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• Market review
• Operating highlights
  • 2019 & Q4’19 Financials
  • Business divisions results
MARKET UPDATE

Apparent steel demand in Russia and China came in stronger than expected in 2019, while in the EU and the US it fell short of expectation.

Outlook for 1H20 is on the cautious side subject to unpredictable downside risks from the coronavirus

- Demand growth in China and Russia to slowdown with upside risks from accelerated infrastructure spending and construction
- Consumption to marginally rebound in the US and the EU

Exports from China were down 7% yoy in 2019 even though production was up 7% yoy

China’s ban on new steel capacity swaps combined with potential demand growth could lead to even lower exports in 2020

Source: Bloomberg
HRC prices declined qoq during Q4’19 at NLMK’s home markets:
- The US HRC prices dropped 8% qoq, on average, despite a strong recovery during Oct-Dec’19
- Average prices in the EU were down qoq due to weak demand and destocking
- Prices in Russia fell on the back of lower export benchmarks and seasonal demand slowdown

Decline in steel prices outpaced drop in raw material costs with spreads down qoq in Q4’19, close to the past five year minimal level

In the US and the EU, average gross profit per tonne of HRC rebounded during Q4’19. The US mills are now in green zone; the EU steels continue to struggle

### HRC prices were down in 2019 and Q4’19 in most regions, $/t

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>%, yoy</th>
<th>Q3’19</th>
<th>Q4’19</th>
<th>%, qoq</th>
</tr>
</thead>
<tbody>
<tr>
<td>US EXW</td>
<td>663</td>
<td>532</td>
<td>-27%</td>
<td>581</td>
<td>477</td>
<td>-9%</td>
</tr>
<tr>
<td>EU EXW</td>
<td>550</td>
<td>550</td>
<td>-6%</td>
<td>535</td>
<td>535</td>
<td>-7%</td>
</tr>
<tr>
<td>RUS EXW</td>
<td>152</td>
<td>152</td>
<td>-8%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Bloomberg, excl. VAT. Quoted prices can be different from NLMK’s realized prices

### Steel / raw materials spreads, $/t

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>%</th>
<th>2018</th>
<th>2019</th>
<th>%</th>
<th>2018</th>
<th>2019</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>US avg</td>
<td>226</td>
<td>217</td>
<td>-27%</td>
<td>217</td>
<td>192</td>
<td>-10%</td>
<td>192</td>
<td>155</td>
<td>-22%</td>
</tr>
<tr>
<td>EU avg</td>
<td>217</td>
<td>192</td>
<td>-12%</td>
<td>192</td>
<td>155</td>
<td>-22%</td>
<td>155</td>
<td>149</td>
<td>-13%</td>
</tr>
<tr>
<td>EU min</td>
<td>155</td>
<td>152</td>
<td>-22%</td>
<td>152</td>
<td>149</td>
<td>-22%</td>
<td>149</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Bloomberg, excl. VAT. Quoted prices can be different from NLMK’s realized prices

### HRC gross profit in the US, the EU, $/t

- Coking coal
- Iron ore
- Spread to Slab FOB BS

Source: Bloomberg, CRU

Gross profit = HRC EXW – HRC production cost, incl. slab feedstock and labour

Raw materials basket is calculated using production ratios for one tonne of steel: iron ore price x 1.6 + coking coal price x 0.6
Q4’19 deliveries increased 4% qoq to 4.2 m t driven by the completion of maintenance works at NLMK Lipetsk

- Shipments were stronger both in Russia and in export markets
- Finished steel sales grew by 1% qoq
- The share of Russian market rose to 43% (+1 p.p. qoq)

2019 shipments declined 3% yoy to 17.1 m t on lower semis sales. Product mix improved

- Pig iron shipments were down by 0.4 m t impacted by overhauls at NLMK Lipetsk
- Export shipments of billets contracted by 0.5 m t on poor margins
- Finished steel sales grew by 3% yoy with their share in portfolio increasing to 65% (+4 p.p. yoy)
- HVA steel sales grew by 2% yoy
During the first year of Strategy 2022 implementation, total effect exceeded $200 m

Contributions from the operational efficiency programs surpassed our annual target of $100 m

- Total gains for 2019 reached $173 m, or 35% of the $500 m target
- The mining and Russia Flat divisions delivered 80% of total effect in 2019

Investment initiatives gains contributed $41 m

- Mainly aimed at increasing iron ore concentrate production at Stoilensky

Investment projects to deliver main gains in 2020-2022
INVESTMENT PROJECTS: COMPLETED AND NEARING COMPLETION

**NLMK: BF#6 and BOF#2 upgrade**
- Pig iron output to rise 8% to 3.4 m t pa at BF#6
- New BOF equipment to enable the use of BOF gas at new captive power plant for energy generation
- Coupled with other projects, to allow an increase in steel output at NLMK Lipetsk by 1 m t
- Environmental impact: -5.3 k t of emissions

**NLMK: Walking beam reheat furnace at HSM**
- Hot rolled steel output to increase by 0.1 m t pa (+2%), energy consumption to go down by 50%, air emissions to decrease by almost half

**Dansteel: Accelerated cooling system**
- Production of niche premium plates, including offshore wind power generation segment, to grow by 0.14 m t in 2020
- Additional 0.11 m t in 2022 upon reheating furnace commissioning

**NLMK: Continuous casting machine #9**
- Productivity to increase by 80% to 1.8 m t pa
- Production of unique 'heavy' slabs
**MARKETS**

Russia: earlier than usual construction season start owing to mild weather conditions and coupled with limited supply due to overhauls at major mills should support prices

The EU: limited supply as a result of production cuts in Q3-Q4’19 and end of destocking to positively weigh on prices

China: the coronavirus-related production restrictions in multiple sectors and logistics constraints would be a wild card. The visibility of the impact on the global steel consumption is currently low. The event might have an indirect negative effect on steel prices across other regions through subdued economic activity

USA: prices to be higher qoq, on average, subject to recent hikes sticking

**RESULTS OUTLOOK**

Q1’20 crude steel output at NLMK Lipetsk to reach Q1’19 numbers following the completion of the first phase of 2019-2020 major repairs at blast furnace and steelmaking operations
• Market review
• Operating highlights

• 2019 & Q4’19 Financials
• Business divisions results
Revenue was down 10% qoq on lower steel prices and a higher share of pig iron in the sales mix

**EBITDA declined 27% qoq**
- Revenue: $2,312 m (-10% qoq, -23% yoy)
- EBITDA: $480 m (-27% qoq, -43% yoy)
- EBITDA margin: 21% (-4 p.p. qoq, -7 p.p. yoy)
- Net income*: $200 m (-42% qoq, -61% yoy)
- FCF: $338 m (+36% qoq; -33 yoy)

**Net debt-to-EBITDA** was at 0.7x

*Profit for the period attributable to NLMK shareholders
**For detailed information and calculations for this indicator please refer to the Appendix
**Q4’19 PROFITABILITY SUPPRESSED BY NARROWING SPREADS**

**Russian Flat products: EBITDA decreased 32% qoq on narrower spreads, partially offset by operational efficiency**
- (-) Min spreads driven by steel prices sharp correction
- (+) Increased production after BF & BOF maintenance, but still below structural level
- (+) Operational efficiency programs

**Russian Long products: EBITDA decreased to -$2 m**
- (-) Total sales volume down 3% qoq on lower export shipments of billets
- (-) Narrowed rebar/scrap spreads

**NLMK USA: EBITDA slipped to -$37 m**
- (-) Narrowed spreads
- (-) Use of NLMK slabs purchased in early 2019 (including the 25% import tariff)

**Mining: EBITDA and the margin declined qoq on lower sales due to scheduled repairs and weaker prices**

**NBH: EBITDA of -$27 m on the back of tight slab/rolled steel spreads**
WORKING CAPITAL RELEASE IN Q4’19 SUPPORTED FCF

Net operating cash flow increased by 25% qoq to $710m

Working capital release of $334 m:
- (+) $238 m: decrease in accounts receivables driven by lower prices for steel inventories and improved receivables management
- (+) $91 m: steel price correction; seasonal decrease in inventories of scrap and finished goods; inventory optimization along the supply chain

Capex increased to $359 m in 4Q’19 driven by repairs at blast furnace and steelmaking operations as well as due to CCM-9 upgrade

FCF rose by 36% qoq to $338 m driven by working capital release

Q4’19 FCF BRIDGE, $ m

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>480</td>
</tr>
<tr>
<td>Net working capital change</td>
<td>+334</td>
</tr>
<tr>
<td>Other non-cash items</td>
<td></td>
</tr>
<tr>
<td>Income tax</td>
<td>-92</td>
</tr>
<tr>
<td>NET OCF</td>
<td>710</td>
</tr>
<tr>
<td>Net interest</td>
<td>-13</td>
</tr>
<tr>
<td>Capex</td>
<td>-348</td>
</tr>
<tr>
<td>Capitalized interest</td>
<td></td>
</tr>
<tr>
<td>FCF</td>
<td>338</td>
</tr>
</tbody>
</table>
Total debt was down 1% qoq to $2.66 bn

Average cost of debt remains low at 3.4%

Net debt / LTM EBITDA was at 0.7x at the end of 2019
- Net debt rose to $1.79 bn on high dividend outflows as well as increased capital expenditures related to Strategy 2022 implementation
- Liquidity of $0.9 bn is substantially above ST debt

Dividends amount to 120% of FCF, calculated as per new dividend policy

Liquid assets
- Working capital lines
- Eurobonds
- ECA lines

Liquidity and Short-Term Debt, $ m

<table>
<thead>
<tr>
<th>Year</th>
<th>Liquid assets</th>
<th>Short-Term Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>1,649</td>
<td>447</td>
</tr>
<tr>
<td>2021</td>
<td>870</td>
<td>401</td>
</tr>
<tr>
<td>2022</td>
<td>468</td>
<td>19</td>
</tr>
<tr>
<td>2023</td>
<td>700</td>
<td>500</td>
</tr>
<tr>
<td>2024</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>2026</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Debt* Maturity, $ m

<table>
<thead>
<tr>
<th>Year</th>
<th>Working capital lines</th>
<th>Eurobonds</th>
<th>ECA lines</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>1,330</td>
<td>500</td>
<td>1,830</td>
</tr>
<tr>
<td>2021</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2024</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2026</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Excluding interest payments

Dividends, $ bn and FCF Payout, %

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividends, %</th>
<th>FCF Payout, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>9M 2019</td>
<td>112%</td>
<td>148%</td>
</tr>
<tr>
<td>4Q 2019</td>
<td>500</td>
<td>120%</td>
</tr>
<tr>
<td>2019E</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Subject to shareholders’ approval
• Market review
• Operating highlights
• Q4’19 Financials

• Business divisions results
Q4’19: RUSSIAN FLAT PRODUCTS

Shipments increased by 16% qoq due to higher semis sales on overhauls completion at the blast furnace and basic oxygen furnace operations
- (+) Semi-finished products sales grew by 30% qoq
- (+) HRC shipments increased by 19%
- (-) HVA sales declined by 7% qoq to 0.81 m t

Revenue was down 3% qoq due to lower prices and increased share of semis

EBITDA declined 32% qoq to $248 m on narrower spreads
- (-) Lower slab / raw material price spread
- (+) Increased production & sales
- (+) Operational efficiency gains

Revenue was down 3% qoq due to lower prices and increased share of semis

EBITDA declined 32% qoq to $248 m on narrower spreads
- (-) Lower slab / raw material price spread
- (+) Increased production & sales
- (+) Operational efficiency gains

*Revenue from the sale of other products and services
Q4’19: RUSSIAN LONG PRODUCTS

Shipments were down 3% qoq
- (-) Billet sales close to zero on softer margins
- (+) Improved product portfolio mix

Revenue was down 20% qoq on poor long steel prices in Russia and deceleration of steel and scrap shipments

EBITDA decreased to (-) $2 m
- (-) Shipments declined 3% qoq
- (-) Narrower rebar/scrap spreads
- (+) Product mix improved

REVENUE, EBITDA ($ m) AND EBITDA MARGIN (%)

* Revenue from the sale of scrap, other products (ex. by-products) and services
The mining segment’s sales decreased 5% qoq due to scheduled repairs
- Concentrate sales to 3rd parties were 49 k t
- Pellet sales to 3rd parties amounted to 71 k t

Revenue was down 21% qoq to $321 m due to lower shipments and prices

EBITDA was down 23% qoq to $241 m following revenue dynamics
- (-) Decrease in iron ore prices and shipments
- (+) Investment program and operational efficiency gains

EBITDA margin of 75% (-2 p.p. qoq)
Shipments down 14% qoq
- (-) Weaker demand in energy, automotive and machinery segments

Revenue fell 18% qoq due to lower prices and shipments
- (-) Prices dropped 4% qoq on average
- (-) Shipments declined qoq

EBITDA decreased qoq to (-) $37 m as price spreads narrowed
- (-) Decline in prices for finished rolled products
- (-) Use of Lipetsk slabs purchased in early 2019 (including the 25% import tariff). NLMK USA stopped purchasing Lipetsk slabs in Q2’19
- (-) Narrowed spreads

* Revenue from the sale of other products and services
Q4’19: NLMK DANSTEEL

Shipments of thick plates rose 9% qoq following the completion of scheduled repairs and solid demand for plates in November-December

Revenue almost flat qoq
- (+) Shipments were up 9% qoq
- (-) Plate prices decreased 5% qoq

EBITDA remained flat at $1 m
- (-) Narrower spreads
- (+) Higher sales volumes

**STEEL SHIPMENTS (m t) AND REVENUE ($ bn)**

<table>
<thead>
<tr>
<th>Q3'19</th>
<th>Q4'19</th>
<th>Q3'19</th>
<th>Q4'19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales volume Plates</td>
<td>0.12</td>
<td>0.13</td>
<td>0.11</td>
</tr>
<tr>
<td>Sales volume Other operations*</td>
<td>0.12</td>
<td>0.13</td>
<td>0.11</td>
</tr>
</tbody>
</table>

**REVENUE, EBITDA ($ m) AND EBITDA MARGIN (%)**

<table>
<thead>
<tr>
<th>Q4'18</th>
<th>Q1'19</th>
<th>Q2'19</th>
<th>Q3'19</th>
<th>Q4'19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from third parties Plates</td>
<td>119</td>
<td>139</td>
<td>130</td>
<td>111</td>
</tr>
<tr>
<td>EBITDA</td>
<td>-8</td>
<td>3</td>
<td>3</td>
<td>1</td>
</tr>
</tbody>
</table>

* Revenue from the sale of scrap, other products and services
Sales volumes decreased 3% qoq due to weak demand and high stocks at the consumers’

Revenue down 5% qoq due to lower sales and lower prices
- (-) Shipments decreased 3% qoq
- (-) Average prices declined 5-8% qoq
- (+) Increased share of plates in product mix

EBITDA reached (-) $27 m
- (-) Narrowed spreads
- (+) Operational efficiency gains

STEEL SHIPMENTS (m t) AND REVENUE ($ bn)

<table>
<thead>
<tr>
<th></th>
<th>Sales volume Q3’19</th>
<th>Sales volume Q4’19</th>
<th>Revenue Q3’19</th>
<th>Revenue Q4’19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plate</td>
<td>0.13</td>
<td>0.13</td>
<td>0.12</td>
<td>0.12</td>
</tr>
<tr>
<td>Flat</td>
<td>0.41</td>
<td>0.39</td>
<td>0.25</td>
<td>0.23</td>
</tr>
</tbody>
</table>

Revenue from third parties and EBITDA

Q4’18: NBH

Q4’18

Q1’19

Q2’19

Q3’19

Q4’19

REVENUE, EBITDA ($ m) AND EBITDA MARGIN (%)

<table>
<thead>
<tr>
<th></th>
<th>-7%</th>
<th>-4%</th>
<th>-6%</th>
<th>-12%</th>
<th>-8%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4’18</td>
<td>426</td>
<td>-32</td>
<td>-15</td>
<td>-26*</td>
<td>-43</td>
</tr>
<tr>
<td>Q1’19</td>
<td>385</td>
<td>-15</td>
<td>-25</td>
<td>-43</td>
<td>-27</td>
</tr>
<tr>
<td>Q2’19</td>
<td>437</td>
<td>-15</td>
<td>-26</td>
<td>-43</td>
<td>-27</td>
</tr>
<tr>
<td>Q3’19</td>
<td>348</td>
<td>-43</td>
<td>-27</td>
<td>-43</td>
<td>-27</td>
</tr>
<tr>
<td>Q4’19</td>
<td>332</td>
<td>-43</td>
<td>-27</td>
<td>-43</td>
<td>-27</td>
</tr>
</tbody>
</table>

* Excluding one-off non-operating accrual for NLMK Clabecq restructuring costs in the amount of $23 m
Appendix
Q4’19: NLMK OUTPUT, SHIPMENTS, SLAB CASH COSTS

STEEL PRODUCTION, m t

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q4 2018</th>
<th>Q3 2019</th>
<th>Q4 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>NLMK Group</td>
<td>3.75</td>
<td>2.98</td>
<td>0.60</td>
</tr>
<tr>
<td>Russian flat</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>products</td>
<td>qoq: +1%</td>
<td>yoy: -13%</td>
<td></td>
</tr>
<tr>
<td>Russian long</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>products</td>
<td>qoq:</td>
<td>yoy:</td>
<td></td>
</tr>
<tr>
<td>NLMK USA</td>
<td>0.60</td>
<td>0.17</td>
<td>0.03</td>
</tr>
<tr>
<td>NBH</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>qoq:</td>
<td>+6%</td>
<td>-4%</td>
<td>-4%</td>
</tr>
<tr>
<td>yoy:</td>
<td>+20%</td>
<td>-44%</td>
<td></td>
</tr>
</tbody>
</table>

GROUP SHIPMENTS TO EXTERNAL CUSTOMERS BY SEGMENT, m t

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q4 2018</th>
<th>Q3 2019</th>
<th>Q4 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Russian flat</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>products</td>
<td>0.67</td>
<td>0.60</td>
<td>0.52</td>
</tr>
<tr>
<td>qoq:</td>
<td>-3%</td>
<td>-10%</td>
<td>-3%</td>
</tr>
<tr>
<td>yoy:</td>
<td>-20%</td>
<td>-4%</td>
<td>-4%</td>
</tr>
<tr>
<td>Russian long</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>products</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NLMK USA &amp; Dansteel</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>qoq:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>yoy:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NBH</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>qoq:</td>
<td>+7%</td>
<td>-9%</td>
<td></td>
</tr>
<tr>
<td>yoy:</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

NLMK RUSSIAN FLAT PRODUCTS - CASH COSTS OF SLABS, $/t

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q2'19</th>
<th>Q3'19</th>
<th>Q4'19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-consolidated</td>
<td>340</td>
<td>344</td>
<td>329</td>
</tr>
<tr>
<td>cash cost per t</td>
<td>265</td>
<td>252</td>
<td>243</td>
</tr>
<tr>
<td>of slab</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consolidated</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>cash cost per t</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>of slab</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### FOREIGN ASSETS PERFORMANCE

#### SLABS SALES FROM THE RUSSIAN FLAT PRODUCTS DIVISION, k t

<table>
<thead>
<tr>
<th></th>
<th>Q4'18</th>
<th>Q3'19</th>
<th>Q4'19</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,902</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>376</td>
<td>1,290</td>
<td>577</td>
<td></td>
</tr>
<tr>
<td>762</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

QoQ: +16%

- Dansteel & NLMK USA: +174%
- NBH: +22%
- To 3rd parties: -13%

#### NBH ROLLED PRODUCTS SALES, k t

<table>
<thead>
<tr>
<th></th>
<th>Q4'18</th>
<th>Q3'19</th>
<th>Q4'19</th>
</tr>
</thead>
<tbody>
<tr>
<td>540</td>
<td>321</td>
<td>537</td>
<td>518</td>
</tr>
<tr>
<td>8</td>
<td>6</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>70</td>
<td>80</td>
<td>79</td>
<td></td>
</tr>
</tbody>
</table>

QoQ: -3%

- CRC: +73%
- Coated: -2%
- Plates & ingots: +1%
- HRC: -7%

#### NBH FINANCIAL RESULTS, $ m

<table>
<thead>
<tr>
<th></th>
<th>Q4’18</th>
<th>Q4’18</th>
<th>Q3’19</th>
<th>Q3’19</th>
<th>Q4’19</th>
<th>Q4’19</th>
</tr>
</thead>
<tbody>
<tr>
<td>436</td>
<td>-32</td>
<td>369</td>
<td>-43</td>
<td></td>
<td>349</td>
<td></td>
</tr>
</tbody>
</table>

QoQ: -10%

#### NLMK USA AND NLMK DANSTEEL SALES, k t

<table>
<thead>
<tr>
<th></th>
<th>Q4’18</th>
<th>Q3’19</th>
<th>Q4’19</th>
<th>Q4’19</th>
</tr>
</thead>
<tbody>
<tr>
<td>624</td>
<td>666</td>
<td>600</td>
<td></td>
<td></td>
</tr>
<tr>
<td>120</td>
<td>136</td>
<td>128</td>
<td></td>
<td></td>
</tr>
<tr>
<td>118</td>
<td>118</td>
<td>118</td>
<td></td>
<td></td>
</tr>
<tr>
<td>118</td>
<td>118</td>
<td>118</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

QoQ: -10%

- Plates: +9%
- HDG: -15%
- CRC: -8%
- HRC: -16%
2019 OPERATING RESULTS

2019 shipments declined 3% yoy to 17.1 m t mainly on lower pig iron and billet sales. Product mix improved

- Pig iron shipments were impacted by overhauls at NLMK Lipetsk
- Decrease in capacity in operation lead to semis export contraction
- Other segments show almost neutral dynamics
- Finished steel sales grew by 3% yoy with their share in portfolio increasing to 65% (+4 p.p. yoy)
- HVA steel sales grew by 2% yoy

2019: SHIPMENTS DECREASED ON SEMIS EXPORT

WHILE THE SHARE OF FINISHED PRODUCTS ROSE

2019: SALES DOWN YOY MAINLY DUE TO MAINTENANCE WORKS AT THE LIPETSK SITE

2019: SHIPMENTS DECREASED ON SEMIS EXPORT

2017 2018 2019

Russia Other

16.5 17.6 17.1

10.5 11.8 10.4

6.0 5.8 6.6

12% 15%

-12% +15%

2017 2018 2019

Semis to external customers Semis to NBH Finished Intragroup slab sales

16.5 17.6 17.1

3.6 4.4 3.9

10.8 10.8 11.1

2.1 2.4 2.1

17.6% 3%

10.5 11.8 10.4

16.5 17.6 17.1

2017 2018 2019

Russia Flat Products Russia Long Products NLMK USA NLMK Dansteel NLMK Group (w/o NBH) NBH

13.1 13.5 12.5

3.0 3.2 2.9

2.2 2.3 2.2

0.5 0.5 0.5

16.5 17.6 17.1

2.1 2.2 2.2

2017 2018 2019
Russian Flat Products: EBITDA declined 36% yoy to $1.5 bn
- (-) Lower spreads driven by decline in steel prices
- (-) Decreased slab sales due to BF & BOF maintenance
- (+) Increased share of finished products in the mix
- (+) Operational efficiency measures

Russian Long products: EBITDA decreased to $89 m
- (-) Narrowed spreads
- (-) Shipments down 8% yoy due to lower exports
- (+) Share of finished products up 11 p.p. yoy

NLMK USA: EBITDA slipped to (-) $37 m
- (-) Lower prices
- (-) Use of higher cost slab inventories (including NLMK slabs supplied in 1H19 subject to import duty)

Mining: EBITDA and the margin rose on higher prices and operational efficiency measures

NBH: EBITDA fell to -$111 m on narrower coil/slab spreads and lower plate shipments due to Clabecq restructuring. That was partially offset by flat steel sales growth

* Excluding one-off non-operating accrual for NLMK Clabecq restructuring costs in the amount of $23 m in Q2’19
Net operating cash flow decreased by 4% yoy to $2.6 bn

**Working capital release of $465 m:**
- (+) $314 m decrease in accounts receivables: lower steel prices; reduction in sales volumes; receivables management
- (+) $284 m decrease in inventories: lower steel and raw material prices, semis and long steel export falling-off, inventories optimization in supply chain
- (-) $132 m drop in accounts payables mainly due to drop in raw material prices

**Capex increased to $1.1 b driven by overhauls at NLMK Lipetsk and the active phase of Strategy 2022 implementation**

FCF decreased by 25% yoy to $1.5 bn

Adjusted FCF amounted to $1.9 bn

### 2019 FCF BRIDGE, $ m

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA</strong></td>
<td>2,564</td>
</tr>
<tr>
<td>Net working capital change</td>
<td>+465</td>
</tr>
<tr>
<td>Other non-cash items</td>
<td>-25</td>
</tr>
<tr>
<td>Income tax</td>
<td>-381</td>
</tr>
<tr>
<td><strong>NET OCF</strong></td>
<td>2,623</td>
</tr>
<tr>
<td>Net interest</td>
<td>-20</td>
</tr>
<tr>
<td>Capex</td>
<td>-1,047</td>
</tr>
<tr>
<td>Capitalized interest</td>
<td>-33</td>
</tr>
<tr>
<td><strong>FCF</strong></td>
<td>1,523</td>
</tr>
</tbody>
</table>
2019: RUSSIAN FLAT PRODUCTS

Shipments were down 8% yoy due to overhauls at the BF and BOF operations
- (-) Semi-finished products sales down 16% yoy
- (+) Share of finished steels increased to 47%
- (+) HVA sales grew by 2% yoy to 3.3 m t, driven by growth in demand in Russia

Revenue was down 16% yoy due to lower shipments and prices decline during the year
- (-) Sales decline and price correction
- (+) Improved product mix

EBITDA declined 36% yoy to $1.5 bn on narrower spreads and lower deliveries
- (-) Lower slab / raw material price spread
- (+) Improved product mix offset lower steel sales
- (+) Decrease in coking coal prices
- (+) Operational efficiency programs

Revenue was down 16% yoy due to lower shipments and prices decline during the year
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EBITDA declined 36% yoy to $1.5 bn on narrower spreads and lower deliveries
- (-) Lower slab / raw material price spread
- (+) Improved product mix offset lower steel sales
- (+) Decrease in coking coal prices
- (+) Operational efficiency programs

Revenue, EBITDA ($ m) and EBITDA Margin (%)

*Revenue from the sale of other products and services
Shipments were down 10% yoy
- (-) Lower exports of billets on softer margins
- (+) Strong demand in Russia translated into increased share of finished steel (+11 p.p. yoy)

Revenue was down 18% yoy on export shipments contraction and lower prices

EBITDA decreased to $89 m (-60 % yoy)
- (-) Narrowed spreads
- (+) Product mix improved
- (+) Operational efficiency gains

*Revenue from the sale of scrap, other products (ex. by-products) and services
The mining segment’s sales were flat yoy
- Deliveries were supported by higher sales of iron ore concentrate to the 3rd parties

Revenue was up 9% yoy to $1.32 bn due to higher prices for iron ore

EBITDA was up 10% yoy to $977 m on higher revenue and strategy effects
- (+) Increase in iron ore prices
- (+) Operational efficiency and investment program gains

EBITDA margin of 74% (+1 p.p. yoy)
Shipments were down 3% yoy
- (-) Weaker demand for HRC in the pipe industry, manufacturing, automotive and energy segments

Revenue declined 20% yoy due to sharp correction in prices and volumes
- (-) Prices fell 17% yoy due to domestic oversupply following the exclusion of Canada and Mexico from Section 232
- (-) Shipments decline

EBITDA decreased to (-) $37 m
- (-) Decline in prices for finished products
- (-) Use of Lipetsk slabs purchased in early 2019 (25% import tariff priced into slabs). NLMK USA stopped purchasing Lipetsk slabs in Q2 2019
- (-) Narrowed price spreads
Shipments of thick plates increased 2% yoy due to demand growth in the wind power industry.

Revenue decreased 4% yoy on price contraction
- (-) Plate prices decreased 6% yoy

EBITDA grew to $8 m on wider spreads and better product mix due to investment program implementation
- Accelerated cooling system installation completed: product mix to improve - niche premium plates to target the offshore wind power generation market.

### Shipments (m t) and Revenue ($ bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales Volume 2018</th>
<th>Sales Volume 2019</th>
<th>Revenue 2018</th>
<th>Revenue 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>0.52</td>
<td>0.53</td>
<td>-3%</td>
<td>0%</td>
</tr>
<tr>
<td>2018</td>
<td>0.47</td>
<td>0.49</td>
<td>2%</td>
<td>-17%</td>
</tr>
<tr>
<td>2019</td>
<td>0.51</td>
<td>0.46</td>
<td>-4%</td>
<td>8%</td>
</tr>
</tbody>
</table>

### Revenue, EBITDA ($ m) and EBITDA Margin (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue from third parties</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>415</td>
<td>-17</td>
</tr>
<tr>
<td>2018</td>
<td>513</td>
<td>8</td>
</tr>
<tr>
<td>2019</td>
<td>490</td>
<td>8</td>
</tr>
</tbody>
</table>

*Revenue from the sale of scrap, other products and services*
Sales volumes decreased 2% yoy
- (-) Lower plate sales due to restructuring at NLMK Clabecq
- (+) Flat steel sales rose 9% yoy

Revenue was down 15% yoy on the back of lower prices and deliveries
- (-) Average prices dropped 13% yoy

EBITDA of (-) $111 m due to narrower spreads

**SHIPPED (m t) AND REVENUE ($ bn)**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales volume</td>
<td>1.48</td>
<td>1.61</td>
</tr>
<tr>
<td>Plate</td>
<td>0.75</td>
<td>0.58</td>
</tr>
<tr>
<td>Flat</td>
<td>0.74</td>
<td>0.74</td>
</tr>
<tr>
<td>Revenue</td>
<td>1.09</td>
<td>1.09</td>
</tr>
<tr>
<td>Plate</td>
<td>0.54</td>
<td>0.54</td>
</tr>
<tr>
<td>Flat</td>
<td>1.02</td>
<td>1.02</td>
</tr>
</tbody>
</table>

**REVENUE, EBITDA ($ m) AND EBITDA MARGIN (%)**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from third parties</td>
<td>1,473</td>
<td>1,772</td>
<td>1,502</td>
</tr>
<tr>
<td>EBITDA</td>
<td>-24%</td>
<td>-87%</td>
<td>-111*</td>
</tr>
</tbody>
</table>

* Excluding one-off non-operating accrual for NLMK Clabecq restructuring costs in the amount of $23 m in Q2’19
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Director, IR, Capital Markets

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