

DEVELOPMENT OF PRODUCT PORTFOLIO AND CUSTOMER BASE

OPTIMISATION OF EXPENSES FOR AUXILIARY MATERIALS AND INDUSTRIAL SERVICES

Key developments in 2019

Substitution of contractors at open-pit mining by improving productivity of own equipment fleet.

Optimising of usage rate of auxiliary materials at production processes and improving the share of recycling.

Reducing the costs of equipment repairs and technical services by controlling of the work of organisations, performing repairs, as well as by increasing the duration of daily scheduled preventative maintenance done in-house.

IMPROVEMENT OF DEVELOPMENT WORK RATE

Key developments in 2019

Improving the development work rate by 10% overall at the Group by upgrading the development equipment.

These programmes have resulted in approximately

US\$

72

million
in benefit in 2019

MAINTAINING THE POSITION OF THE LARGEST COAL SUPPLIER IN RUSSIA

Key developments in 2019

Boosted raw coking coal production volumes by 8.1% and coal product sales volumes by 3.1%.

Improved efficiency and yield at washing plants (flotation at Abashevskaya washing plant).

Modernised washing plants to improve concentrate quality.

Increased premium. hard coking coal production volumes by launching longwall mining at Rapskaya-Koksovaya mine.

Improved EVRAZ self-sufficiency in coal to 74% after expanding production of K-grade coal at Rapskaya-Koksovaya mine by 66% and increasing share of KS-grade coal in EVRAZ NTMK's charge.

Outlook for 2020

Achieve total production volumes of c. 24 million tonnes.

Reach total commercial product sales of more than 20 million tonnes.

Increase shipments to EVRAZ steelmaking production facilities.

Improve EVRAZ self-sufficiency in coal.

EXPANSION OF THE EXPORT PORTFOLIO

Key developments in 2019

EVRAZ achieved its targets for 2019 export sales by:

- Maintaining flexible sales geography
- Prioritising export routes to: Japan, South Korea, Vietnam, Indonesia and countries in Eastern Europe.

Exports to Asia grew by 12%.

Organised a stable access to the Baltic ports for coal products transshipment.

Signed agreements with ports in Russia's Far East in addition to Nakhodka Trade Sea Port for 2020.

Outlook for 2020

Increase export sales to Southeast Asia.

Partnerships development with key customers in China and India.

Maintain shipments to key customers in Eastern Europe and Turkey.



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