

TRENDS ON CORE MARKETS

Steel: Russia

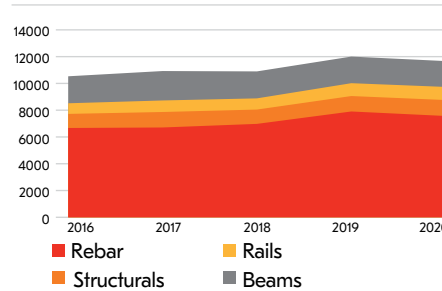
In 2020, Russian steel consumption totalled 54.9 million tonnes, down 5.6% year-on-year, amid lower economic activity and restrictions caused by the COVID-19 pandemic.

Demand for long products decreased by 3.3% year-on-year. The railway segment demonstrated mixed dynamics. While the rails market increased by 2.5%, mainly driven by demand from Russian Railways, demand for wheels fell by 15%, mainly amid lower consumption by railcar repair companies and producers. The construction sector was hit by the COVID-19 measures, and demand fell by 4.3% year-on-year for rebars, 2.8% for structural products, while demand for beams increased by 11.2%.

During the reporting period, crude steel production in Russia equalled 73.4 million tonnes, up 2.6% year-on-year. Despite softening in domestic consumption amid COVID-19 restrictions. Volumes were mostly redirected to export markets.

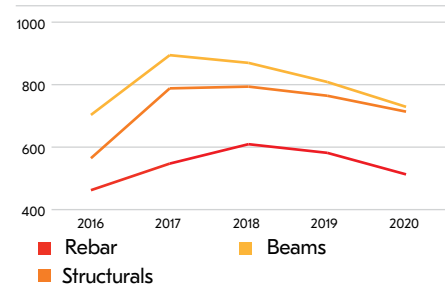
Russian steel prices moved in accordance with lower demand and a higher US dollar exchange rate. In 2020, based on the Moscow EXW benchmark, the rebar price averaged US\$513 per tonne, down 12% year-on-year; channels and angles averaged US\$714 per tonne, down 7%; and beams averaged US\$729/tonne, down 10%.

Russian steel consumption by product type, mt



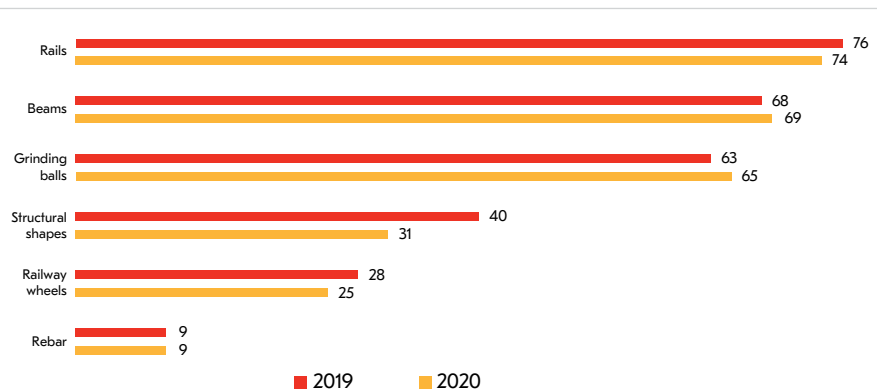
Source: Metal Expert

Russian steel prices, US\$/t



Source: Metal Expert

EVRAZ market shares in Russia by key products, %



Source: Company estimates

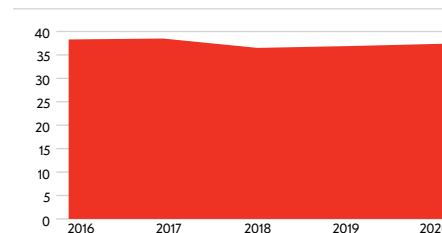
Coal: Russia

During the reporting period, Russian coking coal concentrate consumption totalled 37.4 million tonnes, up 1% year-on-year, as coke and pig iron production increased. Coking coal exports amounted to around 25 million tonnes, down 10% over the period, amid a decrease in demand across all regions, excluding China. Mining volumes fell to 84.4 million tonnes, down 10%, also as EVRAZ halted production at Razrez Rospadsky in Q2 and Q3 2020 and at Mezhegeyugol.

Under pressure from cuts in steel output worldwide (apart from China), Russian prices of seaborne metallurgical coal shipments followed international benchmarks. In 2020, based on the FCA Kuzbass benchmark,

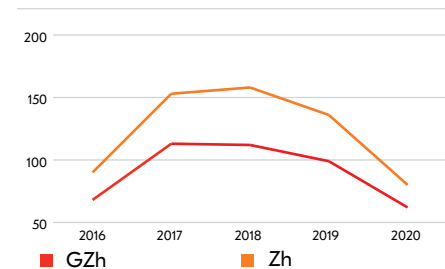
the price of premium Zh-grade coking coal averaged US\$80 per tonne, down 41% year-on-year, and semi-hard GZh-grade averaged US\$62 per tonne, down 37%.

Russian metallurgical coal consumption, mt



Source: CRU

Coal prices, US\$/t



Source: Metal Expert

EVRAZ market share in Russia's coking coal, %



Source: Company estimates

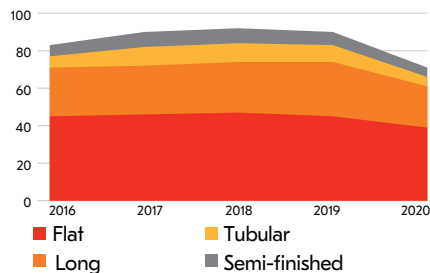
Steel: North America

In North America, the US steel market was significantly affected by the COVID-19 pandemic and was slow to recover from the resulting government-ordered lock-downs throughout 2020. In 2020, US steel product consumption totalled an estimated 84.4 million tonnes, down 18% from the 103.3 million tonnes in 2019. Demand was down across the three major project segments served by EVRAZ. In 2020, we estimate that demand in the US fell 22% year-on-year for long products, 12% for flat products, and 44% for tubular products.

Within the overall flat segment, demand for plate fell by an estimated 24% year-on-year amid lower consumption across all product groups with particularly acute consumption reductions in OEM manufacturing and construction. US demand for oil country tubular goods (OCTG) from mills shrank by 49%, as drilling activity dropped significantly due to substantial reductions in oil demand brought about by sharp decreases in COVID-related travel and movement. US demand for rebar fell approximately 18% while demand for rod fell approximately 30%.

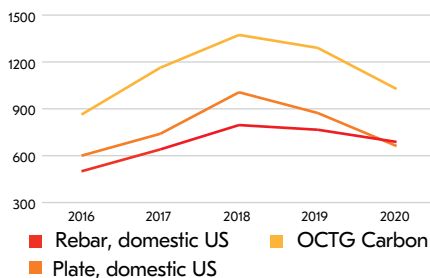
Through November 2020, US steel product imports amounted to 18 million tonnes, down 23.5% year-on-year. Compared with 2019, average US prices for steel products declined in 2020: plate averaged US\$662 per tonne, down 24%; carbon OCTG averaged US\$1,129 per tonne, down 20%; and rebar averaged US\$687 per tonne, down 10%.

US finished steel consumption, mt



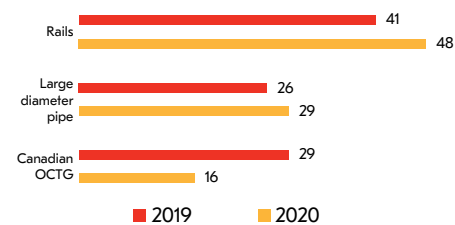
Source: Platts

North America prices, US\$/t



Source: Pipelogix, CRU, AMM

EVRAZ market shares in North America by key products, %



Source: Company estimates