

STRATEGIC PRIORITIES



DEBT MANAGEMENT AND STABLE DIVIDENDS

EVRAZ remains focused on the medium-term debt management and stable dividend payout approach:

- Dividend payout according to the stated dividend policy: a minimum of US\$300 million is annually provided provided that the net leverage ratio remains below 3.0x.
- Medium-term net debt level below US\$4,000 million.
- Target average net debt/EBITDA below 2.0x throughout the cycle.

In 2021, the Group's net debt amounted to US\$2,667 million.

In 2021, the Group generated solid free cash flow of US\$2,257 million. Coupled with the net debt/EBITDA ratio below 2.0x, which enabled EVRAZ to return US\$1,549 million to its shareholders in the form of dividends for a dividend yield of 13%.

Net debt (net debt/EBITDA), US\$ million

	2017	2018	2019	2020	2021
Net debt	3,966	3,571	3,445	3,356	2,667
Net debt/EBITDA, x	1.5	0.9	1.3	1.5	0.5

Dividends, US\$ million

	2017	2018	2019	2020	2021
Dividends	430	1,556	1,086	872	1,549
Yield	9%	17%	11%	14%	13%



PRUDENT CAPEX

In 2021, EVRAZ invested a total of US\$920 million in CAPEX, of which US\$517 million was spent on maintenance projects and US\$403 million on development projects. Development CAPEX doubled year-on-year, mainly as a result of an increase in spending on key projects.

Annual CAPEX, US\$ million

	2017	2018	2019	2020	2021
Maintenance	367	360	581	458	517
Development	236	167	181	199	403
TOTAL	603	527	762	657	920

Key projects

Long rail mill at EVRAZ Pueblo

Effect:

produce 630 ktpa of rails with a maximum length of 100 metres to maintain technical leadership and continue shifting to a higher-value product mix

Total CAPEX:
US\$726 million

Rail and beam mill modernisation at EVRAZ NTMK

Effect:

make high value-added products (H-beams, sheet piles and HH rails) instead of semi-finished products

Total CAPEX:
US\$305 million

Vanadium processing at EVRAZ Uzlovaya

Effect:

process an additional 8.6 mtpa of V-slag within EVRAZ, instead of tolling parties

Total CAPEX:
US\$228 million

Tashtagol iron ore mine upgrade at EVRAZ ZSMK

Effect:

increase Tashtagolsky deposit's annual ore production through the partial switch to sublevel caving using mobile equipment

Total CAPEX:
US\$147 million

Wheel rolling mill no. 2 at EVRAZ NTMK (Allegro)

Effect:

launch a new wheel production line with a capacity of 200 kt. LLC Allegro, a 50/50% joint venture of EVRAZ and Rail Service Industrial Group, has been established to set up a railway wheel manufacturing facility.

Total CAPEX:
US\$208 million

Integrated flat casting and rolling facility at EVRAZ ZSMK

Effect:

produce 2.5 mtpa of premium 0.8-16 mm flat products instead of slabs and billets

Total CAPEX:
US\$767 million

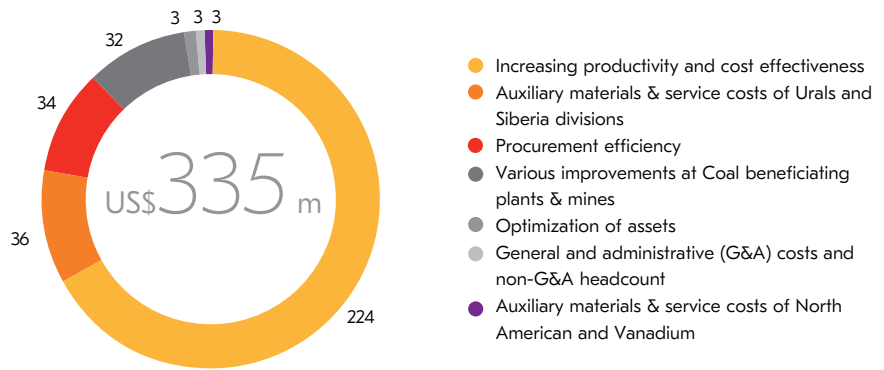


RETENTION OF LOW-COST POSITION

Efficiency and cost-cutting remain a primary focus for the Group. EVRAZ is on pace to generate improvements with an annual EBITDA effect of 3% of the cost of goods sold.

In 2021, the EBITDA effect from cost-cutting initiatives totalled US\$335 million

Breakdown of cost-cutting programme effect in 2021, US\$ million



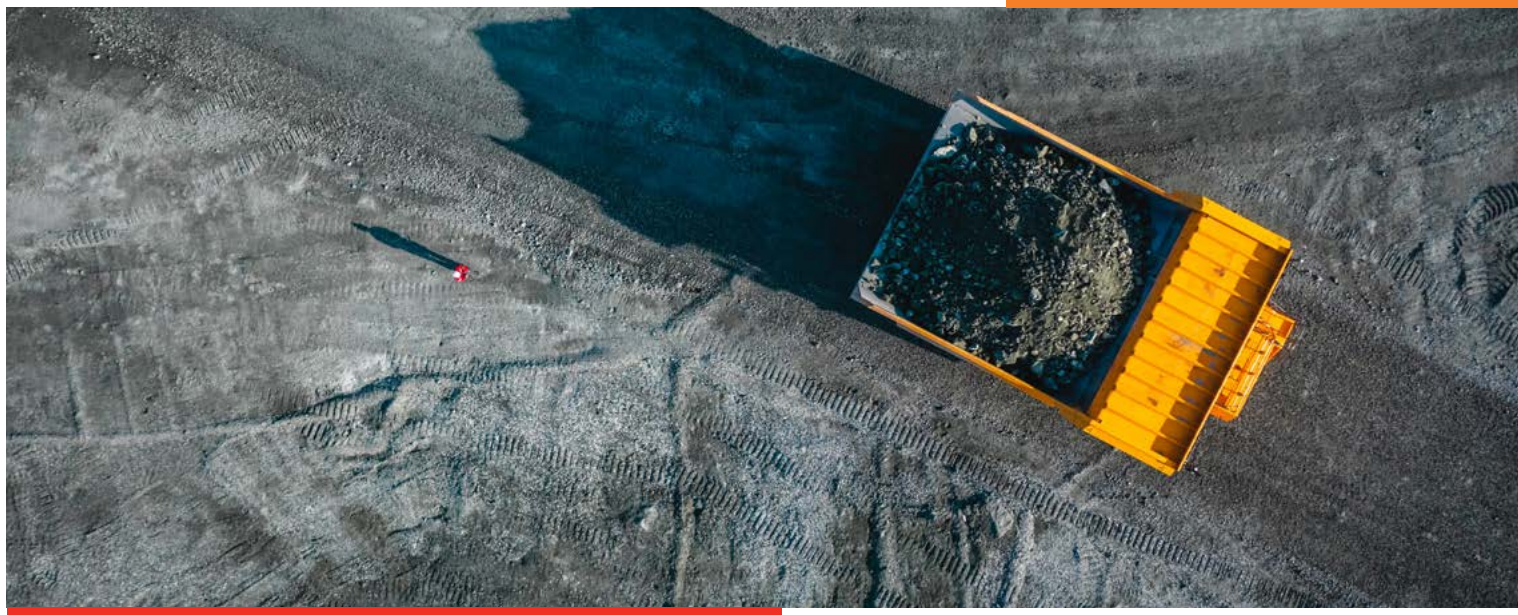
Steel segment

2021 key initiatives and results

- Increased blast furnace productivity and reduced overhaul days at EVRAZ NTMK.
- Record production of pig iron, steel, vanadium and wheels in new history of EVRAZ NTMK.
- Record value in terms of ore production at EVRAZ KGOK.
- Launched a sustainability analysis of EBS tools with online tracking.
- Started construction of a new vanadium production plant.
- Implemented various digital transformation projects, including predictive analytics, digital BOF efficiency management and ferroalloy
- consumption optimisation at EVRAZ NTMK.
- Improved the efficiency of expert systems at EVRAZ ZSMK.
- Implemented initiatives various costs reduction initiatives.
- Urals and Siberia divisions implemented different measures to reduce energy consumption.

2022 key initiatives

- Implement the automated rolling parameters control system of the wide beam shop and the converter shop.
- Improve the efficiency of expert systems and develop predictive and advanced analytics.
- Implement initiatives aimed at reducing the costs of manufactured products.
- Ensure the operational stability of production and maintain equipment at necessary levels.
- Implement the clean air and water protection programmes and construct a hazardous industrial waste storage facility.



Coal segment

Steel, North America segment

2021 key initiatives and results

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| <ul style="list-style-type: none"> Resumed work at Razrez Raspadsky, which had halted operations from May to September 2020. Transferred operations at Esaulskaya to the new longwall no. 29. Continued implementing EBS transformation projects on schedule. Launched 54 digital transformation initiatives. | <ul style="list-style-type: none"> Enhanced the efficiency of EVRAZ Regina's steelmaking operations. Continued implementation of EBS at EVRAZ Pueblo steelmaking, rail and rod / bar operations. EVRAZ Pueblo's new long rail mill project continued according to schedule. | <ul style="list-style-type: none"> Capital investments to modernise equipment and expand production capacity also progressed at EVRAZ Regina in Saskatchewan and EVRAZ Red Deer in Alberta. |
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2022 key initiatives

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| <ul style="list-style-type: none"> Aim to achieve record raw coal production volumes despite the increasingly difficult technological conditions. Increase coal exports to Asia and boost the percentage of innovative coal wagons. Maintain steady production of GZh-grade coal throughout the year. Implement four major investment projects to develop current assets. | <ul style="list-style-type: none"> Continue EVRAZ Pueblo's long rail mill project. Complete ongoing projects at EVRAZ Red Deer and EVRAZ Regina, as well as scheduled projects at EVRAZ Pueblo steelmaking operations. Continue EBS implementation across EVRAZ North America facilities. | <ul style="list-style-type: none"> Focus on development and implementation of Maintenance Reliability Program, operational improvements and cost controls. Launch pilot digital transformation projects in North America focusing on automation and optimization of operations. |
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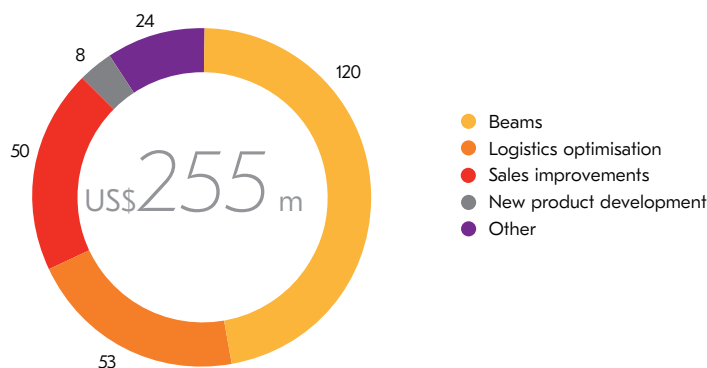


DEVELOPMENT OF PRODUCT PORTFOLIO AND CUSTOMER BASE

In 2021, EVRAZ worked to further improve customer service and develop new products as part of its strategic objective to remain the leading manufacturer of infrastructural steel. The Group remains focused on executing its development projects aimed at diversifying its product portfolio.

In 2021, the customer focus programme generated an EBITDA effect of US\$255 million

Customer focus programme EBITDA effect in 2021, US\$ million



Steel segment

2021 key initiatives and results

- Continued to develop the programme aimed at promoting demand for beams and structural products in construction and improving the availability of products to clients, including a project to sell pre-engineered beam-based steel building solutions via EVRAZ Steel Building for the medium-sized industrial, social and commercial segment.
- Launched the EVRAZ Steel Box project, which is targeted at selling small-sized buildings.
- Maintained full capacity at the hub launched in Nizhny Tagil in 2020 to improve the availability of beams for customers, continued to work at full capacity; the hub places a priority on orders for rare profiles.
- Continued to serve customers at the metal service centre launched in Noginsk in 2020, including small metal fabrication facilities that do not have their own automated CNC line and large plants that need to increase production without investing in the purchase of expensive equipment.
- Continued initiatives to digitalise sales channels, including the following key projects:
 - Steel Radar: an online resource that shows beam inventories in traders' warehouses and enables purchase orders to be placed. The resource has been redesigned in accordance with the best E-Commerce practices. 20-fold increase in traffic to the site as a result of the promotion programme.
 - EDI/EDO: EDI is a platform for placing orders and handling administrative tasks like amending documents and invoices, while EDO is a platform for exchanging legal documents. The document flow for EDI of EVRAZ TC increased from 52% to 89%.
 - EVRAZ Webshop: a single e-commerce platform for all types of customers. Achieved of 142% online sales goals. Significant changes in business processes and improvements to IT systems to serve retail customers.
- In the vanadium business, EVRAZ R&D Vanadium Centre has signed an agreement for scientific research on a metallurgical project with the Department of Engineering of the University of Perugia, Italy, targeting the production of lighter, high-performance structures for buildings and civil engineering with potential advantages such as an increase in usable space, material and cost savings, and a consequent reduction in environmental impact.
- EVRAZ and Russian Railways agreed to join efforts in reducing GHG emissions through manufacturing and operating rails made of steel with a low carbon footprint.
- Developed a new product, resistant rebar for the use in seismic areas.
- Launched the transformation process of EVRAZ Market to increase sales in the small wholesale segment and provide better service for all types of customers by changing the sales model and developing digital services and tools.
- Carried out an assessment of the economic effect of the new DT400IK rails. Operational tests completed.

Steel segment

2022 key initiatives

- Expand the range of steel solutions for the construction industry.
- Implement digital transformation projects for clients.
- Develop new rails of increased hardness and plasticity for curves.
- CRM implementation for wholesale customers.
- WebShop development.
- Expand consignment stocks project.
- Continue Improvements in claims handling service.
- Launch chatbot project of trading unit for the prompt collection of feedback and satisfaction level of the order or EVRAZ' services

Coal segment

Steel, North America segment

2021 key initiatives and results

- EVRAZ Group and Raspadskaya entered into a new, long-term coal offtake agreement.
- Launched claims handling unit. Introduced standardized procedures for dealing with customer's requests.
- Signed long-term agreements with new customers in Europe and Russia.
- Expanded leadership position in the North American rail market.
- Maintained strong market share in the Canadian OCTG market.
- Strengthened Quality organization and management systems across North American sites.
- Continued working on developing new production capabilities and capacity to keep strong competitive position in the markets served.
- In close cooperation with partners, continued cooperation on projects aimed to reduce environmental impact of operations (e.g. Big Horn solar plant to power EVRAZ Pueblo facility).

2022 key initiatives

- Improve sales under long-term contracts to premium markets.
- Maintain and increase our leading market position in the rail and tubular markets.
- Continue developing "green steel" products at EVRAZ Pueblo, the first EAF steel manufacturer powered by solar energy.
- Continue developing an ongoing dialogue with our customers, external experts, universities and research institutions to build a path forward to reaching ESG objectives.
- Increase vertical integration in EVRAZ North America to maintain and improve our competitive cost position.

