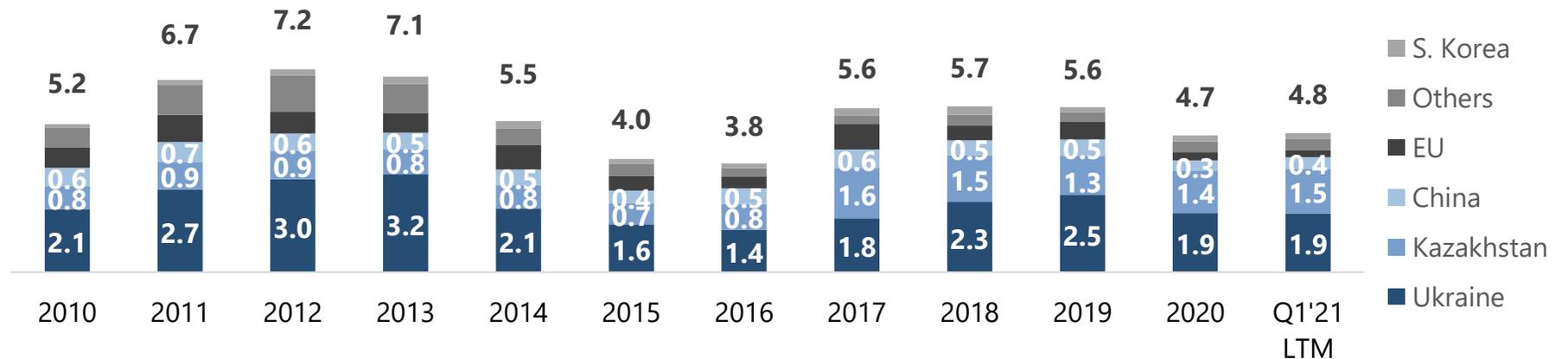
Q1'21 LTM LONG AND SEMIS STEEL IMPORTS (excl. pipes), k t



Q1'21 LTM TOTAL IMPORTS (excl. pipes), k t



TOTAL IMPORTS (excl. pipes), m t



Source: Metal Expert

In 2014-2018, Strategy 2017 delivered \$1,348 m of net gains*, well above initial target

Operational efficiency projects driven by NLMK Production System contributed c.\$700 m

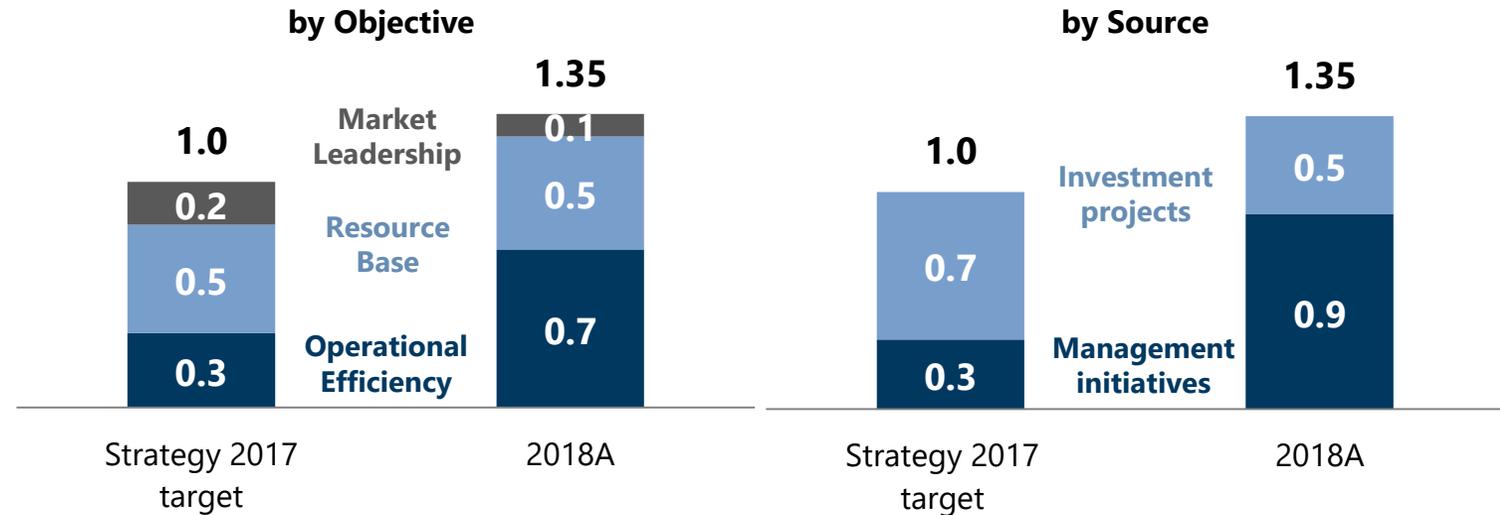
Investment projects mainly focused on upstream operations generated c.\$500 m

Higher downstream capacity utilization and sales growth brought c.\$150 m

Capex was lower relative to previous cycle and stayed in line with target of \$600 m pa

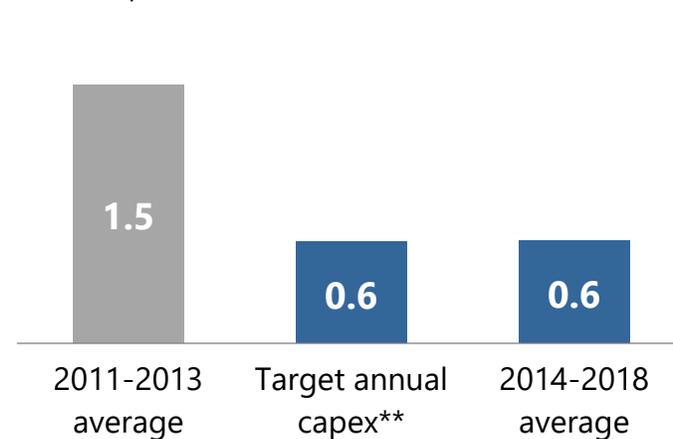
Strategy 2017 projects were the main driver behind profitability growth from 14% in 2013 to 30% in 2018

✓ STRATEGY NET GAINS RELATIVE TO TARGET, \$ bn



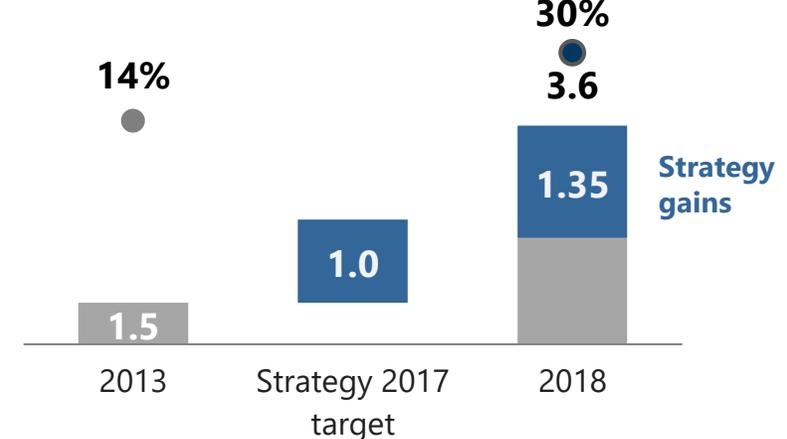
✓ LOWER CAPITAL INTENSITY

Capex (\$ bn)



✓ STRUCTURAL PROFITABILITY GROWTH

EBITDA (\$ bn, %)



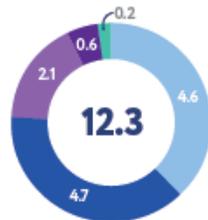
*All numbers include NBH results unless otherwise stated

** Updated (reduced) capex target of 2015

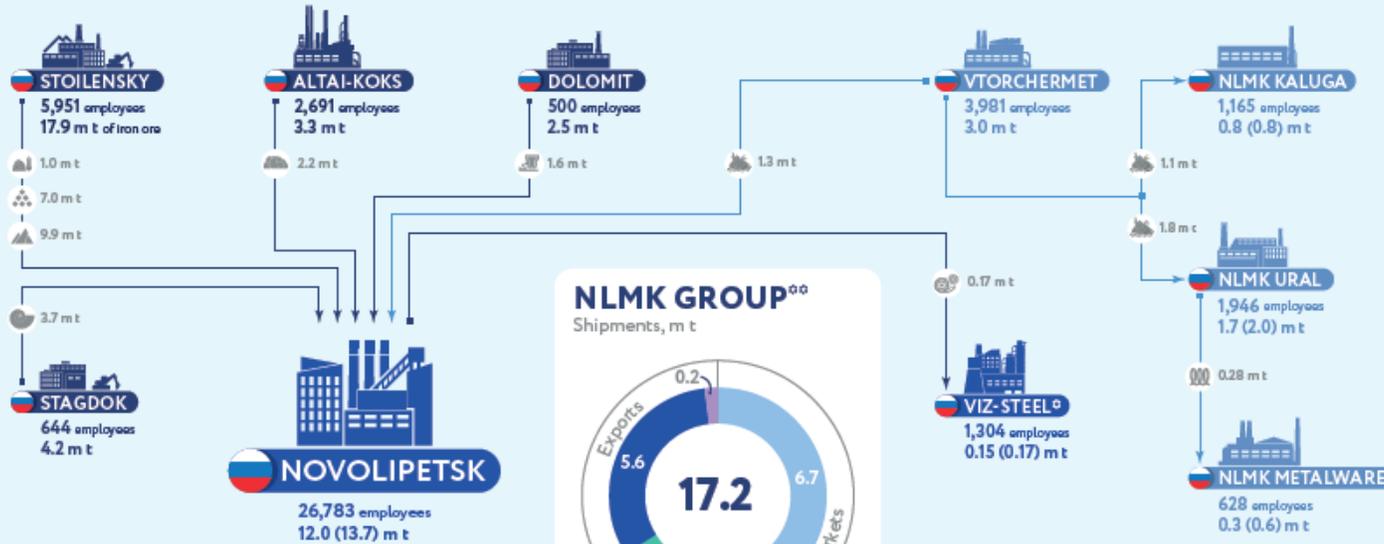
NLMK RUSSIA

RUSSIAN FLAT

Shipments, m t

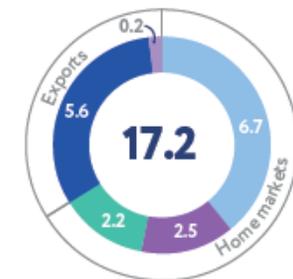


- Slabs to Dansteel
- Slabs to NLMK USA
- Slabs to NBH
- Export to 3rd parties
- Home markets



NLMK GROUP

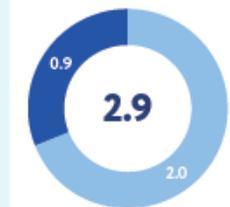
Shipments, m t



- Russia
- Europe
- USA
- Russia, export
- Europe, export

RUSSIAN LONG

Shipments, m t

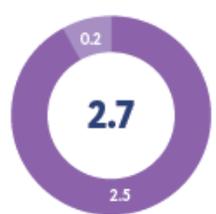


- Home markets
- Exports

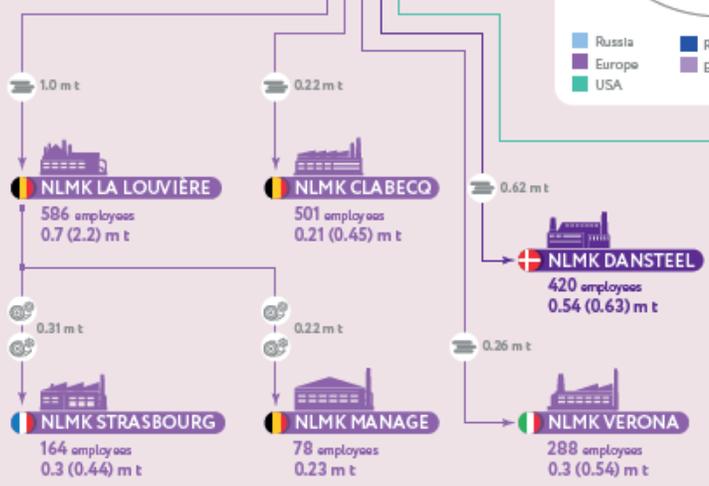
NLMK EUROPE

EU

Shipments, m t



- Home markets
- Exports



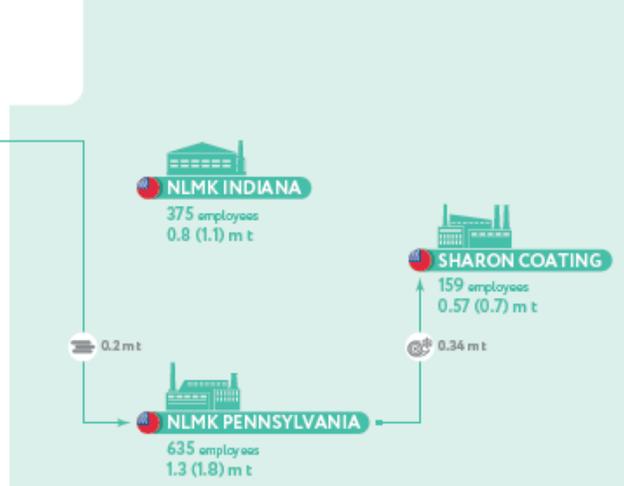
NLMK USA

USA

Shipments, m t



- All shipments are in home market



- Sinter ore
- Limestone
- Scrap
- Slabs
- Wire rope
- Cold-rolled steel (CRC)
- Fluxes
- Pellets
- Coke
- Iron ore concentrate
- Hot-rolled steel (HRC)

XX m t production (XX m t capacity) Figures are for 2019FY
 * Viz Steel also ships 0.04 m t of transformer steel (GOES) to NLMK India (205 employees, 0.04 (0.04) m t)
 ** A sum of shipments by regions (Russia, USA, Europe) less slab sales to captive assets (Russia)

(\$ m)	2014	2015	2016	2017	2018	2019	2020
Income Statement							
Revenue	10,396	8,008	7,636	10,065	12,046	10,554	9,245
Cost of sales	(7,389)	(5,496)	(5,074)	(6,798)	(7,680)	(7,303)	(5,920)
Gross profit	3,007	2,512	2,562	3,267	4,366	3,251	3,325
SG&A	(1,419)	(1,125)	(1,075)	(1,236)	(1,354)	(1,249)	(1,254)
EBITDA	2,381	1,943	1,943	2,655	3,589	2,564	2,645
Operating income	1,588	1,387	1,487	2,031	3,012	2,002	2,071
Finance expenses	(137)	(95)	(105)	(87)	(70)	(68)	(90)
Other expense/income	(315)	29	(210)	(121)	(213)	(140)	(401)
Pre-tax income	1,136	1,321	1,172	1,823	2,729	1,794	1,580
Income tax	(362)	(353)	(233)	(371)	(486)	(453)	(343)
Minority	1	1	4	2	5	2	1
Net income	773	967	935	1,450	2,238	1,339	1,236
EBITDA margin	23%	24%	25%	26%	30%	24%	29%
EBITDA/t sales	157	123	122	161	204	150	151
EPS	0.13	0.16	0.16	0.24	0.37	0.22	0.21

(m t)	2014	2015	2016	2017	2018	2019	2020
Production							
Crude steel							
Group	15.9	15.9	16.4	16.9	17.3	15.5	15.7
With NBH	16.1	16.0	16.6	17.1	17.5	15.7	15.8
Sales							
Semi-finished steel	4.9	6.0	5.7	5.7	6.8	6.0	7.0
Finished steel	10.2	9.8	10.2	10.8	10.8	11.1	10.5
Flat	7.9	7.7	8.0	8.5	8.4	8.5	8.2
Longs and metalware	2.3	2.1	2.2	2.3	2.4	2.5	2.3
Total consolidated sales	15.1	15.8	15.9	16.5	17.6	17.1	17.5
For info: NBH Sales	1.8	2.0	2.2	2.1	2.2	2.2	2.1
Slabs sales to NLMK USA and Dansteel	2.2	1.7	1.8	2.1	1.9	1.0	0.6
Slabs to NBH	1.9	2.1	2.1	2.1	2.4	2.1	2.1

(\$ m)	2014	2015	2016	2017	2018	2019	2020
Balance Sheet							
Cash	1,102	1,515	1,508	1,358	1,184	870	991
Inventories	1,563	1,205	1,549	1,879	1,816	1,634	1,373
Accounts receivable	1,123	921	955	1,228	1,326	1,047	1,148
Other current assets	5	9	19	19	10	14	16
Fixed assets	5,614	4,452	5,328	5,549	4,807	6,039	5,659
Investments	106	118	181	205	159	223	131
Other non-current assets	768	627	627	531	628	527	502
Total assets	10,349	8,918	10,239	10,996	9,944	10,484	9,862
Short-term debt	804	560	468	380	398	468	1,054
Accounts payable	776	565	888	1,029	1,122	1,124	1,065
Other current liabilities	47	189	373	590	553	350	163
Long-term debt	1,964	2,116	1,801	1,901	1,677	2,188	2,432
Other non-current liabilities	501	351	399	450	360	407	407
Minority interest	15	12	18	17	15	17	11
Total shareholders' equity	6,257	5,137	6,310	6,646	5,834	5,947	4,741
Total liabilities and equity	10,349	8,918	10,239	10,996	9,944	10,484	9,862
Net Debt	1,666	1,161	761	923	891	1,786	2,495
Cash flow statement							
Net income	774	968	939	1,452	2,243	1,341	1,237
Depreciation	794	556	456	624	577	562	574
Changes in working capital	(128)	(11)	37	(380)	(261)	465	(16)
Other	367	109	267	203	182	255	486
Operating cash flow	1,806	1,622	1,699	1,899	2,741	2,623	2,281
Capex	(563)	(595)	(559)	(592)	(680)	(1,080)	(1,124)
Acquisitions	0	0	0	(1)	(4)	(1)	0
Other	(383)	(780)	249	(165)	974	(330)	(8)
Investing cash flow	(946)	(1,375)	(310)	(758)	290	(1,411)	(1,132)
Change in debt	(801)	97	(453)	(105)	(173)	515	718
Dividends	(226)	(395)	(583)	(1,283)	(1,888)	(2,120)	(1,637)
Other	(121)	(79)	(84)	(71)	(58)	(63)	(101)
Financing cash flow	(1,147)	(377)	(1,120)	(1,459)	(2,119)	(1,668)	(1,020)
Effect of Forex	(134)	(76)	(2)	9	(34)	(10)	0
Free cash flow	1,153	992	1,092	1,266	2,027	1,523	1,103



Dmitriy Kolomytsyn, CFA
Director, Corporate Finance, IR

Ekaterina Kokareva, CFA
Head of IR



Address

40, Bolshaya Ordynka Str., Bldg. 3
Moscow, 119017, Russia



IR E-mail Address

ir@nlmk.com



Phone Number

Office: +7 495 504 05 04



nlmkonair



nlmk_group



nlmk group