

THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately and should consult your stockbroker, bank manager, solicitor, accountant or other appropriate professional independent adviser authorised under the Financial Services and Markets Act 2000 (“FSMA”) immediately, if you are in the United Kingdom, or from another appropriately authorised independent professional adviser, if you are taking advice in a territory outside the United Kingdom.

If you sell or transfer or have sold or otherwise transferred all of your EVRAZ Shares, please send this document, together with the other accompanying documents, at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. However, such documents should not be forwarded, distributed or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you have sold part of your holding of shares in EVRAZ plc (“EVRAZ” or the “Company”), please retain this document and the other accompanying documents and contact immediately the bank, stockbroker or other agent through whom the sale or transfer was effected.

This document does not contain an offer of transferable securities to the public for consideration and accordingly is not a prospectus within the meaning of section 85 of FSMA but a shareholder circular. This document does not constitute or form part of any offer or invitation to purchase, acquire, subscribe for, sell, dispose of or issue, or any solicitation of any offer to purchase, acquire, subscribe for, sell or dispose of, any security, including any EVRAZ Shares, RASP Shares or any other securities of EVRAZ or RASP, in any jurisdiction in which the same is unlawful.



EVRAZ plc

(Incorporated in England and Wales with registered number 07784342)

Proposed demerger of the RASP Group from the EVRAZ Group to be effected through an interim *in specie* distribution (following a bonus share issue and capital reduction)

Circular to Shareholders

and

Notice of General Meeting

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of EVRAZ which is set out in Part II (*Letter from the Chairman of EVRAZ plc*) on pages 16 to 41 of this document in which the EVRAZ Board unanimously recommends you vote in favour of the Resolutions to be proposed at the General Meeting.

Notice of a General Meeting of EVRAZ to be held at Linklaters LLP, One Silk Street, London EC2Y 8HQ at 11:00 a.m. on 11 January 2022 is set out at the end of this document.

For a discussion of certain risk factors which should be taken into account when considering what action you should take in connection with the General Meeting, please see Part IV (*Risk Factors*) of this document.

The action to be taken by EVRAZ Shareholders in respect of the General Meeting is set out on pages 10 to 15 of this document. A Form of Proxy is enclosed and should be completed in accordance with the instructions set out in that form. Whether or not you intend to be present at the General

Meeting, please complete and sign the Form of Proxy accompanying this document, in accordance with the instructions printed on it, and return it to EVRAZ's Registrar, Computershare Investor Services PLC ("**Computershare**"), as soon as possible, and in any event so as to be received by Computershare at The Pavilions, Bridgwater Road, Bristol BS99 6ZY no later than 11:00 a.m. on 7 January 2022. In addition, CREST members may submit a CREST Proxy Instruction using the CREST electronic proxy appointment service in accordance with Note 6 of the Notice of General Meeting set out at the end of this document. EVRAZ Shareholders may also appoint a proxy by registering the proxy appointment electronically on the website at www.investorcentre.co.uk/eproxy or by using the QR Code printed on the Form of Proxy in each case so as to be received no later than 11:00 a.m. on 7 January 2022.

To appoint more than one proxy, additional Forms of Proxy may be obtained by contacting Computershare's helpline on 0370 873 5848 from within the UK or on +44 (0) 370 873 5848 if calling from outside the UK (calls from outside the UK will be charged at the applicable international rate and different charges may apply to calls from mobile telephones), or by photocopying the Form of Proxy.

It is important that as many votes as possible are cast. Whether or not you plan to attend the General Meeting in person, you are encouraged to complete and return your Form of Proxy as soon as possible. Subject to any restrictions in place as a result of the ongoing COVID-19 situation, the completion and return of a Form of Proxy will not preclude you from attending and voting in person at the General Meeting if you wish to do so and are entitled.

Attendees will be required to comply with any UK Government guidance in force at the time of the General Meeting. You should not attend the General Meeting if you are suffering from any COVID-19 symptoms, you have come into close contact with someone who has tested positive for COVID-19 or you are required to isolate in accordance with UK Government guidance for any reason including, but not limited to, as a result of travelling abroad. The EVRAZ Board will continue to monitor the COVID-19 situation closely and may need to make further adjustments to how the General Meeting is conducted. EVRAZ Shareholders planning to attend the meeting should therefore regularly check the Company's website and announcements for any further updates.

J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove, and which is authorised in the United Kingdom by the Prudential Regulation Authority (the "**PRA**") and regulated by the PRA and the FCA, is acting as financial adviser and sponsor exclusively for EVRAZ plc and no one else in connection with the Demerger and will not regard any other person as its client in relation to the Demerger and will not be responsible to anyone other than EVRAZ plc for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, nor for providing advice in relation to the Demerger or any other matter or arrangement referred to herein.

Citi, which is authorised in the United Kingdom by the PRA and regulated in the United Kingdom by the FCA and the PRA, is acting as financial adviser for EVRAZ plc and for no one else in connection with the Demerger and will not be responsible to anyone other than EVRAZ plc for providing the protections afforded to clients of Citi or its affiliates, nor for providing advice in connection with the Demerger or any other matter or arrangement referred to herein. Neither Citi nor any of its affiliates, directors or employees owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, consequential, whether in contract, in tort, in delict, under statute or otherwise) to any person who is not a client of Citi in connection with the Demerger, any statement contained herein, or otherwise.

The distribution of this document in certain jurisdictions may be restricted by law and, therefore, persons into whose possession this document comes should inform themselves about and observe any such restrictions in relation to EVRAZ Shares, RASP Shares, or this document, including those in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Except in the United Kingdom, no action has been taken or will be taken in any jurisdiction that would permit possession or distribution of this document in any country or jurisdiction where action for that purpose is required. Accordingly, this document may not be distributed or published in any jurisdiction where to do so would breach any securities laws or regulations of any such jurisdiction or give rise to an obligation to obtain any consent, approval or permission, or to make any application, filing or registration. Failure to comply with these restrictions may constitute a violation of the securities laws or regulations of such jurisdictions.

No person has been authorised to give any information or to make any representations in connection with the Demerger other than the information and representations contained in this document and, if any other information or representations is or are given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company, the EVRAZ Directors, J.P. Morgan Cazenove or Citi. J.P. Morgan Cazenove, Citi and their affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services to, the Company, RASP and their respective affiliates, for which they have received customary fees. J.P. Morgan Cazenove, Citi and their respective affiliates may provide such services to the Company, RASP and their respective affiliates in the future.

Apart from the responsibilities and liabilities, if any, which may be imposed upon J.P. Morgan Cazenove and/or Citi by FSMA or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, neither J.P. Morgan Cazenove nor Citi nor any of their respective subsidiaries, branches and affiliates, and such entities' respective directors, officers, employees and agents accepts any responsibility whatsoever and makes no representation or warranty, express or implied, as to the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, and nothing in this document is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or future, in connection with the EVRAZ Group or the RASP Group or the Demerger. Each of J.P. Morgan Cazenove and Citi and each of their respective subsidiaries, branches and affiliates accordingly disclaim, to the fullest extent permitted by law, all and any responsibility and liability whatsoever arising in tort, contract or otherwise (save as referred to above in respect of this document or any such statement or otherwise).

This document is dated 15 December 2021.

TABLE OF CONTENTS

<i>Contents</i>	<i>Page</i>
EXPECTED TIMETABLE OF PRINCIPAL EVENTS	5
IMPORTANT INFORMATION	7
PART I ACTION TO BE TAKEN	10
PART II LETTER FROM THE CHAIRMAN OF EVRAZ PLC	16
PART III QUESTIONS AND ANSWERS ON THE DEMERGER	42
PART IV RISK FACTORS	49
PART V HISTORICAL FINANCIAL INFORMATION ON THE RASP GROUP	56
PART VI UNAUDITED PRO FORMA FINANCIAL INFORMATION FOR THE POST-DEMERGER EVRAZ GROUP	59
PART VII TAXATION	68
PART VIII ADDITIONAL INFORMATION	79
PART IX DEFINITIONS AND GLOSSARY	94
NOTICE OF GENERAL MEETING	103

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

<i>Event</i>	<i>Time and date⁽¹⁾⁽²⁾</i>
Publication of this Circular	15 December 2021
Latest time and date for receipt of Forms of Proxy and CREST Proxy Instruction for the General Meeting	11:00 a.m. on 7 January 2022
Voting Record Time for determining entitlement to attend and vote at the General Meeting	6:00 p.m. on 7 January 2022 ⁽³⁾
General Meeting	11:00 a.m. on 11 January 2022
Announcement of results of General Meeting	11 January 2022 (after the General Meeting)
Latest time and date for receipt of Capital Reduction Shares Election Form	6:00 p.m. on 26 January 2022
Capital Reduction Record Time for determining entitlement to the Capital Reduction Share Issue	6:00 p.m. on 26 January 2022
Issuance of the Capital Reduction Shares	1 February 2022
Date of Court Hearing to confirm the Capital Reduction	8 February 2022
Effective date for the Capital Reduction	9 February 2022
Demerger Record Time for determining entitlement to the Demerger Dividend	6:00 p.m. on 15 February 2022
RASP Shares Information Form to be posted to EVRAZ Shareholders on the EVRAZ Share Register at the Demerger Record Time	As soon as reasonably practicable after 15 February 2022
Latest time and date for receipt of RASP Shares Information Form	6:00 p.m. on 15 March 2022
Demerger Dividend of RASP Shares to EVRAZ Shareholders⁽⁴⁾	29 March 2022
Settlement date for transfer of RASP Shares to EVRAZ Shareholders <u>not</u> participating in the Share Sale Facility (RASP Shares to be transferred to the Eligible Account detailed in the RASP Shares Information Form)	7 April 2022⁽⁵⁾
Sale of RASP Shares pursuant to the Share Sale Facility	Expected to be by 6 October 2022⁽⁶⁾
Dispatch of cheques and crediting of CREST accounts in respect of the net cash proceeds due to Share Sale Facility Participants	Expected to be by 4 November 2022

Notes:

- (1) All references to time in this document are to London (UK) time unless otherwise stated.
- (2) The times and dates given are indicative only, based on EVRAZ's current expectations and may be subject to change. If any of the times or dates above change, EVRAZ will give notice of the change to the FCA, the London Stock Exchange and to EVRAZ Shareholders by issuing an announcement through a Regulatory Information Service.
- (3) If the General Meeting is adjourned for any reason, the Voting Record Time for the adjourned meeting will be 6:00 p.m. on the date that is two Business Days before the date set for the adjourned meeting.
- (4) This is the point in time at which EVRAZ Shareholders on the EVRAZ Share Register at the Demerger Record Time will become entitled to their pro rata proportion of the RASP Shares being distributed by EVRAZ.

- (5) It is currently anticipated that the settlement date for the transfer of RASP Shares to Eligible Accounts will be 7 April 2022. To the extent that any settlement instructions remain unsettled by 7 May 2022, the relevant settlement instruction(s) will be withdrawn and the relevant RASP Shares will be sold pursuant to the Share Sale Facility. Upon completion of the settlement process, EVRAZ will give notice to EVRAZ Shareholders by issuing an announcement through a Regulatory Information Service.
- (6) It is currently anticipated that the sale of the RASP Shares pursuant to the Share Sale Facility will be completed within six months following the Demerger Dividend, but the precise timeframe will depend on the total number of RASP Shares to be sold pursuant to the Share Sale Facility and market conditions during the Sale Period. Any extension of the Sale Period beyond six months will be communicated to EVRAZ Shareholders in due course by issuing an announcement through a Regulatory Information Service. No assurance can be given as to the exact timeframe for completion of the sale of the RASP Shares pursuant to the Share Sale Facility, nor the transfer of the net cash proceeds to Share Sale Facility Participants.

IMPORTANT INFORMATION

GENERAL

The contents of this document are not to be construed as legal, business or tax advice. Recipients of this document should consult their own lawyer, financial adviser or tax adviser for legal, financial or tax advice, as appropriate. Furthermore, none of EVRAZ, the EVRAZ Directors, J.P. Morgan Cazenove or Citi accept any responsibility for the accuracy or completeness of any information reported by the press or other media, or the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding the Demerger, the EVRAZ Group or the RASP Group. EVRAZ and the EVRAZ Directors make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

Apart from the responsibilities and liabilities, if any, which may be imposed on J.P. Morgan Cazenove or Citi by the FSMA or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, neither Citi nor J.P. Morgan Cazenove nor any of their respective subsidiaries, branches and affiliates, and such entities' respective directors, officers, employees and agents accepts any responsibility whatsoever for, or makes any representation or warranty, express or implied, as to the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, and nothing contained in this document is, or shall be, relied on as a promise or representation in this respect, whether as to the past or the future, in connection with the EVRAZ Group or the RASP Group or the Demerger. Each of J.P. Morgan Cazenove and Citi and each of their respective subsidiaries, branches and affiliates accordingly disclaim, to the fullest extent permitted by law, all and any duty, liability and responsibility whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement or otherwise.

Recipients of this document may not reproduce or distribute this document, in whole or in part, and may not disclose any of the contents of this document or use any information herein for any purpose other than considering the Demerger. Such recipients of this document agree to the foregoing by accepting delivery of this document.

J.P. Morgan Cazenove, Citi and their respective affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services to, EVRAZ, RASP and their respective affiliates, for which they received customary fees. J.P. Morgan Cazenove, Citi and their respective affiliates may provide such services to EVRAZ, RASP and their respective affiliates in the future.

If the Demerger proceeds, EVRAZ Shareholders, who previously had an indirect interest in RASP and the RASP Group, will have a direct interest in RASP and the RASP Group and, accordingly, will be directly subject to risks affecting the RASP Group, its business, its results of operations and its financial condition.

EVRAZ Shareholders and prospective investors in RASP Shares will be deemed to have acknowledged that they have not relied on J.P. Morgan Cazenove, Citi or any person affiliated with them in connection with any investigation of the accuracy of any information contained in this document for their investment decision.

FORWARD-LOOKING STATEMENTS

This document may include certain forward-looking statements, beliefs or opinions, including statements with respect to the EVRAZ Group's or the RASP Group's business, financial condition and results of operations. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "anticipates", "targets", "aims", "continues", "expects", "intends", "hopes", "may", "will", "would", "could" or "should" or, in each case, their negative or other various or comparable terminology or by discussions of strategy, plans, objectives, goals, future events or intentions. These statements are made by the EVRAZ Board in good faith based on the information available to them at the date of this document and reflect the EVRAZ Board's beliefs and expectations. By their nature, these statements involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. A

number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, developments in the global economy, changes in regulation and government policies, spending and procurement methodologies, currency fluctuations, a failure in the EVRAZ Group's or the RASP Group's health, safety or environmental policies and other factors discussed in Part IV (*Risk Factors*) of this document.

No representation or warranty is made that any of these statements or forecasts will come to pass or that any forecast results will be achieved. Forward-looking statements may, and often do, differ materially from actual results. Any forward-looking statements in this document speak only as of their respective dates, reflect the EVRAZ Board's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the EVRAZ Group's or the RASP Group's operations and growth strategy. You should specifically consider the factors identified in this document which could cause actual results to differ before making any decision in relation to the Demerger. Subject to the requirements of the FCA, the London Stock Exchange, the Listing Rules and the Disclosure Guidance and Transparency Rules (and/or any regulatory requirements) or applicable law, EVRAZ explicitly disclaims any obligation or undertaking publicly to release the result of any revisions to any forward-looking statements in this document that may occur due to any change in the Company's expectations or to reflect events or circumstances after the date of this document. Neither the forward-looking statements contained in this document nor the statements in this "*Important Information*" section seek to in any way qualify the working capital statement in Part VIII (*Additional Information*) of this document.

No statement in this document is or is intended to be a profit forecast or to imply that the earnings of EVRAZ or RASP for the current or future financial years will necessarily match or exceed the historical or published earnings of EVRAZ or RASP.

Any information contained in this document on the price at which shares or other securities in EVRAZ have been bought or sold in the past, or on the yield on such shares or other securities, should not be relied upon as a guide to future performance.

US CONSIDERATIONS

Any securities mentioned herein have not been, and will not be, registered under the United States Securities Act of 1933 (the "**Securities Act**"). Securities may not be offered or sold in the United States except pursuant to an exemption from the registration requirements of the Securities Act. There will be no public offer of securities in the United States.

RUSSIAN CONSIDERATIONS

This document or information contained herein is not an offer, or an invitation to make offers, to sell, exchange or otherwise transfer securities in the Russian Federation to or for the benefit of any Russian person or entity and does not constitute an advertisement or offering of securities in the Russian Federation within the meaning of Russian securities laws. Information contained in this document is not intended for any persons in the Russian Federation who are not "qualified investors" within the meaning of Article 51.2 of the Federal Law No. 39-FZ "On the Securities Market" dated 22 April 1996, as amended (the "**Russian QIs**") and must not be distributed or circulated into Russia or made available in Russia to any persons who are not Russian QIs, unless and to the extent they are otherwise permitted to access such information under Russian law.

NO OFFER FOR CONSIDERATION

This document does not contain an offer of transferable securities to the public for consideration and accordingly is not a prospectus within the meaning of section 85 of FSMA but a shareholder circular. This document does not constitute or form part of any offer or invitation to purchase, acquire, subscribe for, sell, dispose of or issue, or any solicitation of any offer to purchase, acquire, subscribe for, sell or dispose of, any security, including any EVRAZ Shares, RASP Shares or any other securities of EVRAZ or RASP, in any jurisdiction in which the same is unlawful.

The release, publication or distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and, therefore, any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable

requirements. This document has been prepared for the purposes of complying with English law and the Listing Rules, and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of England.

PUBLICATION ON WEBSITE AND AVAILABILITY OF HARD COPIES

A copy of this document, together with all information incorporated into this document by reference to another source, is and will be available for inspection on EVRAZ's website at www.evraz.com from the time that this document is published. For the avoidance of doubt, the contents of the websites referred to in this document are not incorporated into and do not form part of this document.

If and to the extent that any document or information incorporated by reference or attached to this document itself incorporates any information by reference, either expressly or impliedly, such information will not form part of this document, except where such information or documents are stated within this document as specifically being incorporated by reference or where this document is specifically defined as including such information. In particular, information on or accessible through EVRAZ's corporate website at www.evraz.com and through RASP's corporate website at www.raspadskaya.com does not form part of and is not incorporated into this document.

If you have any queries in connection with this document or the Demerger, or if you have received this document in electronic form and you want to request a hard copy of this document and/or any information incorporated into this document by reference to another source, you can contact EVRAZ's Registrar, Computershare, at The Pavilions, Bridgwater Road, Bristol BS99 6ZY, or by phoning the helpline between 8:30 a.m. and 5:30 p.m. (London time), Monday to Friday (excluding public holidays in England and Wales), on 0370 873 5848 from within the UK or on +44 (0) 370 873 5848 if calling from outside the UK (calls from outside the UK will be charged at the applicable international rate and different charges may apply to calls from mobile telephones), with your full name and the full address to which the hard copy may be sent (calls may be recorded and monitored for training and security purposes) if relevant. The helpline operators cannot provide advice on the merits of the Demerger, nor give any financial, legal or tax advice.

PRESENTATION OF FINANCIAL INFORMATION

The basis of preparation of the financial information included in this document is set out in Part V (*Historical Financial Information on the RASP Group*) and Part VI (*Unaudited Pro Forma Financial Information for the Post-Demerger EVRAZ Group*).

Percentages in tables may have been rounded and, accordingly, may not add up to 100%. Certain financial data has been rounded and, as a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data.

References to "£", "GBP", "pounds", "pounds sterling", "sterling", "p", "penny" or "pence" are to the lawful currency of the United Kingdom.

References to "\$", "US\$", "\$US", "USD", "US Dollars", "US dollars" or "cents" are to the lawful currency of the United States of America.

References to "₽", "RUB", "rubles" or "roubles" are to the lawful currency of the Russian Federation.

CERTAIN DEFINED TERMS

Certain terms used in this document, including capitalised terms and certain technical and other items, are defined and explained in Part IX (*Definitions and Glossary*) of this document.

PART I

ACTION TO BE TAKEN

1. General summary

The EVRAZ Board has announced its intention to demerge the RASP Group from the EVRAZ Group. It is proposed that the Demerger be effected by EVRAZ making an interim *in specie* distribution of its shares in PJSC Raspadsкая, which are currently listed on the Moscow Exchange (ticker: RASP), to EVRAZ Shareholders.

The action to be taken by EVRAZ Shareholders in connection with the Demerger is set out in further detail in this Part I. The key steps for EVRAZ Shareholders are as follows:

<i>Decision/Action</i>	<i>Key Document</i>	<i>Further Information</i>
Determine whether to approve the Demerger at the General Meeting to be held at Linklaters LLP, One Silk Street, London EC2Y 8HQ on 11 January 2022 at 11:00 a.m. by voting in favour of the Resolutions	<ul style="list-style-type: none">Form of Proxy/CREST Proxy Instruction	<ul style="list-style-type: none">Section 2 below for details of the actions you need to take to vote on the ResolutionsThe answers to questions 1.2, 1.4, 3.1, 3.4 and 3.8 in Part III (<i>Questions and Answers on the Demerger</i>)The risk factors in Part IV (<i>Risk Factors</i>)
Submit your RASP Shares Settlement Details to receive the RASP Shares to which you will be entitled pursuant to the Demerger and instruct your Eligible Participant to accept the relevant RASP Shares into your Eligible Account	<ul style="list-style-type: none">RASP Shares Information Form (to be posted to EVRAZ Shareholders after the Demerger Record Time)	<ul style="list-style-type: none">Section 3 below for details of the actions you need to take in respect of the RASP SharesThe answers to question 2.1 in Part III (<i>Questions and Answers on the Demerger</i>)The risk factors in Part IV (<i>Risk Factors</i>)

EVRAZ does not currently have sufficient distributable reserves to make the Demerger Dividend (and therefore effect the Demerger). As an interim step, it is therefore proposed that EVRAZ issues the Capital Reduction Shares (and cancels these shares shortly afterwards by undertaking the Capital Reduction) in order to create sufficient distributable reserves to enable the Demerger to be implemented in the manner set out in this document, and to generate surplus distributable reserves (beyond those required for the Demerger Dividend) which will improve EVRAZ's ability to pay future dividends, subject to the ordinary course commercial considerations and approvals of the EVRAZ Board. For more information on the reasons for the Capital Reduction Share Issue and Capital Reduction, as well as the nature of the Capital Reduction Shares, please see Section 4 below and Section 6 of Part II (*Letter from the Chairman of EVRAZ plc*).

While the Capital Reduction Shares can be issued to all EVRAZ Shareholders, there is no need for all EVRAZ Shareholders to be issued with Capital Reduction Shares (which will be cancelled shortly after being issued). Capital Reduction Shares will only be issued to those EVRAZ Shareholders who elect to receive them. Not receiving the Capital Reduction Shares to which an EVRAZ Shareholder is entitled will NOT affect the rights of any EVRAZ Shareholder to receive an entitlement to RASP Shares through the Demerger Dividend. In some jurisdictions, receipt of the Capital Reduction Shares may also lead to certain EVRAZ Shareholders incurring a tax charge.

2. Important action to be taken in relation to voting at the General Meeting

The Demerger will require the approval of EVRAZ Shareholders at the General Meeting to be held at Linklaters LLP, One Silk Street, London EC2Y 8HQ at 11:00 a.m. on 11 January 2022. EVRAZ

Shareholders should read the Notice of General Meeting at the end of this document for the full text of the Resolutions and for further details about the General Meeting.

Attendees will be required to comply with any UK Government guidance in force at the time of the General Meeting. You should not attend the General Meeting if you are suffering from any COVID-19 symptoms, you have come into close contact with someone who has tested positive for COVID-19 or you are required to isolate in accordance with UK Government guidance for any reason including, but not limited to, as a result of travelling abroad.

The EVRAZ Board will continue to monitor the COVID-19 situation closely and may need to make further adjustments to how the General Meeting is conducted. EVRAZ Shareholders planning to attend the meeting should therefore regularly check the Company's website and announcements for any further updates.

Please check that you have received a Form of Proxy for use in respect of the General Meeting with this document. If you have not received a Form of Proxy, please contact the Company's Registrar, Computershare, on the helpline telephone number indicated below.

EVRAZ Shareholders may vote in person at the General Meeting or they may appoint another person as their proxy to attend, speak and vote in their place. A proxy need not be a member of EVRAZ. EVRAZ Shareholders may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to different EVRAZ Shares held by that EVRAZ Shareholder. Subject to any restrictions in place as a result of the ongoing COVID-19 situation, the appointment of a proxy will not prevent a member from subsequently attending, voting and speaking at the General Meeting in person, in which case any votes of the proxy will not be counted.

Whether or not you intend to attend the General Meeting, please complete and sign the Form of Proxy and return it to Computershare at The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible, but, in any event, so as to be received no later than 11:00 a.m. on 7 January 2022. This will enable your vote(s) to be counted at the General Meeting in the event of your absence. If the Form of Proxy is not returned by 11:00 a.m. on 7 January 2022 it will be invalid.

EVRAZ Shareholders may also appoint a proxy by registering the proxy appointment electronically on the website at www.investorcentre.co.uk/eproxy or by using the QR Code printed on the Form of Proxy in each case so as to be received no later than 11:00 a.m. on 7 January 2022.

If you hold your EVRAZ Shares in uncertificated form (that is, in CREST), you may vote using the CREST voting service in accordance with the procedures set out in the CREST Manual (please also refer to the notes for the Notice of General Meeting set out on pages 103 to 109 of this document and the notes on the Form of Proxy).

It is important that as many votes as possible are cast. You are encouraged to appoint a proxy in accordance with the instructions set out in this Part I as soon as possible.

3. Important action to be taken in respect of the RASP Shares

3.1 In order to receive RASP Shares

In the event that the relevant Resolutions are passed at the General Meeting and the Demerger proceeds, each EVRAZ Shareholder registered on the EVRAZ Share Register at the Demerger Record Time will receive an entitlement to RASP Shares which will be treated in the manner set out in this document.

In order to receive RASP Shares, you must:

- (i) **ensure you hold an Eligible Account (see "Step 1" below for further details on the action required in respect of this step);**
- (ii) **provide the RASP Shares Settlement Details to Computershare (see "Step 2" below for further details on the action required in respect of this step); and**
- (iii) **instruct your Eligible Participant to accept the relevant RASP Shares into your Eligible Account (see the guidance included in the RASP Shares Information Form for further information in respect of this step).**

Any EVRAZ Shareholder who **fails** to provide the RASP Shares Settlement Details to Computershare to enable the relevant RASP Shares to be deposited in their Eligible Account (whether as a result of such EVRAZ Shareholder: (a) not holding an Eligible Account; (b) failing to return the RASP Shares Information Form (directly or through a nominee, as the case may be) by 15 March 2022; (c) providing incorrect or insufficient information to enable the RASP Shares to be deposited in their Eligible Account; or (d) failing to instruct an Eligible Participant to accept the relevant RASP Shares into their Eligible Account) will still be entitled to the relevant RASP Shares. **However, such EVRAZ Shareholder will be deemed to be an EVRAZ Shareholder incapable of holding RASP Shares (a Share Sale Facility Participant) and the RASP Shares to which they are entitled will be sold pursuant to the Share Sale Facility.** For further information on the Share Sale Facility, please see Section 3.2 below.

EVRAZ Shareholders have been sent a sample RASP Shares Information Form alongside this document for information purposes only. EVRAZ Shareholders on the EVRAZ Share Register at the Demerger Record Time will receive their personalised RASP Shares Information Form by post as soon as reasonably practicable after the Demerger Record Time.

EVRAZ Shareholders who are in any doubt as to what action they should take are strongly advised to seek their own professional advice and should consult their stockbroker, bank manager, solicitor, accountant or other appropriate professional adviser immediately.

Step 1: Establishing an Eligible Account

In order to receive RASP Shares, you will need to ensure you hold an Eligible Account.

EVRAZ Shareholders that do not already hold an Eligible Account and that wish to receive RASP Shares should contact an Eligible Participant for further information regarding the opening of such an account to enable the receipt of the RASP Shares (ISIN: RU000A0B90N8).

If your broker or other authorised person is unable to receive the RASP Shares into your Eligible Account held with such broker or other authorised person for any reason, you can still receive the RASP Shares to which you are entitled. Provided you establish, or have established, an Eligible Account with an Eligible Participant, you can instruct your current broker or other authorised person appearing on the EVRAZ Share Register to provide your RASP Shares Settlement Details with such Eligible Participant in the RASP Shares Information Form.

If you are in any doubt as to whether your broker or other authorised person holds an appropriate Eligible Account or you are unable to identify your RASP Shares Settlement Details, you are recommended to seek your own professional advice immediately and should consult your stockbroker, bank manager, solicitor, accountant or other appropriate professional adviser immediately.

Step 2: Providing the details of your Eligible Account

EVRAZ Shareholders who provide sufficient information to enable the RASP Shares to be deposited in their Eligible Account (being the RASP Shares Settlement Details) and who continue to hold their EVRAZ Shares at the Demerger Record Time will receive the RASP Shares to which they are entitled as soon as reasonably practicable after 29 March 2022 (it is currently anticipated that the settlement date for the transfer of RASP Shares to Eligible Accounts will be 7 April 2022). In order to provide the RASP Shares Settlement Details, EVRAZ Shareholders will need to take the following steps:

For all EVRAZ Shareholders (irrespective of whether their EVRAZ Shares are held in certificated or uncertificated form):

- You will find enclosed a sample RASP Shares Information Form. Please read this document and the notes to this document for an explanation of what information is required to be provided in the RASP Shares Information Form by you or a nominee on your behalf (as the case may be), in order for the RASP Shares to be transferred to you.
- EVRAZ Shareholders have been sent a sample RASP Shares Information Form alongside this document for information purposes only. EVRAZ Shareholders on the EVRAZ Share Register at the Demerger Record Time will receive their personalised RASP Shares

Information Form by post as soon as reasonably practicable after the Demerger Record Time.

- If you wish to receive your RASP Shares, you should provide the RASP Shares Settlement Details either:
 - if you hold EVRAZ Shares in your own name, by returning the RASP Shares Information Form, duly completed and signed, by email and/or post (see the guidance included in the RASP Shares Information Form for further instructions in respect of this step) to Computershare directly; or
 - if you hold EVRAZ Shares through a broker or other nominee, by providing your RASP Shares Settlement Details to such broker or other nominee for inclusion in the relevant RASP Shares Information Form to be submitted by such broker or nominee to Computershare on your behalf (please contact the broker or nominee through which you hold your EVRAZ Shares for further instructions in respect of this step),

in each case so as to be received by EVRAZ's Registrar, Computershare, at Corporate Action Projects, Bristol BS99 6AH, no later than 6:00 p.m. on 15 March 2022.

3.2 ***If you are unable to receive, or incapable of holding, RASP Shares***

In the event that the relevant Resolutions are passed at the General Meeting and the Demerger proceeds, each EVRAZ Shareholder registered on the EVRAZ Share Register at the Demerger Record Time will receive an entitlement to RASP Shares which will be treated in the manner set out in this document.

The EVRAZ Board recognises that some EVRAZ Shareholders may be restricted from holding RASP Shares or opening an Eligible Account or may be unable to open an Eligible Account. Such EVRAZ Shareholders have the opportunity to participate in the Share Sale Facility. The Share Sale Facility is intended to provide those EVRAZ Shareholders incapable of holding RASP Shares with the opportunity to sell, for cash, the RASP Shares to which they will be entitled following the Demerger. **The EVRAZ Board notes that neither the sale price nor the sale timeframe is guaranteed under the Share Sale Facility. The EVRAZ Board therefore recommends that EVRAZ Shareholders that are capable of holding RASP Shares take the necessary action set out in Section 3.1 above to receive the RASP Shares to which they will be entitled and do not participate in the Share Sale Facility.**

EVRAZ Shareholders who are unable to receive, or who are incapable of holding, RASP Shares should **not** take the steps set out in Section 3.1 above.

Any EVRAZ Shareholder who **fails** to provide the RASP Shares Settlement Details to Computershare to enable the relevant RASP Shares to be deposited in their Eligible Account (whether as a result of such EVRAZ Shareholder: (a) not holding an Eligible Account; (b) failing to return the RASP Shares Information Form (directly or through a nominee, as the case may be) by 15 March 2022; (c) providing incorrect or insufficient information to enable the RASP Shares to be deposited in their Eligible Account; or (d) failing to instruct an Eligible Participant to accept the relevant RASP Shares into their Eligible Account) will still be entitled to the relevant RASP Shares. **However, such EVRAZ Shareholder will be deemed to be an EVRAZ Shareholder incapable of holding RASP Shares (a Share Sale Facility Participant) and the RASP Shares to which they are entitled will be sold pursuant to the Share Sale Facility.**

Under the Share Sale Facility, EVRAZ will procure the sale of those RASP Shares to which the Share Sale Facility Participants are entitled, and will then, upon the sale of all of such RASP Shares, provide the cash proceeds of such Share Sale (net of dealing and conversion costs, as well as any fees, expenses, commissions and applicable taxes payable or incurred by EVRAZ or any third parties involved in implementing the Share Sale Facility) to the Share Sale Facility Participants on a pro rata basis in US Dollars. Such cash proceeds will be provided to Share Sale Facility Participants in US Dollars either:

- for each EVRAZ Shareholder who holds its EVRAZ Shares in certificated form, by way of a cheque being dispatched to such EVRAZ Shareholder by ordinary post to its address as

recorded on the EVRAZ Share Register at such EVRAZ Shareholder's own risk; or

- for each EVRAZ Shareholder who holds its EVRAZ Shares in uncertificated form through CREST, by the creation of an assured payment obligation in favour of the CREST account through which such EVRAZ Shareholder holds such EVRAZ Shares in uncertificated form,

in each case no more than 20 Business Days following the settlement date of the relevant trade to sell the last RASP Share(s) to be sold pursuant to the Share Sale Facility.

For further information on the Share Sale Facility, please see Section 5 of Part II (*Letter from the Chairman of EVRAZ plc*).

4. The Capital Reduction Shares

EVRAZ does not currently have sufficient distributable reserves to make the Demerger Dividend (and therefore effect the Demerger). As an interim step, it is therefore proposed that EVRAZ issues the Capital Reduction Shares (and subsequently cancels these shares shortly afterwards by undertaking the Capital Reduction) in order to create sufficient distributable reserves to enable the Demerger to be implemented in the manner set out in this document. The Capital Reduction will also generate surplus distributable reserves (beyond those required for the Demerger Dividend) which will improve EVRAZ's ability to pay future dividends, subject to the ordinary course commercial considerations and approvals of the EVRAZ Board.

The capitalisation of the profit and loss reserve (through the issuance of the Capital Reduction Shares) is required since the Court only has the power to reduce share capital and other statutory reserves, including share premium and capital redemption reserves. Hence, in order to utilise the profit and loss reserve in the Capital Reduction, it is necessary to first convert that reserve into share capital (through the Capital Reduction Share Issue) and thereafter to cancel the Capital Reduction Shares. For more information on the reasons for the Capital Reduction Share Issue and Capital Reduction, as well as the nature of the Capital Reduction Shares, please see Section 6 of Part II (*Letter from the Chairman of EVRAZ plc*).

EVRAZ Shareholders are entitled to vote in favour of the Capital Reduction Resolution and to subsequently decline their entitlement to Capital Reduction Shares by **not** returning the Capital Reduction Shares Election Form **and are recommended by the EVRAZ Board to take this course of action**. The Major Shareholders have provided an undertaking to receive Capital Reduction Shares to effect the Capital Reduction in the manner contemplated by this document.

EVRAZ Shareholders who are registered on the EVRAZ Share Register at the Capital Reduction Record Time will be entitled to receive their pro rata proportion of the Capital Reduction Shares. **While the Capital Reduction Shares can be issued to all EVRAZ Shareholders, there is no need for all EVRAZ Shareholders to be issued with Capital Reduction Shares (which will be cancelled shortly after being issued). Capital Reduction Shares will only be issued to those EVRAZ Shareholders who elect to receive them. Not receiving the Capital Reduction Shares to which an EVRAZ Shareholder is entitled will NOT affect the rights of any EVRAZ Shareholder to receive an entitlement to RASP Shares through the Demerger Dividend. In some jurisdictions, receipt of the Capital Reduction Shares may also lead to certain EVRAZ Shareholders incurring a tax charge.**

For all EVRAZ Shareholders (irrespective of whether their EVRAZ Shares are held in certificated or uncertificated form):

- You will find enclosed a Capital Reduction Shares Election Form. Please read this document and the notes to this document carefully for an explanation of what information is required to be provided in the Capital Reduction Shares Election Form should you wish to receive Capital Reduction Shares.
- EVRAZ Shareholders who wish to receive Capital Reduction Shares should complete the Capital Reduction Shares Election Form in full and return it as soon as possible and in any case so as to be received by EVRAZ's Registrar, Computershare, at The Pavilions, Corporate Actions Projects, Bristol BS99 6AH, no later than 6:00 p.m. on 26 January 2022.

If a duly completed Capital Reduction Shares Election Form is not received by Computershare by 6:00 p.m. on 26 January 2022, or such EVRAZ Shareholder no longer holds EVRAZ Shares at the Capital Reduction Record Time, such EVRAZ Shareholder will not receive any Capital Reduction Shares.

EVRAZ Shareholders who do not wish to receive Capital Reduction Shares should **not** return the Capital Reduction Shares Election Form.

Only EVRAZ Shareholders who hold EVRAZ Shares at the Capital Reduction Record Time will be eligible to receive Capital Reduction Shares.

EVRAZ Shareholders should note that the Capital Reduction Share Issue is subject to the Resolutions being passed by EVRAZ Shareholders and should an EVRAZ Shareholder return their Capital Reduction Shares Election Form in accordance with the instructions set out in this document but the relevant Resolutions fail to be passed at the General Meeting, the Capital Reduction Shares will not be issued.

Not accepting their entitlement to Capital Reduction Shares will NOT affect the rights of any EVRAZ Shareholder to receive RASP Shares through the Demerger Dividend.

5. Helplines

If you have any queries relating to this document, the General Meeting or the completion and return of the Form of Proxy or creation of a CREST Proxy Instruction, please contact Computershare on 0370 873 5848 from within the UK or on +44 (0) 370 873 5848 if calling from outside the UK (calls from outside the UK will be charged at the applicable international rate and different charges may apply to calls from mobile telephones). The helpline is open 8:30 a.m. – 5:30 p.m., Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes.

The helpline operators cannot provide advice on the merits of the Demerger or the Capital Reduction, nor give any financial, legal or tax advice.

PART II

LETTER FROM THE CHAIRMAN OF EVRAZ PLC

(incorporated in England and Wales with registered number 07784342)

EVRAZ Directors

Alexander Abramov (*Non-executive Chairman*)
Alexander Frolov (*Non-executive Director*)
Eugene Shvidler (*Non-executive Director*)
Eugene Tenenbaum (*Non-executive Director*)
Sir Michael Peat (*Senior Independent Non-executive Director*)
Karl Gruber (*Independent Non-executive Director*)
Deborah Gudgeon (*Independent Non-executive Director*)
Alexander Izosimov (*Independent Non-executive Director*)
Stephen Odell (*Independent Non-executive Director*)
James Rutherford (*Independent Non-executive Director*)
Sandra Stash (*Independent Non-executive Director*)

Registered office

2 Portman Street,
London W1H 6DU
England

15 December 2021

Dear EVRAZ Shareholder and, for information only, persons with information rights

**Recommended proposal for the demerger of the RASP Group from the EVRAZ Group
to be effected through an interim *in specie* distribution
(following a bonus share issue and capital reduction)**

1. Introduction

On 26 January 2021, the EVRAZ Board announced its intention to consider the possible demerger of the RASP Group from the EVRAZ Group. The EVRAZ Board believes the separation of the two businesses serves the long-term interests of EVRAZ Shareholders, employees, clients and other stakeholders. For further detail on the strategic merits of the Demerger, see Section 3 below.

It is now proposed that the Demerger be effected by EVRAZ making an interim *in specie* distribution of its RASP Shares to EVRAZ Shareholders. The Demerger is conditional on, among other things, the passing by EVRAZ Shareholders of the relevant Resolutions at the General Meeting (notice of which is included at the end of this document) and the Court confirming the Capital Reduction.

EVRAZ does not currently have sufficient distributable reserves to make the Demerger Dividend (and therefore effect the Demerger). As an interim step, the EVRAZ Board proposes to capitalise the sum of US\$8,200,000,000 currently standing to the credit of EVRAZ's profit and loss reserve by way of issue of the Capital Reduction Shares (the "**Capital Reduction Share Issue**"), and subsequently to reduce the Company's share capital by cancelling the Capital Reduction Shares so as to create sufficient distributable reserves to effect the Demerger as contemplated in this document and to generate surplus distributable reserves for future distributions to EVRAZ Shareholders, subject to the ordinary course commercial considerations and approvals of the EVRAZ Board (the "**Capital Reduction**").

Due to the size of the RASP Group, the Demerger is a "Class 1" transaction under the Listing Rules and is therefore subject to approval by EVRAZ Shareholders. The issue of the Capital Reduction Shares, subsequent Capital Reduction and certain amendments to the EVRAZ Articles also require approval by EVRAZ Shareholders.

I am writing to provide you with further information about the Demerger (and the Capital Reduction Share Issue and the Capital Reduction needed to implement it), to explain why the EVRAZ Board believes that it is in the best interests of EVRAZ Shareholders as a whole, and to invite you to the General Meeting to be held at 11:00 a.m. on 11 January 2022 at Linklaters LLP, One Silk Street, London EC2Y 8HQ. The Notice of General Meeting and the text of the Resolutions which are to be proposed at the General Meeting are set out at the end of this document.

The EVRAZ Board unanimously recommends that you vote in favour of the Resolutions, as the EVRAZ Directors intend to do so in respect of their beneficial holdings of 463,161,950 EVRAZ Shares,

representing approximately 31.75% of the Company's existing issued ordinary share capital (excluding treasury shares) at the Latest Practicable Date.

2. Overview of the Demerger

EVRAZ proposes to effect the demerger of the RASP Group from the EVRAZ Group by making an interim *in specie* distribution of its RASP Shares to EVRAZ Shareholders (the “**Demerger Dividend**”).

RASP is currently listed on the Moscow Exchange and has a free float of approximately 6.6% ordinary shares (with an additional approximately 2.5% ordinary shares held in treasury which are anticipated to be cancelled shortly after RASP's general shareholders' meeting scheduled for 27 January 2022). EVRAZ owns the remaining shareholding of approximately 90.9% ordinary shares in RASP. The effect of the Demerger would be that EVRAZ Shareholders, who currently have an indirect interest in the RASP Group through their holding of EVRAZ Shares, will have the opportunity to receive RASP Shares and therefore hold a direct interest in the RASP Group. After completion of the Demerger and the Share Sale Facility, EVRAZ would accordingly cease to hold the RASP Shares which it currently holds and the RASP Group would no longer form part of the Post-Demerger EVRAZ Group.

The Demerger is conditional on, among other things, the passing by EVRAZ Shareholders of the relevant Resolutions at the General Meeting and the Court confirming the Capital Reduction.

The individual entitlements of EVRAZ Shareholders to receive the Demerger Dividend will be calculated by reference to their holdings of EVRAZ Shares on the EVRAZ Share Register at the Demerger Record Time. If the Demerger proceeds, EVRAZ Shareholders who are registered on the EVRAZ Share Register at the Demerger Record Time are currently anticipated to receive (based on the current issued share capital of EVRAZ (excluding treasury shares)):

for each EVRAZ Share held at the Demerger Record Time
an entitlement to 0.4255477880 of a RASP Share

The Demerger Dividend is expected to occur on 29 March 2022 (at which point in time EVRAZ Shareholders on the EVRAZ Share Register at the Demerger Record Time will become entitled to their pro rata proportion of the RASP Shares being distributed by EVRAZ). EVRAZ Shareholders will continue to own their existing EVRAZ Shares unless they sell or transfer them in the usual course.

All the RASP Shares will rank *pari passu* in all respects, there being no conversion or exchange rights attaching to them, and all RASP Shares will have equal rights to participate in any capital, dividend and profit distribution by RASP, and other rights of holders of ordinary shares under Russian law. Further details regarding the RASP Shares can be found in Section 8 of Part VIII (*Additional Information*).

Details of the actions you need to take to vote on the Resolutions can be found on pages 10, 11 and 108 in the answers to question 3.4 in Part III (*Questions and Answers on the Demerger*).

Details of the Separation Agreements to effect the Demerger are set out in full in Section 15 of Part VIII (*Additional Information*).

As a technical interim step, the EVRAZ Articles will need to be amended in order to facilitate the Demerger Dividend as currently the EVRAZ Articles do not contemplate or expressly permit an interim *in specie* distribution in the manner proposed to implement the Demerger. As such, the Demerger is conditional on the Demerger Articles Amendment Resolution being passed by EVRAZ Shareholders at the General Meeting. The full terms of this proposed amendment to the EVRAZ Articles are set out in the Notice of General Meeting at the end of this document.

As the EVRAZ Board is already proposing to make amendments to the EVRAZ Articles in relation to the Demerger, the opportunity has been taken to separately introduce amendments allowing the EVRAZ Board to decide to hold “hybrid” general meetings as a combined physical and electronic general meeting. The EVRAZ Board therefore proposes to adopt a new, amended set of articles of association, subject to the approval by EVRAZ Shareholders of both the (i) Demerger Articles Amendment Resolution and (ii) Combined Meeting Articles Adoption Resolution (the “**New Articles**”). The Combined Meeting Articles Adoption Resolution will allow general meetings to be held in a way that enables shareholders to participate in the business of the meeting by attending a physical location or by attending by means of an electronic facility. This provision would not allow general meetings to be

held in an electronic-only format. In addition to the ability of the EVRAZ Board to postpone a general meeting, this provision provides further flexibility to the EVRAZ Board to decide the format and arrangements for holding a general meeting to ensure it is appropriate for the circumstances. The New Articles would supersede the EVRAZ Articles and would include the amendments proposed in the Demerger Articles Amendment Resolution.

3. Background to and reasons for the Demerger

On 26 January 2021, the EVRAZ Board announced its intention to consider the strategic merits of and possible structures for a potential demerger of EVRAZ's metallurgical coal business consolidated under RASP and approved further preparations on 15 April 2021. Subsequently, the EVRAZ Board and management of EVRAZ conducted a comprehensive review of the rationale and feasibility of the Demerger and have now concluded that the separation of the two businesses serves the long-term interests of EVRAZ Shareholders, employees, clients and other stakeholders.

The Demerger will result in the creation of two distinct publicly listed businesses with leading positions in their respective fields and will allow each to pursue tailored strategic, capital allocation and sustainability objectives. In particular, the EVRAZ Board believes the Demerger will benefit the stakeholders of the separate businesses in the following areas:

- **Increased transparency over sustainability performance and goals:** Allowing each business to concentrate on its respective sustainability priorities, enhancing accountability for sustainability performance, and the definition and delivery of future strategy;
- **Tailored capital allocation:** Enabling each business to adopt a capital allocation framework balancing its individual cash flow profile, growth investment strategy and capital return priorities;
- **Independent growth strategy for RASP:** Allowing RASP to independently implement its strategy and pursue growth opportunities with dedicated financial and human resources; and
- **Differentiated value proposition:** Establishing a clear and focused equity story for each of EVRAZ, as a leading global producer of steel, iron ore and vanadium, and RASP, as a leading producer of high-quality metallurgical coal.

4. Receiving your RASP Shares

In the event that the Demerger proceeds, each EVRAZ Shareholder registered on the EVRAZ Share Register at the Demerger Record Time will receive an entitlement to RASP Shares on the basis detailed above. Details of the actions you need to take, including the requirement to hold an Eligible Account (being an account with a direct or indirect participant of a clearing institution eligible to receive RASP Shares (i.e. Euroclear, Clearstream or the NSD)), if you wish to receive the RASP Shares to which you will be entitled, can be found in Section 3.1 of Part I (*Action to be Taken*) and in the answers to question 2.1 in Part III (*Questions and Answers on the Demerger*).

EVRAZ Shareholders who wish to receive their RASP Shares should complete all steps necessary to receive their RASP Shares, in accordance with the instructions set out in Part I (*Action to be Taken*). It will not be possible for an EVRAZ Shareholder to receive their entitlement to RASP Shares connected with only some, but not all, of their EVRAZ Shares.

5. Share Sale Facility

The EVRAZ Board recognises that some EVRAZ Shareholders may be restricted from holding RASP Shares or opening an Eligible Account or may be unable to open an Eligible Account. Such EVRAZ Shareholders have the opportunity to participate in the Share Sale Facility. The Share Sale Facility is intended to provide those EVRAZ Shareholders unable to hold RASP Shares with the opportunity to sell, for cash, the RASP Shares to which they will be entitled following the Demerger. **The EVRAZ Board notes that neither the sale price nor the sale timeframe is guaranteed under the Share Sale Facility and therefore recommends that EVRAZ Shareholders that are capable of holding RASP Shares take the necessary action to receive the RASP Shares to which they will be entitled and do not participate in the Share Sale Facility.**

Any EVRAZ Shareholder who **fails** to provide the RASP Shares Settlement Details to Computershare to enable the relevant RASP Shares to be deposited in their Eligible Account (whether as a result of such EVRAZ Shareholder: (a) not holding an Eligible Account; (b) failing to return the RASP Shares Information Form (directly or through a nominee, as the case may be) by 15 March 2022; (c) providing incorrect or insufficient information to enable the RASP Shares to be deposited in their Eligible Account; or (d) failing to instruct an Eligible Participant to accept the relevant RASP Shares into their Eligible Account) will still be entitled to the relevant RASP Shares. **However, such EVRAZ Shareholder will be deemed to be an EVRAZ Shareholder incapable of holding RASP Shares (a Share Sale Facility Participant) and the RASP Shares to which they are entitled will be sold pursuant to the Share Sale Facility.**

The Major Shareholders have provided an undertaking to the Company to receive the RASP Shares to which they will be entitled following the Demerger Dividend and not to sell such RASP Shares through the Share Sale Facility.

Under the Share Sale Facility, EVRAZ will procure the sale of those RASP Shares to which the Share Sale Facility Participants are entitled, and will then, upon the sale of all of the RASP Shares, provide the cash proceeds of such Share Sale (net of dealing and conversion costs, as well as any fees, expenses, commissions and applicable taxes payable or incurred by EVRAZ or any third parties involved in implementing the Share Sale Facility) to the Share Sale Facility Participants on a pro rata basis in US Dollars. Such cash proceeds will be provided to Share Sale Facility Participants in US Dollars either:

- for each EVRAZ Shareholder who holds its EVRAZ Shares in certificated form, by way of a cheque being dispatched to such EVRAZ Shareholder by ordinary post to its address as recorded on the EVRAZ Share Register at such EVRAZ Shareholder's own risk; or
- for each EVRAZ Shareholder who holds its EVRAZ Shares in uncertificated form through CREST, by the creation of an assured payment obligation in favour of the CREST account through which such EVRAZ Shareholder holds such EVRAZ Shares in uncertificated form,

in each case no more than 20 Business Days following the settlement date of the relevant trade to sell the last RASP Share(s) to be sold pursuant to the Share Sale Facility.

Key terms of the Share Sale Facility

- EVRAZ will remain the legal holder of all RASP Shares to which Share Sale Facility Participants will be entitled following the Demerger Dividend. EVRAZ will not vote such RASP Shares at any shareholders' meetings of RASP.
- EVRAZ will procure the sale of the RASP Shares to which Share Sale Facility Participants are entitled through the appointment of an independent financial institution (the "**Sale Agent**") to sell the RASP Shares on behalf of EVRAZ.
- As the market price of RASP Shares will be subject to change from time to time, **the sale price of the RASP Shares sold pursuant to the Share Sale Facility cannot be guaranteed.** Share Sale Facility Participants will be able to obtain information on the market price of RASP Shares from time to time on the Moscow Exchange's website at <https://www.moex.com>, but, as set out below, the cash proceeds ultimately received by each Share Sale Facility Participant will differ from the market price.
- It is currently anticipated that the sale of the RASP Shares pursuant to the Share Sale Facility will be completed within six months following the Demerger Dividend (the "**Sale Period**"), however the precise timeframe will depend on the total number of RASP Shares to be sold pursuant to the Share Sale Facility and market conditions during the Sale Period. Any extension of the Sale Period will be communicated to EVRAZ Shareholders in due course. **No assurance can be given as to the exact timeframe for completion of the sale of the RASP Shares pursuant to the Share Sale Facility, nor the transfer of the net cash proceeds to Share Sale Facility Participants.**

- The Sale Agent will seek to complete the sale of the RASP Shares through market sales on the Moscow Exchange only as soon as reasonably practicable following the Demerger Dividend (currently anticipated to be within six months following the date of the Demerger Dividend) and conduct the sale of such RASP Shares in such manner as the Sale Agent determines in good faith and always on a best efforts basis, taking into account factors relevant to the optimisation of the sale process for Share Sale Facility Participants as a whole, including, for each individual trade, seeking to achieve the best price reasonably attainable at the time of such trade with market volume participation constraints consistent with minimising price impact to the greatest extent possible, and having regard to prevailing market conditions. The Major Shareholders have provided an undertaking to the Company, during the Sale Period, not to purchase any RASP Shares which they know are being sold by the Sale Agent pursuant to the Share Sale Facility.
- In order to minimise price impact to the greatest extent possible, the transactions on the Moscow Exchange will be restricted by reference to a proportion of the average daily trading volume of RASP Shares on the Moscow Exchange.
- To the extent that the Company and the Sale Agent reasonably consider it to be in the best interests of Share Sale Facility Participants as a whole (for example, if there is a material deterioration in the volumes of trading in RASP Shares on the Moscow Exchange during the Sale Period), EVRAZ, upon consultation with the Sale Agent, may extend the Sale Period. Any such extension will be communicated to Share Sale Facility Participants. **No assurance can be given as to the exact timeframe for completion of the sale of the RASP Shares pursuant to the Share Sale Facility, nor the transfer of the net cash proceeds to Share Sale Facility Participants.**
- The participation of Share Sale Facility Participants in the Share Sale Facility will be irrevocable following the date of the Demerger Dividend. After this time, it will not be possible for a Share Sale Facility Participant to receive the RASP Shares to which such Share Sale Facility Participant will be entitled, regardless of whether such Share Sale Facility Participant subsequently completes all steps necessary to receive the RASP Shares in accordance with the instructions set out in Part I (*Action to be Taken*).
- The availability of the Share Sale Facility is not conditional on there being a minimum number of RASP Shares to be sold under it or a minimum number of Share Sale Facility Participants.
- The provision of the Share Sale Facility is not a recommendation to buy, sell or hold RASP Shares. EVRAZ Shareholders who are unsure of what action to take should obtain independent financial advice from their stockbroker, bank manager, solicitor, accountant or other appropriate professional adviser.

Sale proceeds

- The RASP Shares to be sold pursuant to the Share Sale Facility will be sold in multiple series of transactions. Once ***all*** of the RASP Shares to be sold pursuant to the Share Sale Facility have been sold, the sale proceeds received for such RASP Shares will be aggregated and an average sale price per RASP Share calculated. **No assurance can be given as to the price that will be received for the RASP Shares sold pursuant to the Share Sale Facility.**
- Each Share Sale Facility Participant will receive cash proceeds rounded down to the nearest cent equal to:
 - the average sale price per RASP Share sold pursuant to the Share Sale Facility multiplied by the number of RASP Shares to which such Share Sale Facility Participant is entitled; plus
 - any interest accrued on the cash proceeds of the RASP Shares sold pursuant to the Share Sale Facility; plus
 - any dividend income plus any interest accrued on such dividend income in respect of RASP Shares received by EVRAZ between the Demerger Dividend and the transfer of the sale proceeds to Share Sale Facility Participants (to be allocated between Share Sale Facility Participants on a pro rata basis); minus

- the dealing costs for participating in the Share Sale Facility including any expenses, commissions incurred, conversion costs and applicable taxes on the sale proceeds.
- The dealing costs for Share Sale Facility Participants will include commission in respect of the Sale Agent and the Moscow Exchange. These dealing costs will be aggregated and split between Share Sale Facility Participants on a pro rata basis. The Sale Agent's commission shall be 0.05% of the total gross sale proceeds.
- The proceeds in respect of the RASP Shares sold pursuant to the Share Sale Facility and any dividend income plus any interest accrued in respect of such RASP Shares (received by EVRAZ between the date of the Demerger Dividend and the transfer of the sale proceeds to Share Sale Facility Participants) will be retained by EVRAZ until all of the RASP Shares to be sold pursuant to the Share Sale Facility have been sold in accordance with the timings contemplated by this document.
- Consequently, the amount per RASP Share received by Share Sale Facility Participants will be different from the actual sale price received by the Sale Agent on any single sale of RASP Shares. All Share Sale Facility Participants will, however, receive the same price per RASP Share being sold pursuant to the Share Sale Facility, including interest accrued on the proceeds in respect of the RASP Shares sold pursuant to the Share Sale Facility but subject to currency conversions and to rounding to the nearest cent, penny or equivalent measure of currency, in US Dollars.
- EVRAZ shall procure that such cash proceeds will be provided to Share Sale Facility Participants in US Dollars either:
 - for each EVRAZ Shareholder who holds its EVRAZ Shares in certificated form, by way of a cheque being dispatched to such EVRAZ Shareholder by ordinary post to its address as recorded on the EVRAZ Share Register at such EVRAZ Shareholder's own risk; or
 - for each EVRAZ Shareholder who holds its EVRAZ Shares in uncertificated form through CREST, by the creation of an assured payment obligation in favour of the CREST account through which such EVRAZ Shareholder holds such EVRAZ Shares in uncertificated form,
 in each case no more than 20 Business Days following the settlement date of the relevant trade to sell the last RASP Share(s) to be sold pursuant to the Share Sale Facility.

The Sale Agent

- The Sale Agent will be acting exclusively for EVRAZ and no one else in connection with the sale of RASP Shares under the Share Sale Facility. It will not regard any other person as its client in relation to the sale of RASP Shares under the Share Sale Facility and will not be responsible to anyone (other than EVRAZ) for providing the protections afforded to its clients nor for giving advice in relation to the sale of RASP Shares under the Share Sale Facility. The Sale Agent will not have any duties or obligations (fiduciary or otherwise) to any of the Share Sale Facility Participants and will not be underwriting the sale of any RASP Shares under the Share Sale Facility.
- The Sale Agent, together with its affiliates, is a full service financial institution engaged in various activities, which may include sales and trading, commercial and investment banking, financing, financial advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Sale Agent and its respective affiliates have provided and may in the future provide a variety of such services to EVRAZ, RASP and to persons and entities with relationships with EVRAZ or RASP, for which it received or will receive customary fees and expenses.
- Each sale will be immediately converted by the Sale Agent from Russian roubles into US Dollars at a spot exchange rate. Neither EVRAZ nor the Sale Agent will have responsibility for hedging any market risks. The Sale Agent will transfer the sale proceeds (net of fees, expenses and commissions) to EVRAZ in US Dollars.

6. Information on the Capital Reduction

6.1 Overview

EVRAZ does not currently have sufficient distributable reserves to make the Demerger Dividend (and therefore effect the Demerger), which means that various interim steps are required to be undertaken to create sufficient distributable reserves to enable the Demerger to be implemented in the manner set out in this document.

In summary, EVRAZ proposes to issue the Capital Reduction Shares (and cancel these shares shortly afterwards by undertaking the Capital Reduction) to ensure EVRAZ has sufficient distributable reserves to make the Demerger Dividend. This step will also generate surplus distributable reserves (beyond those required for the Demerger Dividend) to improve EVRAZ's ability to pay future dividends, subject to the ordinary course commercial considerations and approvals of the EVRAZ Board.

While the Capital Reduction Shares can be issued to all EVRAZ Shareholders, there is no need for all EVRAZ Shareholders to be issued with Capital Reduction Shares (which will be cancelled shortly after being issued). Capital Reduction Shares will only be issued to those EVRAZ Shareholders who elect to receive them. Not receiving the Capital Reduction Shares to which an EVRAZ Shareholder is entitled will NOT affect the rights of any EVRAZ Shareholder to receive an entitlement to RASP Shares through the Demerger Dividend. In some jurisdictions, receipt of the Capital Reduction Shares may also lead to certain EVRAZ Shareholders incurring a tax charge.

Details of the actions you need to take in respect of the Capital Reduction can be found on pages 14 and 15 and in the answers to questions 6.2 and 6.5 in Part III (*Questions and Answers on the Demerger*).

6.2 The Capital Reduction Share Issue

EVRAZ proposes to capitalise the sum of US\$8,200,000,000 standing to the credit of its profit and loss reserve by applying that sum in paying up in full new deferred shares (the “**Capital Reduction Shares**”) prior to the Court Hearing (such capitalisation to take effect after the Capital Reduction Record Time), and allotting and issuing such Capital Reduction Shares by way of a bonus issue to those EVRAZ Shareholders who complete and return the Capital Reduction Shares Election Form in accordance with the instructions set out in Part I (*Action to be Taken*).

The capitalisation of the profit and loss reserve (through the issuance of the Capital Reduction Shares) is required since the Court only has the power to reduce share capital and other statutory reserves, including share premium and capital redemption reserves. Hence, in order to utilise the profit and loss reserve in the Capital Reduction, it is necessary to first convert that reserve into share capital (through the Capital Reduction Share Issue) and thereafter to cancel the Capital Reduction Shares.

EVRAZ Shareholders who are registered on the EVRAZ Share Register at the Capital Reduction Record Time will be entitled to receive their pro rata share of the Capital Reduction Shares. **While the Capital Reduction Shares can be issued to all EVRAZ Shareholders, there is no need for all EVRAZ Shareholders to be issued with Capital Reduction Shares (which will be cancelled shortly after being issued). Capital Reduction Shares will only be issued to those EVRAZ Shareholders who elect to receive them. Not receiving the Capital Reduction Shares to which an EVRAZ Shareholder is entitled will NOT affect the rights of any EVRAZ Shareholder to receive an entitlement to RASP Shares through the Demerger Dividend. In some jurisdictions, receipt of the Capital Reduction Shares may also lead to certain EVRAZ Shareholders incurring a tax charge.**

EVRAZ Shareholders who do not wish to receive Capital Reduction Shares should not return the Capital Reduction Shares Election Form and do not need to take any action in respect of the Capital Reduction Shares.

To the extent that any EVRAZ Shareholders do not wish to receive Capital Reduction Shares, the Capital Reduction Shares will be issued to those EVRAZ Shareholders that have elected to receive Capital Reduction Shares on a pro rata basis. The Major Shareholders have provided an

undertaking to receive Capital Reduction Shares to effect the Capital Reduction in the manner contemplated by this document.

6.3 ***The Capital Reduction Shares***

The Capital Reduction Shares will not be admitted to trading on the Main Market of the London Stock Exchange or any other market. No share certificates will be issued in respect of the Capital Reduction Shares. The Capital Reduction Shares will have extremely limited rights. In particular, the Capital Reduction Shares will carry no rights to vote, no rights to participate in the profits of the Company and no rights to participate in the Company's assets, save on a deeply deferred basis on a winding-up. The Capital Reduction Shares will be transferable, but no market will exist in them and it is anticipated that the Court will confirm their cancellation at the Court Hearing shortly after the date on which they are issued.

There will be no change in the number of EVRAZ Shares in issue (or their nominal value) following the implementation of the Capital Reduction Share Issue and Capital Reduction.

6.4 ***The Capital Reduction***

EVRAZ proposes that:

- the sum of US\$8,200,000,000 standing to the credit of its profit and loss reserve is capitalised by way of a bonus issue of newly created Capital Reduction Shares (as described in Section 6.2 above); and
- the newly created Capital Reduction Shares are cancelled.

In addition to the approval by the EVRAZ Shareholders of the Resolutions, the Capital Reduction requires confirmation from the Court. Accordingly, following passing of the Capital Reduction Resolution by EVRAZ Shareholders, an application will be made to the Court to confirm the Capital Reduction. The Capital Reduction, if confirmed by the Court, will create additional distributable reserves of US\$8,200,000,000. It is expected that, following the Demerger Dividend, there will remain a large surplus of distributable reserves to improve EVRAZ's ability to pay future dividends, subject to the ordinary course commercial considerations and approvals of the EVRAZ Board.

In seeking the Court's confirmation of the Capital Reduction, the Court will be concerned to ensure protection for the creditors (including contingent creditors) of the Company whose debts remain outstanding when the Capital Reduction becomes effective.

It is anticipated that the final Court Hearing to confirm the Capital Reduction will take place on 8 February 2022 and that the Capital Reduction will become effective a few days after the final Court Hearing, upon the registration of the Court Order at Companies House.

The Capital Reduction itself will not involve any distribution or repayment of capital or share premium by EVRAZ and will not reduce the underlying net assets of EVRAZ. The distributable reserves created by the Capital Reduction will, subject to the discharge of any undertakings required by the Court, support EVRAZ's ability to effect the Demerger and make the Demerger Dividend. The surplus distributable reserves generated (beyond those required for the Demerger Dividend) will also improve EVRAZ's ability to pay future dividends, subject to the ordinary course commercial considerations and approvals of the EVRAZ Board.

The EVRAZ Board reserves the right to discontinue (in whole or in part) the application to the Court in respect of the Capital Reduction in the event that the EVRAZ Board considers that the terms on which the Capital Reduction would be (or would be likely to be) confirmed by the Court would not be in the best interests of the Company and/or EVRAZ Shareholders as a whole. In the event that the EVRAZ Board discontinues the application to the Court, the Demerger would NOT become effective. The EVRAZ Board has undertaken a thorough and extensive review of the Company's liabilities (including contingent liabilities) and anticipates that the Company will be able to satisfy the Court that, as at the date on which the Capital Reduction would become effective, the Company's creditors will be sufficiently protected.

EVRAZ Shareholders are entitled to vote in favour of the Capital Reduction Resolution and to subsequently decline their entitlement to Capital Reduction Shares by not returning the Capital Reduction Shares Election Form. Not receiving Capital Reduction Shares will NOT affect the rights of any EVRAZ Shareholders to receive RASP Shares through the Demerger Dividend.

7. Information on the Post-Demerger EVRAZ Group and the RASP Group

7.1 The Post-Demerger EVRAZ Group

Key Strengths

Commitment to the highest sustainability standards

As one of the leading steel producers in the world, EVRAZ is committed to integrating the principles and values of sustainable development into all of its business processes and day-to-day operations. EVRAZ has established four main areas of focus to ensure that sustainable development issues are considered across all of the EVRAZ Group's business processes and operational stages: (i) employee well-being; (ii) environmental protection; (iii) economic stability; and (iv) local community development. EVRAZ was ranked in second place for environmental risk management on the Wall Street Journal's list of the "100 most sustainably-managed companies in the world" in 2020.

EVRAZ recognises that growth in its production will give rise to environmental impacts which will need to be mitigated. In 2020, EVRAZ updated its environmental strategy and set new, long-term goals in respect of water, waste and GHG emissions for the period up to 2030 (with 2019 as the baseline) that seek to reduce the impact of the business on the environment. EVRAZ continues to work on the development of a detailed decarbonisation plan.

The Demerger is expected to lead to a decrease in EVRAZ's Scope 1 and 2 emissions of approximately 13.2 MtCO₂e because emissions associated with the operation of the mines generally will no longer sit within the Post-Demerger EVRAZ Group, although at least a part of the GHG emissions associated with the production of the coal EVRAZ continues to offtake from RASP will remain part of EVRAZ's carbon footprint as Scope 3 emissions.

EVRAZ has set emissions reduction targets for 2030, which will remain in place post-Demerger. These include targets to reduce Scope 1 and 2 GHG emissions from the Steel Segment by 20% (against a 2019 baseline) and reduce total atmospheric emissions from steel production by 33%. RASP will continue to work towards reducing its own carbon footprint by taking steps to meet its goal of recycling 75% of its degassing methane emissions. Led by its Sustainability Committee, EVRAZ is also exploring the feasibility of various potential long-term technological options aimed at reducing its CO₂ emissions, including increased energy efficiency in production, the use of alternative energy sources, carbon capture and storage and a long-term transition from the use of integrated blast or basic oxygen furnaces to electric arc furnaces using steel scrap and/or direct reduced iron.

EVRAZ remains committed to its long-term goal of achieving zero injuries and fatalities in the workplace and mandates that no operation should be undertaken unless it can be performed safely. In the first half of 2021, its LTIFR was 0.7 per million hours worked and four fatalities occurred in the Steel Segment, including one contractor. The EVRAZ Group is deeply saddened by all fatalities and conducts in-depth internal investigations into each accident. It has organised and implemented a number of health and safety initiatives as part of its commitment to accident prevention.

Following the Demerger, EVRAZ expects to further enhance its sustainability profile through the continued implementation of its sustainable development strategy.

Global leading steel producer with focus on high value-add infrastructure steel products

EVRAZ is a top-30 global steel producer by 2020 production volume, the largest rail manufacturer in the US and Russia, the number one beams and construction steel producer in Russia, and a leader in the North American large diameter pipe segment. In 2020, EVRAZ produced 13.6 million tonnes of crude steel – including 12.1 million tonnes in Russia and 1.6 million tonnes in North America – and sold 13.1 million tonnes of finished and semi-finished steel

products. In Russia, EVRAZ has a leading position in rails, beams, grinding balls, structural shapes and railway wheels.

EVRAZ also has a c.14% global market share in vanadium production with 12,500 tonnes of vanadium final product sales in 2020.

Diversified asset base spread across multiple geographies

EVRAZ has a broadly diversified asset base. In Russia, the company owns iron ore mining facilities, steel and vanadium production plants, and trading companies. EVRAZ also has a substantial presence in North America which comprised approximately 12% of its total steel production in 2020. The EVRAZ North America segment focuses on premium markets in the Western US and Canada, with seven facilities offering high value-add steel products such as rail, seamless pipe, rod and coiled reinforcing bar in the US, and producing mainly various tubular products in Canada.

EVRAZ also has several operations in Europe. In the Czech Republic, it converts the vanadium oxide produced by Vanady Tula into ferrovanadium, the major vanadium product used by the steel industry to increase strength and hardness. In Switzerland, EVRAZ owns a trading company that is responsible for EVRAZ's distribution of steel and iron products outside of the CIS.

Low-cost production with secured access to key raw materials

EVRAZ seeks to create value through leveraging its advantageous low-cost position, which enables the Company to serve domestic and export markets profitably. Maintaining efficient operations is one of EVRAZ's key business objectives. EVRAZ uses low-cost, highly efficient technology to process vanadium, which helps the Company maintain profit margins even in periods of market downturns.

The Company believes that its secured access to key raw materials and focus on continuous improvements across operations and support functions will help it maintain its current cost advantages.

As an example of its focus on continuous improvement, in 2020, EVRAZ implemented a series of initiatives aimed at delivering improvements in operating efficiency and customer focus, which resulted in a positive EBITDA effect of US\$426 million. These initiatives include, amongst others, completion of the reconstruction of blast furnace no.6 at EVRAZ NTMK, implementation of repair function transformation projects in six pilot facilities, the upgrade of EVRAZ Regina's reheat furnace, a programme for promoting demand for beams and structural products in construction and improving availability of such products to clients.

With respect to secured access to key raw materials, EVRAZ owns iron ore assets which covered 68% of its consumption in 2020 and has agreed two Coal Offtake Agreements for the period up to 31 December 2026 with RASP, which aims to ensure uninterrupted supply of coking coal in the medium term. RASP currently provides approximately 70% of EVRAZ's metallurgical coal supply requirements needed to support its operations. In order for such supplies to continue, two EVRAZ Group entities and RASP have entered into two new, long-term coal offtake agreements pursuant to which RASP will provide EVRAZ with up to approximately 60% of the Post-Demerger EVRAZ Group's coal requirements for the purposes of steel production.

Higher earnings stability following mitigation of coal exposure

In 2020, EVRAZ's metallurgical coal business contributed 17% of its total EBITDA.

The Demerger should provide EVRAZ with greater earnings stability, as the EBITDA margin of the Coal Segment has been more volatile than that of the Steel Segment. Over the period between 2013 and 2020, the Coal Segment's EBITDA margin fluctuated between 9% and 55%, while the range for EVRAZ would have been only 13% – 24% for the same period excluding the metallurgical coal business.

Ability to focus strategy and capital allocation on the Steel, Vanadium and North American segments

In the context of the development of higher value added products, EVRAZ as a steel enterprise (rather than a steel and coal enterprise) should be able to develop its strategy and capital deployment programme more effectively.

EVRAZ's new investment opportunities are mainly focused on the development and diversification of the steel product portfolio in Russia and North America. In 2018, EVRAZ began design and engineering work on a new rail mill at EVRAZ Pueblo which is scheduled to be launched in 2023. The project entails building a new rolling mill with an annual capacity of 630,000 tonnes which will be able to produce rails with a length of 100 metres. The total investment required is estimated to be US\$726 million.

The Steel Segment is undertaking a product mix improvement programme that includes investment projects to update the rail and beam mill at a cost estimated to be US\$210 million. The project will add capacity to produce more value-added products, including 300,000 tonnes a year of beams, 40,000 tonnes a year of sheet piles and 150 tonnes a year of head-hardened rails. Further, in 2021, EVRAZ together with the Rail Service industrial group launched construction of a new railway wheel mill in the Sverdlovsk region's Titanium Valley special economic zone. The total investment in the project is estimated to be around US\$200 million with an annual expected production capacity of 200 thousand solid-rolled wheels.

Strong corporate governance and professional management team

EVRAZ's senior management and board members have extensive experience in the steel industry and have established EVRAZ as one of the leading global steelmaking businesses.

EVRAZ is committed to the highest standards of corporate governance. The EVRAZ Board consists of 11 members including seven independent directors, with a mixture of skills encompassing the steel sector, Russian, UK and international corporate governance, finance and legal. The EVRAZ Board has also established Nomination, Audit, Remuneration, and Sustainability Committees, each chaired by an independent director.

The EVRAZ Shares will continue to be admitted to the premium listing segment of the Official List of the FCA and will continue to be traded on the main market for listed securities of the London Stock Exchange following the Demerger. The Post-Demerger EVRAZ Group will therefore continue to maintain a governance structure based on the UK Corporate Governance Code. The governance framework established by the EVRAZ Group, which includes the key mechanisms through which the EVRAZ Group sets strategy, plans its objectives, monitors performance and considers risk management, will remain in place post-Demerger. EVRAZ will maintain the same principal committees of the EVRAZ Board following the Demerger. EVRAZ is also exploring the potential of obtaining a secondary listing on the Moscow Exchange and will update EVRAZ Shareholders on this in due course.

Current trading and prospects for the Post-Demerger EVRAZ Group

The recovery of the global steel market observed since the second half of 2020 accelerated in the first half of 2021 as the ongoing influx of monetary and fiscal stimulus helped the global economy to continue its recovery from the impact of COVID-19. Steel mills increased production as activity in steel-consuming industries continued to return to pre-pandemic levels. Overall, in H1 2021, world crude steel production climbed by 14% year-on-year. At the same time, steel demand outstripped supply. Against this backdrop, steel prices have continued to increase to multi-year highs despite relatively high raw material prices.

Amid this rebound, EVRAZ's consolidated revenues climbed by 27% year-on-year to US\$5.3 billion¹, compared with US\$4.2 billion² in H1 2020. The increase was driven by higher sales prices for construction and semi-finished products, as well as higher prices and volumes for vanadium products.

1 Excludes Coal Segment H1 2021 Revenue of US\$831 million

2 Excludes Coal Segment H1 2020 Revenue of US\$781 million

In H1 2021, the Steel Segment's revenues (including inter-segment sales) rose by 34.3% year-on-year to US\$4.6 billion, or 69.3% of EVRAZ's total before eliminations. The increase was mainly attributable to higher revenues from steel and vanadium products, which rose by 33.2% and 40.2% year-on-year respectively. This was primarily due to average sales prices rising by 28.9% for steel products and by 28.6% for vanadium. EVRAZ's higher revenues from sales of steel products were partly offset by lower sales volumes, which reduced from 6 million tonnes in H1 2020 to 5.8 million tonnes in H1 2021 following a decrease in production volumes at Russian mills. A favourable change in product mix had a beneficial effect that meant revenue rose by more than the increase in sale prices, despite lower volumes.

In H1 2021, revenues from the Steel, North America Segment decreased by 5.4% year-on-year to US\$972 million.

EVRAZ delivered EBITDA of US\$1.7 billion in H1 2021³, up 104% year-on-year and the highest half-year EBITDA over the last decade. Higher prices for construction, semi-finished products and vanadium almost doubled the Steel Segment's EBITDA, despite increasing cost of sales. The Steel, North America Segment's EBITDA increased by 352%, driven by a significant year-on-year reduction in cost of sales, which more than offset a marginal decrease in revenues. In addition to higher sales volumes and product prices, EVRAZ's cost-cutting and productivity improvement initiatives and customer focus efforts generated a total benefit of US\$256 million to EBITDA. As a result, EVRAZ's EBITDA margin rose from 21.5% in H1 2020 to 33.7% in H1 2021.

Group CAPEX stood at US\$318 million⁴, including US\$212 million⁵ for development projects. In addition, EVRAZ improved its debt position, reducing net debt by US\$95 million to US\$3.3 billion.

7.2 **The RASP Group**

Key Strengths

Largest coking coal producer in Russia and one of the leading producers globally

RASP is the largest coking coal producer in Russia and is one of the leading coking coal producers globally for 2020.

Following the acquisition of UCC Yuzhkuzbassugol in December 2020, RASP's operating portfolio comprises seven underground mines, two open pits and three processing facilities in the Kemerovo Region.

In 2020, RASP mined 20.7 million tonnes of raw coking coal, accounting for 23% of Russia's total raw coking coal output. RASP supplied 22% of high-volatility hard and 43% of high-volatility semi-hard coking coal grades by total consumption on the Russian market in 2020⁶.

Large and high-quality coking coal reserves and resources base

As of 31 December 2020, RASP had 1,897 million tonnes of JORC equivalent proved and probable coal reserves. At the 2020 level of coal extraction, RASP's reserves are sufficient to support RASP's production for over 90 years.

Hard coking coal constituted 33% of RASP's coal production in 2020, of which approximately 12% was classified as grade K (coking) and OS (coking semi-lean). Coking coal of grades K and OS is not widely available in Russia and is in high demand both domestically and abroad, largely due to its lower volatility and high coking ability. Semi-hard coking coal contributed a further 35% to RASP's coal production and the remaining 32% of the coal produced in 2020 was classified as semi-soft coking coal.

3 Excludes Coal Segment H1 2021 EBITDA of US\$342 million

4 Excludes Coal Segment H1 CAPEX of US\$113 million

5 Excludes Coal Segment H1 Development CAPEX of US\$46 million

6 Based on information disclosed publicly by RASP

RASP conducts coal mining operations from seven mines and two open pits in the Kemerovo Region and from one mine in the Tyva Republic. Since the Kemerovo Region is a well-developed industrial area, RASP benefits from all the necessary infrastructure resources already established in the region. Further, the resources and reserves of mines and open pits in Kuzbass (in the Kemerovo Region) have been studied in substantial detail through geological exploration works conducted by the state in the middle and late 20th century. By contrast to the Kemerovo Region, the Tyva Republic is less developed and lacks key infrastructure, including a railway, which substantially hinders its economic development. Due to the lack of mines in, and the historical underdevelopment of, the Tyva Republic, additional geological exploration is required to obtain more detailed geological data on the region's deposits.

According to the JORC classification, the resources and reserves for each of RASP's operating coal mines and open pits comprise:

<i>Enterprise</i>	<i>Resources (Mt)</i>	<i>Reserves (Mt)</i>
Alardinskaya	664	91
Osinnikovskaya	406	76
Uskovskaya	180	122
Yerunakovskaya	268	119
Essaulskaya	120	14
Raspadskaya	1,117	852
Raspadsky open pit	122	111
Raspadskaya-Koksovaya mine and open pit	425	209
Mezhegeyugol	212	89

With the exception of the Raspadskaya-Koksovaya open pit, the information pertaining to the resources and reserves in the above table and as further detailed in the sections below for each individual mine and open pit is as at 2017 as no further exploration works have been undertaken since 2017. That same information on the Raspadskaya-Koksovaya open pit is as at 2020, when the new technical project for the open pit development (based on exploration works conducted between 1945 and 1978) containing new reserves calculations was approved by the Russian Reserves Committee.

Alardinskaya mine

The Alardinskaya mining field is located in the Kondomsky geological and economic region of Kuzbass at the Alardinskoye and Tyoshskoye coal mining deposits. According to the administrative divisions, the mining field is part of the Osinnikovsky district of the Kemerovo Region.

The mine became operational on 1 March 1957. The estimated year for the final extraction of reserves is 2065. Exploration works at the site have been conducted on a regular basis starting in the 1940s. The total number of geological exploration wells drilled at the mine site is 711. There are presently no ongoing exploration works in connection with the Alardinskaya mine and currently no further exploration works are expected, contemplated or planned.

The exploration and development licences for the Alardinskaya mine are as follows:

<i>Licence Number</i>	<i>Licence Term</i>	<i>Subsoil Plot Name</i>
KEM 01664 TE	01.08.2012 – 01.04.2023	Alardinskoye coal mining deposit
KEM 01666 TE	01.08.2012 – 31.10.2029	Alardinsky Novy
KEM 01747 TE	12.08.2013 – 20.04.2032	Alardinsky Vostochny 2

Osinnikovskaya mine

The subsoil plot developed within the Osinnikovskaya mine is located in the Osinovsky geological and economic region of Kuzbass at the Osinovsky deposit of Zh- and KZh-grade coking coal. According to the administrative divisions, the subsoil plot is part of the town of Osinniki and of the Novokuznetsky district of the Kemerovo Region. The subsoil plot is conveniently adjacent to the regional highways and to the Tashtagol-Novokuznetsk railway line, with access to the Trans-Siberian Railway.

The Kapitalnaya mine, the successor of which is the Osinnikovskaya mine, became operational in 1933. The estimated year for the final extraction of reserves is 2067. The licensed plot has been explored in detail and 1,054 geological exploration wells were drilled between 1934 and 1981. There are presently no ongoing exploration works in connection with the Osinnikovskaya mine and currently no further exploration works are expected, contemplated or planned.

The exploration and development licences for the Osinnikovskaya mine are as follows:

<i>Licence Number</i>	<i>Licence Term</i>	<i>Subsoil Plot Name</i>
KEM 01735 TE	12.07.2013 – 31.12.2022	Osinnikovskaya mining field
KEM 01734 TE	12.07.2013 – 31.12.2026	Osinovskoye coal mining deposit
KEM 01872 TE	16.02.2015 – 16.02.2035	Osinnikovsky Vostochny

Uskovskaya mine

The Uskovskaya mining field is located in the Yerunakovsky geological and economic region of Kuzbass at the Yerunakovsky coal mining deposit, 65 kilometres northeast of the town of Novokuznetsk. According to the administrative divisions, the mining field is part of the Novokuznetsky district of the Kemerovo Region.

The Ulyanovskaya mine, the successor of which is the Uskovskaya mine, became operational in October 2002. The estimated year for the final extraction of reserves is 2094. The licensed plot was explored by the Levoberezhnaya geological exploration crew of the Central Kuzbass geological survey expedition of PGO Zapsibgeologia in several stages: between 1949 and 1954 (Uskovsky plot I–II, III–IV and V), 1951 and 1957 (Ulyanovsky plot I–II) and 1976 and 1979 (detailed exploration of the Ulyanovskaya mining field). Mines were also drilled in the course of the geological exploration conducted between 1963 and 1965 at the neighbouring plots (Uspensky and Zhernovsky). The distance between the wells is 200 – 400 metres. Numerous data obtained in the course of the mine's operation have confirmed the mine's quality indicators and coal seam structure. There are presently no ongoing exploration works in connection with the Uskovskaya mine and currently no further exploration works are expected, contemplated or planned.

The exploration and development licences for the Uskovskaya mine are as follows:

<i>Licence Number</i>	<i>Licence Term</i>	<i>Subsoil Plot Name</i>
KEM 15340 TE	20.03.2012 – 31.12.2026	Ulyanovsky
KEM 15338 TE	20.03.2012 – 31.12.2023	Uskovsky
KEM 02106 TE	30.10.2018 – 31.12.2038	Uskovsky-2

Yerunakovskaya VIII mine

The Yerunakovskaya coal mining deposit consists of the “Yerunakovsky VIII”, “Yerunakovsky Vostochny” and “Yerunakovsky Yuzhny” licensed plots and is located in the southwestern part of the Yerunakovsky geological and economical region of Kuzbass. The site area measures 23.47 square kilometres.

Construction of the Yerunakovskaya VIII mine commenced in 2006. Coal extraction began in 2013 and the first longwall was launched in seam 48. The estimated year for the final extraction of reserves is 2055. There were 132 wells drilled at the plot in the course of its geological exploration. The density of the exploration grid (including wells and mine workings) is equal to 17.7 per square kilometre. As a result, the distance between drill sections ranges from 330 – 400 metres to 550 – 600 metres and the distance between wells is 310 – 330 metres. Geophysical exploration has been conducted in respect of all wells, with the exception of a few shallow wells. There are presently no ongoing exploration works in connection with the Yerunakovskaya VIII mine and currently no further exploration works are expected, contemplated or planned.

<i>Licence Number</i>	<i>Licence Term</i>	<i>Subsoil Plot Name</i>
KEM 11778 TE	07.10.2003 – 31.03.2025	Tomskaya mine
KEM 13101 TE	05.04.2005 – 01.04.2025	Yerunakovsky-VIII
KEM 01377 TR	12.05.2008 – 15.05.2033	Yerunakovsky Vostochny
KEM 01871 TE	16.02.2015 – 16.02.2035	Yerunakovsky Yuzhny
KEM 01372 TR	12.05.2008 – 15.05.2033	Ulyanovsky Severny

Development licence number KEM 01372 TR in relation to the Ulyanovsky Severny subsoil plot was conditional on the relevant mine becoming operational by 15 November 2018. This condition was not satisfied at the time. As part of the remediation steps, the relevant plot development scheme has been amended in the technical project for the Uskovskaya mine, which is being considered by the Russian Natural Resources Supervision Agency. Should the amended plot development scheme be approved, the term of the existing licence will be adjusted, and coal extraction will be expected to commence from 2052 once all the other plots at the Yerunakovskaya VIII mine are completely mined out. Should the amended plot development scheme be rejected, the licence may be terminated. However, the Company considers that there is little genuine risk of this occurring since new mine construction on the plot would be loss-making for any subsoil licensee except RASP. RASP is not exposed to the same loss considerations in exploiting the plot since it intends to carry out extraction via existing mine shafts at the neighbouring Yerunakovskaya VIII mine plots once these are mined out.

Essaulskaya mine

According to the administrative divisions, the Essaulskaya mine is located within the territory of the Novokuznetsky municipaity, 20 kilometres northeast of the town of Novokuznetsk.

The shallow parts of seams 26a and 29a have been developed after the mine became operational in 1984. The strike of the mining field is 4.7 kilometres, and the dip is 4.5 kilometres. The total area of the mining allotment is 21.44 square kilometres. Almost all the reserves in seam 26a have been extracted and the mine is currently developing seam 29a. The estimated year for the final extraction of reserves is 2025. The licensed plot has been explored in detail by way of drilling wells at the drilling sections located 300 – 400 metres away from each other. In total, 1,608 wells were drilled between 1974 and 1982. The distance between wells is 100 – 450 metres. There are presently no ongoing exploration works in connection with the Essaulskaya mine and currently no further exploration works are expected, contemplated or planned.

<i>Licence Number</i>	<i>Licence Term</i>	<i>Subsoil Plot Name</i>
KEM 15356 TE	23.04.2012 – 31.12.2025	Essaulskaya mine

Raspadskaya mine

The Raspadskaya mine is the largest coal mine in Russia. It is located 11 kilometres north of the town of Mezhdurechensk, which has well developed infrastructure and a high concentration of coal mining enterprises belonging to several major coal companies. The mine is connected to the town of Mezhdurechensk by a railway and a highway.

The Raspadskaya mine became operational in 1973. The Raspadskaya mine's business plan covers the period until 2112. The extraction volume will comprise 931,857 thousand tonnes of rock mass, including 103,054 thousand tonnes of coal extracted from tunnelling mining faces.

Geological exploration works at the Raspadskaya mine and at the neighbouring plots of the Raspadsky deposit began in the 1950s. In total during the exploration period, 1,699 wells were drilled with a total length of 438,653 metres. The density of the exploration grid is equal to 18.7 wells per square kilometre. The distance between wells varies from 100 metres to 450 metres and is, on average, 220 metres. The distance between exploratory lines of the wells varies from 125 metres to 410 metres and is, on average, 220 metres. There are presently no ongoing exploration works in connection with the Raspadskaya mine and currently no further exploration works are expected, contemplated or planned.

<i>Licence Number</i>	<i>Licence Term</i>	<i>Subsoil Plot Name</i>
KEM 13781 TE	11.10.2006 – 31.12.2029	Raspadskaya mine
KEM 13782 TE	11.10.2006 – 15.11.2023	Raspadskaya-2 mine
KEM 01468 TR	11.01.2010 – 31.12.2034	Raspadskaya-3 mine
KEM 01464 TE	26.11.2009 – 25.11.2029	Raspadsky-4

Development licence number KEM 01464 TE in relation to the Raspadsky-4 subsoil plot was conditional on the mine in the Raspadsky-4 plot becoming operational by 25 November 2016. This condition was not satisfied at the time. As part of the remediation steps, the technical project for the Raspadsky-4 mine has been amended and is being considered by the Russian Natural Resources Supervision Agency. Should the amended technical project be approved, the term of the existing licence will be adjusted, sinking operations will start in 2022 and coal extraction will be expected to commence from 2028 (through the neighbouring coal fields of the other plots at the Raspadskaya mine). Should the amended plot development scheme be rejected, the licence may be terminated. However, the Company considers that there is little genuine risk of this occurring since new mine construction on the plot would be loss-making for any subsoil licensee except RASP. RASP is not exposed to the same loss considerations in exploiting the plot since it intends to carry out extraction via existing mine shafts at the neighbouring Raspadskaya mine plots.

Raspadsky open pit

The Raspadsky open pit is located in the northeastern part of the Raspadsky coal mining deposit in the “Mezhdurechensky urban district” municipality of the Kemerovo Region.

The open pit became operational in 2004. The estimated year for the final extraction of reserves is 2042. The Raspadsky open pit is operating at the plots “Raspadsky IX–XI” and “Glukhovsky Open Pit” along the outcrops of the seams, including those processed by the Raspadskaya mine. Due to the extensive area of the mining works at the enterprise, the mining works have been roughly divided into four plots depending on the seam extensions. The licensed area of the “Raspadsky IX–XI” plot covers 25 various coal seams. There have been 176 wells with a total length of 59,660 metres drilled at the “Raspadsky IX–XI” plot. The density of the exploration grid is equal to 176 wells per an area of 7.67 square kilometres, equating to 22.9 wells per square kilometre. There are presently no ongoing exploration works in connection with the Raspadsky open pit and currently no further exploration works are expected, contemplated or planned.

<i>Licence Number</i>	<i>Licence Term</i>	<i>Subsoil Plot Name</i>
KEM 13446 TE	17.01.2006 – 20.12.2025	Glukhovsky open pit
KEM 13873 TE	13.12.2006 – 30.11.2026	Raspadsky IX-XI
KEM 01639 TE	20.04.2012 – 20.04.2032	Dorozhny
KEM 02209 TE	26.01.2017 – 26.01.2027	Kumzassky 1-2

Raspadskaya-Koksovaya mine and open pit

The subsoil area developed by the Raspadskaya-Koksovaya mine is located in the Tomusinsky geological and industrial region of Kuzbass at the Olzherassky coal mining deposit, which consists of coalfields of Balakhonskaya and Kolchuginskaya series of valuable K- and KO-grade coking coal. According to the administrative divisions, the subsoil area is part of the Mezhdurechensky District of the Kemerovo Region. The Raspadskaya-Koksovaya mine is adjacent to the Raspadskaya mine in the northwest and to the Lenin mine in the southeast, which belongs to the Mechel group of companies. Geographically, the Raspadskaya-Koksovaya mine is located five kilometres from the outskirts of the town of Mezhdurechensk on the right bank of the Usa river along the streambed of its tributary, the Olzheras river.

The Raspadskaya-Koksovaya mine was opened in 2003 on the Mining Field No. 2 licensed plot. The estimated year of the final extraction of reserves in the mine is 2087. There have been 327 geological exploration wells with a total length of 133,451 metres and an average depth of 481.7 metres drilled within the site boundaries. These include 277 wells with a total length of 96,276 metres at Mining Field No. 1 and 50 wells with a total length of 37,175 metres at Mining Field No. 2. The distance between exploratory lines along the strike of the coal-bearing deposits is 250 – 400 metres. The distance between wells along the line is 350 – 550 metres. The density

of the exploration grid is equal to 21.8 wells per square kilometre at Mining Field No. 1 and 5 wells per square kilometre at Mining Field No. 2. In 2016, the licence number KEM 15030 TE for the Rapsadskaya-Koksovaya mine was extended to permit surface mining of coal reserves located up to 150 metres above sea level within the existing boundaries of Mining Field No.1. This extension to the licence was approved in the minutes of the Russian Reserves Committee.

The design capacity of the open pit mining area of Mining Field No. 1 is equal to 1,900 thousand tonnes per year. RASP is currently finalising estimates as to the expected timeframe for the extraction of the reserves in the open pit. There are presently no ongoing exploration works in connection with the Rapsadskaya-Koksovaya mine and open pit and currently no further exploration works are expected, contemplated or planned.

<i>Licence Number</i>	<i>Licence Term</i>	<i>Subsoil Plot Name</i>
KEM 15030 TE	01.11.2010 – 01.07.2053	Mining Field No. 1
KEM 11578 TE	17.06.2003 – 01.07.2057	Mining Field No. 2
KEM 02213 TR	01.02.2021 – 31.01.2046	Tomusinsky Severny

Mezhegeyskoye mine

The Mezhegeyskoye coal deposit is located on the territory of the Tandinsky Kozhuun in the Tyva Republic, 40 kilometres southwest of the city of Kyzyl, the capital of the Tyva Republic. The nearest settlement is the village of Kochetovo, which is located five kilometres southwest of the boundaries of the mining allotment for the plot. The Mezhegeyskoye coal deposit is located on the right bank of the lower reaches of the Medzhegay river (Durgun), which is the right tributary of Elegest river, which, in turn, is the left tributary of the UlugHem river (Upper Yenisei), in the territory of the Tandinsky Kozhuun.

Exploration works were conducted at the Medzhigeyskoye deposit of the Ulughemsky coal mining field in the Tuvan Autonomous Soviet Socialist Republic between 1952 and 1956. In order to enter the reserves into the state books, additional exploration works were completed at the Mezhegeyskoye deposit site in 2014. The mine became operational in 2017. The mine's project plan envisages coal production of up to 1.5 million metric tonnes per annum using the room and pillar mining method, with the possibility of increasing production volumes up to 2 – 3 million metric tonnes per annum after switching to the longwall method following the launch of the Kyzyl-Kuragino railway. Geological exploration works were postponed at the "Vostochny" site to a later date due to the postponement of the Kyzyl-Kuragino railway construction causing an inability to remove coal which would be extracted in the case of construction of the mine. There are presently no ongoing exploration works in connection with the Mezhegeyskoye deposit and currently no further exploration works are expected, contemplated or planned. There are planned exploration works in connection with the Vostochny plot. However, the scope and scale of the Vostochny exploration works are not yet defined and are being finalised subject to the determinations of the RTN as part of remediation steps for the development licence number KZL 14886 TE.

According to current estimates, extraction of the reserves of the mine is planned to continue until 2048. During this period, the coal reserves will be mined in seam 2 Ulug in the Eastern, Central and Western blocks of the "Mezhegeyskoye deposit" site.

Due to the underdevelopment in the Tyva Republic, which includes a lack of a railway, coal mined in the Mezhegeyskoye mine has to be transported by road for 400 kilometres to the nearest railway station in the town of Minusinsk of the Krasnoyarsk Territory. As a result, the mine capacity is limited by the transportation capacity of the federal highway R-257 "Yenisei" and the mine bears high costs for transporting coal to the point of wagon loading, reaching up to 50% of the mine's overall coal mining costs.

<i>Licence Number</i>	<i>Licence Term</i>	<i>Subsoil Plot Name</i>
KZL 14886 TE	18.03.2010 – 22.03.2030	Mezhegeyskoye deposit
KZL 15045 TE	19.11.2010 – 08.11.2030	Vostochny

Development licence number KZL 14886 TE in relation to the Mezhegeyskoye deposit subsoil plot was conditional on the relevant wastewater treatment facilities becoming operational by

1 January 2016. This condition was not satisfied at the time. As part of the remediation steps, the relevant wastewater treatment facilities are scheduled to be constructed by Q2 of 2023, with the construction currently undergoing ecological assessments by experts recognised by the relevant state authority. On completion of the wastewater treatment facilities, the licence will be reinstated and entitle RASP to continue extraction and production at the Mezhegeyskoye deposit.

Development licence number KZL 15045 TE in relation to the Vostochny subsoil plot was conditional on the mine becoming operational by 8 May 2019. This condition was not satisfied at the time. As part of the remediation steps, the RTN has issued an order to perform geological exploration works. The scope and scale of the ongoing Vostochny exploration works are being finalised and are subject to the determinations of the RTN, with RASP pursuing a reduced scope of exploration. Should no agreement be reached with RTN, which may lead to termination of the licence, this will have no impact on RASP's recorded resources and reserves since before a plot is completely explored, its reserves are not recognised for the relevant calculations and reports. This will, however, preclude RASP from exploiting the Vostochny plot in the future unless the existing licence is renewed, or a new licence is granted. However, the Company considers that there is little genuine risk of termination occurring since new mine construction on the plot would be loss-making for any subsoil licensee except RASP. RASP is not exposed to the same loss considerations in exploiting the plot since it intends to carry out extraction via existing mine shafts at the neighbouring Mezhegeyskoye deposit mine plots.

Leading global coal cost position

RASP's long-term competitiveness and profitability are supported by its low-cost and efficient operations, placing it in the first quartile of the global coking coal cash cost curve. RASP continues to focus on improving operating efficiency. Its cash cost operating expense per tonne of coking coal concentrate declined to US\$31 in 2020, c.11% below 2019, driven by the implementation of a programme to improve efficiency and reduce costs and devaluation of the ruble.

In 2020, RASP undertook a series of initiatives aimed at further cost-cutting with an aggregate impact of US\$62 million. These initiatives included, amongst others, replacement of mining equipment for the Osinnikovskaya and Alardinskaya mines, continued roll-out of EBS transformation projects and the launch of 11 digital transformation projects.

Reliable client base with diversified end-markets

RASP's track record of meeting customers' needs and supplying an attractive product mix has resulted in many large Russian steel and coke producing companies entering into agreements with RASP to supply their coke producing plants.

Sales of the RASP Group's products are made in a wide variety of jurisdictions. RASP's status as a leading Russian coking coal concentrate producer has helped it to build a strong brand name in European and Asian markets.

In 2020, foreign customers generated 46% of RASP's coking coal sales, EVRAZ accounted for 39% of sales and other Russian clients consumed the remaining 15%.

Increased strategic focus and capital allocation flexibility for RASP as a standalone company with moderate financial leverage and sizeable debt capacity

Following the Demerger, RASP will be able to develop its strategy and form investment and distribution policies aligned with its status as an independent company. The Demerger will mean RASP will have greater flexibility to finance development projects, such as projects aimed at further expansion of the coal grade mix, expansion of open pit mining and development of underground mines. RASP will also benefit from its efficient capital structure due to its moderate financial leverage and sizeable debt capacity.

In order to demonstrate its commitment to delivering shareholder returns, RASP has adopted a dividend and leverage policy based on the following principles:

- The dividend payout recommendation will be based on actual financial performance and balance sheet strength of RASP and its subsidiaries, taking into account the outlook for coal prices, the RASP Board's view of the long-term stability and growth prospects of the business as well as future capital investment requirements.
- RASP intends to declare dividends semi-annually on the basis of the consolidated IFRS financial statements in the amount of:
 - not less than 100% of free cash flow, subject to net debt/EBITDA not exceeding 1.0x; or
 - not less than 50% of free cash flow, if net debt/EBITDA exceeds 1.0x.
- In order to ensure the strength of its balance sheet and long-term stability, RASP will aim to maintain net debt/EBITDA below 2.0x throughout the cycle.

The RASP Board declared a dividend to RASP Shareholders on 24 November 2021 of approximately RUB 18,641 million, equivalent to RUB 28 per RASP Share. The approval and payment of the dividend remains subject to approval by RASP Shareholders. The entitlement of any EVRAZ Shareholder (rather than EVRAZ itself) to receive the proceeds of such dividend or any other dividend declared by RASP before the date of the Demerger Dividend (currently expected to be 29 March 2022) will depend on whether, as a result of the Demerger, such EVRAZ Shareholder is listed on RASP's register of shareholders at the time of the relevant record date used by RASP to determine entitlement to such dividend.

RASP is well positioned to take advantage of growth opportunities in the Russian coking coal market

RASP's management believes that RASP will benefit from certain trends in the Russian coking coal market. According to the Russian Government Strategy for Coal Industry Development, Russia's total coking coal production is expected to increase to 140-150 million tonnes per annum by 2035 from 90.2 million tonnes in 2020 due to, amongst other factors, the planned commissioning of new coal mining hubs in Russia's Eastern and Arctic regions and the further development of existing coking coal operations. Secondly, the Russian coking coal space is fragmented, with the five major producers holding only a 60% segment share in 2020 in terms of raw coking coal output. Since RASP is the largest coking coal producer, it could be in a favourable position should it decide to participate in potential market consolidation.

RASP will be well-positioned to pursue organic and inorganic growth opportunities. For example, PCI production growth is anticipated to increase sales volume to premium clients in Russia and Asia.

Highly experienced management team

RASP's senior leadership has extensive experience in the mining industry. Andrey Davydov, the general director (CEO) of Raskadskaya Coal Company (RASP's management company) assumed his role in June 2020 and has more than 25 years of experience in the Russian and Ukrainian mining industries. In 2010, he joined EVRAZ and was in charge of EVRAZ's Sukha Balka iron ore mine in Ukraine for five years. Between 2016 and 2020, Mr. Davydov led the Management Company EVRAZ Mezhdurechensk which managed the Sibuglemet group of enterprises.

The mine director of RASP, Alexander Elokhin, has held his current position since September 2018, having joined RASP in 1996 as an underground electrician. He graduated from the Kuzbass State Technical University with a degree in the Underground mining of minerals and has held multiple roles at RASP, including underground field supervisor, deputy director for production and deputy general director of RASP. In 2018, he assumed his current role as mine director of RASP.

Stanislav Kuznetsov assumed his role as the current Director of Economy and Finance (CFO) of Raskadskaya Coal Company in July 2020. He graduated from the Kemerovo State University in

2010 with a degree in Economics and Management at Industrial Enterprises, and subsequently joined the Directorate of Economy and Finance of UCC Yuzhkuzbassugol before progressing from a position as a leading economist to head of a bureau of the Office of the Planning and Economic Department. In 2018, Mr. Kuznetsov graduated from the EVRAZ New Leaders programme and has an IFRS diploma.

Sergey Shiryayev has acted as Technology Director (CTO) of Raspadskaya Coal Company since 2019. Mr. Shiryayev graduated from the Siberian State Industrial University with two diplomas in Underground Mining and in Economics and Management at the Mining Industry and Geological Exploration. In 2014, Mr. Shiryayev joined Raspadskaya Coal Company as First Deputy Technical Director.

RASP's management believes that the extensive experience of RASP's senior managers in the coal mining industry will help RASP to correctly identify and successfully implement its strategic objectives.

Governance

RASP intends to align its corporate governance practices with best industry standards and increase the number of Independent Directors on its Board to five out of nine members. The RASP Board has proposed candidates who will be put forward for election to the RASP Board at the general shareholders' meeting scheduled for 27 January 2022. If the proposed candidates are elected, the RASP Board will be composed of a majority of independent non-executive directors. The RASP Board has also established Audit, Health, Safety and Environment, Strategy and Remuneration Committees, each chaired by an Independent Director.

Continued focus on responsible mining

RASP remains committed to integrating sustainable development principles and values into its daily operations and the RASP Board oversees the management of sustainability-related risks and opportunities. RASP intends to continue to operate in line with EVRAZ's existing HSE policy and management system and EVRAZ's sustainability-related standards will continue to be applied to RASP under the Coal Offtake Agreements, which also provides EVRAZ with the ability to audit RASP's environment, health and safety-related performance through assessment of relevant information and accessing RASP's premises.

RASP will continue to work towards its existing 2030 targets of reducing dust emissions from coal mining by 1.5 times and recycling at least 50% of mining waste. RASP has several programmes planned to support its environmental goals. These programmes include a programme involving the installation of dust suppression units at coal storage units, covering coal-carrying trucks and spraying roads as well as a mining waste recycling programme at the Razrez-Raspadskiy open pit which will see overburden used as a material for filling mined out pits as part of EVRAZ's land rehabilitation measures, rather than using additional land to store the overburden.

Climate-related matters are regularly considered by RASP's management and RASP will continue to work towards its goal of recycling 75% of its degassing methane emissions.

RASP's key health and safety objective is the year-on-year reduction of process-related accidents, injuries and occupational diseases through the continuous improvement of working conditions to ensure the safe and efficient operation and growth of RASP. RASP has implemented a health and safety risk management programme which has resulted in a decline of its LTIFR to 2.87 (per million hours) in the first half of 2021. Unfortunately, two fatalities occurred in the same period, both of which were fully investigated, and remedial actions and initiatives implemented to support RASP's goal of preventing any harm to its employees.

RASP intends to continue its co-operative approach to local community relations, recognising the important role the business plays in the regions in which it operates. In 2020, around \$2m was spent on social and charity projects (including amounts contributed to EVRAZ's charity funds) and RASP expects to continue most of these projects post-Demerger.

Current trading and prospects for the RASP Group

On 30 December 2020, RASP acquired a 100% ownership interest in UCC Yuzhkuzbassugol (including the Novokuznetsk site and Mezhegeyugol site) from Nizhny Tagil Metallurgical Plant, a wholly-owned subsidiary of the EVRAZ Group. The acquisition of a 100% interest in UCC Yuzhkuzbassugol from an entity under common control was accounted for using the acquisition method of accounting based on IFRS 3 'Business Combinations'. As a result, the financial position and results of operations of UCC Yuzhkuzbassugol were included in the RASP Group's consolidated financial statements beginning 30 December 2020 as the RASP Group effectively exercised control over UCC Yuzhkuzbassugol's operations since that date. Consequently, the financial information disclosed below for the H1 2021 period include, among others, UCC Yuzhkuzbassugol and its subsidiaries, but the financial information for the comparative H1 2020 period do not include these acquired entities. The financial information of the RASP Group presented below is derived from the RASP Group's press release relating to the announcement of RASP's consolidated results for H1 2021 in accordance with IFRS published on 20 August 2021.

The total raw coal extraction at all of RASP's facilities in H1 2021 was 11.6 million tonnes, a year-on-year increase of 6.5 million tonnes. The growth was primarily driven by the consolidation of the Novokuznetsk site's facilities (6.7 million tonnes). Concentrate yield rose to 74.2% in the period, compared to 70.1% in H1 2020. The improvement in concentrate yield was related to (i) a reduction in the ash content of raw material inputs at the Rapsadskaya washing plant, and (ii) a change in the structure of the coal being processed due to the inclusion of the washing plants at the Novokuznetsk site into calculations.

Revenues for the period from the sale of coal products rebased to common delivery terms (free carrier (FCA))⁷, increased by US\$369 million, or by 139% year-on-year, because of an increase in prices (FCA) of 35% (on average), as well as because of a surge in overall sales volumes of 86% year-on-year.

The transport component in the sales price climbed by US\$29 million. The growth was caused by greater volumes of sales being made on delivered at place (DAP)⁸ terms and carriage paid to (CPT)⁹ terms, as well as the consolidation of the Novokuznetsk site.

In H1 2021, the sales of other goods fell by US\$31 million year-on-year because of a reduction in revenues from the resale of coal purchased from third parties.

In H1 2020, revenues from the rendering of services consisted largely of management services and sale commission for the Yuzhkuzbassugol mines, which were not consolidated in 2020. Revenues from the rendering of services dropped by US\$16 million because of the consolidation of Yuzhkuzbassugol in December 2020.

Amid greater revenues from coal products (FCA) and lower revenues from the sales of other goods and rendering of services in H1 2021, total revenues climbed by US\$350 million year-on-year.

The cash cost per tonne of concentrate in H1 2021 climbed by 33% (up US\$9) year-on-year. This was primarily because of the consolidation of the Novokuznetsk site. Excluding the Novokuznetsk site, the cash cost per tonne of concentrate rose by US\$2 because of a 28% reduction in production volumes at the Rapsadskaya mine.

H1 2021 EBITDA rose 150% to US\$310 million from US\$124 million in H1 2020, including an increase of US\$181 million from the consolidation of the Novokuznetsk site. The EBITDA margin rose to 45.4%, compared with 37.2% in H1 2020.

In H1 2021, financing of capital investments increased by US\$85 million year-on-year. The growth was primarily driven by the consolidation of the Novokuznetsk site for US\$73 million, as

7 The seller pays for export duties at the named place of departure

8 The seller pays for delivery

9 The seller pays for the carriage of the goods to the named place of destination. The buyer pays for insurance, import duties and delivery from the place of destination.

well as the acquisition of mining equipment as part of an investment project at the Koksovy open pit for US\$5 million.

8. Financial effects of the Demerger

The gross assets of RASP that are the subject of the Demerger were valued at US\$2,005 million as at 30 June 2021. The Demerger will therefore have a dilutive effect on EVRAZ's assets. However, as set out in Section 3 above, the EVRAZ Board considers that the Demerger will enable EVRAZ to focus its capital allocation on supporting its strategic trajectory while enabling RASP to independently implement its strategy and pursue organic and inorganic growth opportunities. Following the completion of the Demerger, the Post-Demerger EVRAZ Group business will review its existing externally reported key performance indicators and consider whether they and the methodology applied to prepare them remain appropriate in the context of the Post-Demerger EVRAZ Group business and its evolving strategy.

The EVRAZ Group's profit after tax for the year ended 31 December 2020 was US\$858 million (extracted without material adjustment from the historical audited accounts of the EVRAZ Group as at 31 December 2020). The RASP Group's profit after tax for the year ended 31 December 2020 was US\$233 million (prepared on the basis set out in Part V (*Historical Financial Information on the RASP Group*)).

Unaudited pro forma financial information

Unaudited pro forma financial information showing the effects of the proposed demerger of the RASP Group from the EVRAZ Group and the dividends declared by RASP in 2021 as at the date of this Circular on the financial position of the EVRAZ Group as if they had occurred on 30 June 2021 and on the income statements of the EVRAZ Group as if they had occurred on either 1 January 2021 or 1 January 2020 is set out in Part VI: "Unaudited Pro Forma Financial Information for the Post-Demerger EVRAZ Group".

The illustrative consolidated equity of the EVRAZ Group as at 30 June 2021, on a pro forma basis and adjusted to reflect as if the proposed demerger of the RASP Group from the EVRAZ Group and the dividends declared by RASP in 2021 as at the date of this Circular had occurred on that date, would have been US\$1,001 million.

Demerger costs

Including costs incurred to date, the total pre-tax one-off costs of the Demerger are estimated to be approximately US\$24 million, of which¹⁰:

- approximately US\$14 million is expected to be incurred by EVRAZ largely in relation to professional fees and charges related to the transaction; and
- approximately US\$10 million was incurred in connection with obtaining consents from EVRAZ's creditors for the Demerger.

Of this total, approximately US\$13 million was incurred by EVRAZ up to and including 30 June 2021. Of the advisers' fees amounting to approximately US\$14 million, the pro forma financial information for the six-month period ended 30 June 2021 is adjusted for US\$11 million of unpaid fees and the pro forma financial information for the year ended 31 December 2020 (each contained in Part VI (*Unaudited Pro Forma Financial Information for the Post-Demerger EVRAZ Group*)), takes into account the whole amount of the advisers' fees.

9. Ongoing relationships between the EVRAZ Group and the RASP Group

EVRAZ and RASP will operate as separate independent companies following the Demerger and neither company will have a shareholding in the other (save for the RASP Shares held by EVRAZ on behalf of Share Sale Facility Participants to be sold under the Share Sale Facility in respect of which EVRAZ will not exercise any voting rights). The Major Shareholders, who currently hold 57.61% of the EVRAZ Shares, are expected to hold at least 53.72% of the shares in RASP following the Demerger. RASP will therefore be considered a "related party" to EVRAZ under the Listing Rules following the Demerger.

¹⁰ Excluding costs incurred in consolidating the coal assets under RASP completed 30 December 2020.

Certain trading arrangements, including the Coal Offtake Agreements, will continue up to 31 December 2026 on ordinary arm's length terms between the Post-Demerger EVRAZ Group and the RASP Group following completion of the Demerger, with the Post-Demerger EVRAZ Group purchasing metallurgical coal from the RASP Group to satisfy part of its supply requirements and EMAG, the trading subsidiary of the EVRAZ Group, continuing to re-sell coal purchased from the RASP Group, applying arm's length margins. Whether these trading arrangements are renewed upon expiry will be a matter to be considered by both groups in due course.

Following the Demerger, certain entities in the Post-Demerger EVRAZ Group will also provide certain administrative and support services to the RASP Group, including accounting, IT, treasury, agency and consultancy services. EVRAZ and RASP shall endeavour to procure the termination of all such service arrangements on or before 1 January 2023 and shall in good faith discuss whether any further services shall be provided by the Post-Demerger EVRAZ Group to the RASP Group (and vice versa) after that time.

EVRAZ and RASP have agreed to ensure that, following the Demerger, historical liabilities (as well as any future liabilities which are referable to events which occurred before completion of the Demerger) relating to the steel and coal business are to be borne by the Post-Demerger EVRAZ Group and RASP Group (respectively). Therefore, if any such steel liabilities would otherwise have been incurred by the RASP Group, the Post-Demerger EVRAZ Group shall (1) ensure that all such liabilities are either novated or otherwise transferred to it or released or (2) indemnify the RASP Group against all such liabilities, provided that any such claim may only be filed within three years after completion of the Demerger. The same approach applies to relevant coal liabilities which would otherwise have been borne by the Post-Demerger EVRAZ Group. Such mutual indemnity undertakings are capped at US\$100 million for each of EVRAZ and RASP.

Further information on the agreements in place between the EVRAZ Group and the RASP Group regarding trading arrangements and the provision of future services is set out in Section 15 of Part VIII (*Additional Information*).

10. Dividend policies

10.1 *Dividend policy for the EVRAZ Group*

The EVRAZ Group's dividend policy anticipates dividend payments to shareholders of a minimum of US\$300 million per annum, provided that the EVRAZ Group's net debt/EBITDA ratio remains below 3x. In addition, the EVRAZ Board may consider further distributions of free cash flow available after implementing its investment programme to support the business. The EVRAZ Board reviewed and considered that, despite the impact of the COVID-19 pandemic on the operational results of the business and the economy, the underlying strength of the business allowed the Company to continue to pay dividends relating to the 2020 financial year.

The EVRAZ Board therefore declared an interim dividend of US\$437.1 million, equivalent to around US\$0.30 per EVRAZ Share at that time, on 24 February 2021 following the publication of the Company's 2020 annual report and accounts. The EVRAZ Board has since declared an interim dividend of US\$291.7 million, equivalent to around US\$0.20 per EVRAZ Share at that time, on 15 April 2021, an interim dividend of US\$802.30 million, equivalent to US\$0.55 per EVRAZ Share at that time, on 4 August 2021 following the publication of the Company's interim results for H1 2021, and an interim dividend of around US\$291.7 million, equivalent to US\$0.20 per EVRAZ Share at that time, on 14 December 2021.¹¹

The additional distributable reserves of US\$8,200,000,000 to be generated as a result of the Capital Reduction Share Issue and Capital Reduction will increase EVRAZ's ability to pay dividends going forwards, subject to the ordinary course commercial considerations and approvals of the EVRAZ Board.

¹¹ Dividends will be paid on 14 January 2022 to every EVRAZ Shareholder on the EVRAZ Share Register at 24 December 2021. The proposals included in this Circular will not affect the entitlement of EVRAZ Shareholders to receive their dividend.

10.2 **Dividend policy for the RASP Group**

Following the Demerger, RASP will be able to develop its strategy and form investment and distribution policies in alignment with its own interests as an independent company. The Demerger will mean RASP will have greater flexibility to finance development projects, such as projects aimed at further extension of coal type mix, expansion of open pit mining and development of underground mines. RASP will also benefit from its efficient capital structure due to its moderate financial leverage and sizeable debt capacity.

In order to demonstrate its commitment to delivering shareholder returns, RASP has adopted a dividend and leverage guidance policy based on the following principles:

- The dividend payout recommendation will be based on actual financial performance and balance sheet strength of RASP and its subsidiaries, taking into account the outlook for coal prices, the RASP Board's view of the long-term stability and growth prospects of the business as well as future capital investment requirements.
- RASP intends to declare dividends semi-annually on the basis of the consolidated IFRS financial statements in the amount of:
 - not less than 100% of free cash flow, subject to net debt/EBITDA ceiling of 1.0x; or
 - not less than 50% of free cash flow, subject to net debt/EBITDA exceeding 1.0x.
- In order to ensure the strength of the balance sheet and long-term stability, RASP will target to maintain net debt/EBITDA below 2.0x throughout the cycle.

The RASP Board declared a dividend to RASP Shareholders on 24 November 2021 of approximately RUB 18,641 million, equivalent to RUB 28 per RASP Share. The approval and payment of the dividend remains subject to approval by RASP Shareholders. The entitlement of any EVRAZ Shareholder (rather than EVRAZ itself) to receive the proceeds of such dividend or any other dividend declared by RASP before the date of the Demerger Dividend (currently expected to be 29 March 2022) will depend on whether, as a result of the Demerger, such EVRAZ Shareholder is listed on RASP's register of shareholders at the time of the relevant record date used by RASP to determine entitlement to such dividend.

11. **Dealings, Share Certificates and CREST**

11.1 **Dealings**

The Demerger Record Time for the Demerger is 6:00 p.m. on 15 February 2022 (or such other time and date as the EVRAZ Directors (or any duly authorised committee of them) may decide).

To be on the EVRAZ Share Register at the Demerger Record Time, transfers of EVRAZ Shares in uncertificated form through CREST must take place by 6:00 p.m. on 15 February 2022 and transfers in certificated form must be received by EVRAZ's Registrar, Computershare, by 6:00 p.m. on 14 February 2022.

11.2 **Uncertificated form**

RASP Shares can only be held in uncertificated form as a matter of Russian law. EVRAZ Shareholders who, at the Demerger Record Time, hold their EVRAZ Shares either in certificated form or in uncertificated form through CREST will in each case (subject to rounding down fractional entitlements) be transferred uncertificated RASP Shares into their Eligible Account as soon as reasonably practicable after 29 March 2022 (it is currently anticipated that the settlement date for the transfer of RASP Shares to Eligible Accounts will be 7 April 2022).

12. **Taxation**

Certain information about Russian, United Kingdom ("UK") and United States ("US") taxation issues in relation to the Capital Reduction Share Issue, Demerger and participation in the Share Sale Facility is set out in Part VII (*Taxation*). That summary relates only to the position of certain categories of EVRAZ Shareholders (as explained further in Part VII (*Taxation*) of this document), does not constitute tax advice and does not purport to be a complete analysis of all potential Russian, UK and US tax

consequences of the Demerger. Any person who is in any doubt as to their tax position, or who is subject to tax in any jurisdiction other than the Russian Federation, the UK or the US, should consult their own professional adviser without delay.

13. Fractional Entitlements

Entitlements to fractions of RASP Shares arising as a result of the Demerger Dividend will be aggregated and included in the Share Sale Facility, with EVRAZ retaining the proceeds of sale.

14. Overseas Shareholders

The implications of the Demerger for Overseas Shareholders may be affected by the laws of the jurisdiction in which they are resident or otherwise located. Overseas Shareholders should inform themselves about and observe all applicable legal requirements.

It is the responsibility of any person into whose possession this document comes to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the Demerger Dividend and Capital Reduction, including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any taxes or levies due in such jurisdiction.

15. General Meeting and Action to be Taken

Completion of the Demerger is conditional upon, among other things, EVRAZ Shareholders' approval being obtained at the General Meeting. Accordingly, you will find set out at the end of this document a notice convening a General Meeting to be held at Linklaters LLP, One Silk Street, London EC2Y 8HQ at 11:00 a.m. on 11 January 2022.

Attendees will be required to comply with any UK Government guidance in force at the time of the General Meeting. You should not attend the General Meeting if you are suffering from any COVID-19 symptoms, you have come into close contact with someone who has tested positive for COVID-19 or you are required to isolate in accordance with UK Government guidance for any reason including, but not limited to, as a result of travelling abroad. The EVRAZ Board will continue to monitor the COVID-19 situation closely and may need to make further adjustments to how the General Meeting is conducted. EVRAZ Shareholders planning to attend the meeting should therefore regularly check the Company's website and announcements for any further updates.

The Demerger Resolution (Resolution 1), which is an ordinary resolution, is proposed to approve the Demerger Dividend because (i) the Demerger qualifies as a Class 1 transaction for EVRAZ under the Listing Rules due to its size; and (ii) an *in specie* distribution will require such approval under the EVRAZ Articles once the EVRAZ Articles are amended pursuant to the Demerger Articles Amendment Resolution.

In addition, other Resolutions (Resolutions 2 to 4) will be considered at the General Meeting in order to enable the Demerger to be implemented in the manner set out in this document. The Demerger Articles Amendment Resolution, which is a special resolution, is proposed to approve the amendment of the EVRAZ Articles to enable the Demerger Dividend to be made to all EVRAZ Shareholders registered on the EVRAZ Share Register at the Demerger Record Time. The Capital Reduction Resolution, which is a special resolution, is proposed to approve the capitalisation of the Company's profit and loss reserve by way of a bonus issue of Capital Reduction Shares and, subject to confirmation from the Court, the subsequent reduction of the Company's share capital by the cancellation of the Capital Reduction Shares. The Share Sale Facility Resolution, which is a special resolution, is proposed to authorise the Company to sell the RASP Shares pursuant to the Share Sale Facility.

The Combined Meeting Articles Adoption Resolution (Resolution 5) which is proposed as a special resolution to approve the adoption of the New Articles to enable the EVRAZ Board to hold "hybrid" general meetings is separate to the Demerger and is not required to be passed in order for the Company to proceed with the Demerger.

Further details on the Resolutions to be considered at the General Meeting are set out in the "*Explanation of Resolutions to be put to the General Meetings*" at the end of the Notice of General Meeting.

16. Potential Risks

Discussion of existing and future material risks that relate to the Demerger, which you should take into account when considering whether to vote in favour of the Demerger Resolution, is set out at Part IV (*Risk Factors*).

17. Further Information

Your attention is drawn to the further information contained in Parts III (*Questions and answers on the Demerger*) to VIII (*Additional Information*) of this document. EVRAZ Shareholders should read the whole of this document and not rely solely on information summarised in this letter.

18. Recommendation

The EVRAZ Board considers the Demerger (and the Capital Reduction Share Issue and Capital Reduction needed to implement it) to be in the best interests of EVRAZ Shareholders as a whole.

Accordingly, the EVRAZ Board unanimously recommends EVRAZ Shareholders to vote in favour of the Resolutions, as the EVRAZ Directors intend to do so in respect of their beneficial holdings of 463,161,950 EVRAZ Shares, representing approximately 31.75% of the Company's existing issued ordinary share capital (excluding treasury shares) at the Latest Practicable Date.

While the Capital Reduction Shares can be issued to all EVRAZ Shareholders, there is no need for all EVRAZ Shareholders to be issued with Capital Reduction Shares (which will be cancelled shortly after being issued). Capital Reduction Shares will only be issued to those EVRAZ Shareholders who elect to receive them. Not receiving the Capital Reduction Shares to which an EVRAZ Shareholder is entitled will NOT affect the rights of any EVRAZ Shareholder to receive an entitlement to RASP Shares through the Demerger Dividend. In some jurisdictions, receipt of the Capital Reduction Shares may also lead to certain EVRAZ Shareholders incurring a tax charge.

The EVRAZ Board notes that the Share Sale Facility is intended to provide those EVRAZ Shareholders incapable of holding RASP Shares with the opportunity to sell, for cash, the RASP Shares to which they will be entitled following the Demerger. Neither the sale price nor the sale timeframe is guaranteed under the Share Sale Facility. The EVRAZ Board therefore recommends that EVRAZ Shareholders that are capable of holding RASP Shares take the necessary action to receive the RASP Shares to which they will be entitled and do not participate in the Share Sale Facility.

19. Financial Advice

In reaching its view that the Demerger (and the Capital Reduction Share Issue and Capital Reduction needed to implement it) is in the best interest of EVRAZ Shareholders as a whole, the EVRAZ Board has received financial advice from each of Citi and J.P. Morgan Cazenove in relation to the Demerger (and the Capital Reduction Share Issue and Capital Reduction needed to implement it). In providing its financial advice to the EVRAZ Board, Citi and J.P. Morgan Cazenove have each relied on the EVRAZ Board's commercial assessment of the Demerger, Capital Reduction Share Issue and Capital Reduction.

Yours faithfully

Alexander Abramov
Chairman

PART III

QUESTIONS AND ANSWERS ON THE DEMERGER

The following summary of questions and answers has been prepared to help you understand what the Demerger involves. You should read the whole of this document and not rely solely on the summary questions and answers set out below.

1. The Demerger

1.1 *What is the Demerger?*

The Demerger is the separation of the RASP Group from the EVRAZ Group. This will result in EVRAZ no longer holding any RASP Shares itself and each EVRAZ Shareholder receiving an entitlement to RASP Shares. The Demerger will be effected by EVRAZ declaring an *in specie* distribution of all of the RASP Shares it owns (being approximately 90.9% of the total ordinary shares in RASP) to EVRAZ Shareholders.

1.2 *Why is EVRAZ proposing the Demerger?*

The EVRAZ Board and management of EVRAZ have conducted a comprehensive review of the rationale and feasibility of the Demerger and have concluded that the separation of the two businesses serves the long-term interests of EVRAZ Shareholders, employees, clients and other stakeholders.

The Demerger will result in the creation of two distinct publicly listed businesses with leading positions in their respective fields and will allow each to pursue tailored strategic, capital allocation and sustainability objectives. In particular, the EVRAZ Board believes the Demerger will benefit the stakeholders of the separate businesses in the following areas:

- **Increased transparency over sustainability performance and goals:** Allowing each business to concentrate on its respective sustainability priorities, enhancing accountability for sustainability performance, and the definition and delivery of future strategy;
- **Tailored capital allocation:** Enabling each business to adopt a capital allocation framework balancing its individual cash flow profile, growth investment strategy and capital to return priorities;
- **Independent growth strategy for RASP:** Allowing RASP to independently implement its strategy and pursue growth opportunities with dedicated financial and human resources; and
- **Differentiated value proposition:** Establishing a clear and focused equity story for each of EVRAZ, as a leading global producer of steel, iron ore and vanadium, and RASP, as a leading producer of high-quality metallurgical coal.

1.3 *How will the Demerger be implemented?*

The Demerger is conditional upon, among other things, the passing of the relevant Resolutions to be proposed at the General Meeting and the Court confirming the Capital Reduction. Assuming the conditions are satisfied, the Demerger of the RASP Group from the EVRAZ Group will be effected by EVRAZ declaring an *in specie* distribution of all of the RASP Shares it owns (being approximately 90.9% of the total ordinary shares in RASP) to EVRAZ Shareholders.

The EVRAZ Board unanimously recommends that EVRAZ Shareholders vote in favour of the Resolutions.

1.4 *What does this mean for me?*

Assuming that the Demerger becomes effective, EVRAZ Shareholders registered on the EVRAZ Share Register at the Demerger Record Time are currently anticipated to receive (based on the current issued share capital of EVRAZ (excluding treasury shares)):

for each EVRAZ Share held at the Demerger Record Time

0.4255477880 of a RASP Share

1.5 *When will the Demerger Dividend be made?*

The Demerger Dividend is expected to occur on 29 March 2022 (at which point EVRAZ Shareholders on the EVRAZ Share Register at the Demerger Record Time will become entitled to their pro rata proportion of the RASP Shares being distributed by EVRAZ). EVRAZ Shareholders will continue to own their existing EVRAZ Shares unless they sell or transfer them in the usual course.

2. *Receipt of the RASP Shares*

2.1 *What do I need to do to receive my RASP Shares?*

EVRAZ Shareholders who wish to receive their RASP Shares should complete all steps necessary to receive their RASP Shares, in accordance with the instructions set out in Part I (*Action to be Taken*) by no later than 6:00 p.m. on 15 March 2022.

EVRAZ Shareholders who provide sufficient information to enable the RASP Shares to be deposited in their Eligible Account (being the RASP Shares Settlement Details) and who continue to hold their EVRAZ Shares at the Demerger Record Time will receive their RASP Shares as soon as reasonably practicable after 29 March 2022, provided that such EVRAZ Shareholder (or the holder of any Eligible Account on such EVRAZ Shareholder's behalf, where appropriate) complete all steps necessary to receive their RASP Shares as set out in Section 3 of Part I (*Action to be Taken*). It is currently anticipated that the settlement date for the transfer of RASP Shares to Eligible Accounts will be 7 April 2022.

2.2 *What account do I need to receive my RASP Shares?*

In order to receive RASP Shares, you will need to ensure you hold an Eligible Account (being an account with a direct or indirect participant of a clearing institution eligible to receive the RASP Shares (i.e. Euroclear, Clearstream or the NSD). Further details about the type of account you need to hold are set out in Section 3 of Part I (*Action to be Taken*).

2.3 *Can I receive cash instead of RASP Shares as a result of the Demerger?*

Every EVRAZ Shareholder will become entitled to RASP Shares following the Demerger Dividend. However, the EVRAZ Board recognises that some EVRAZ Shareholders may be restricted from holding RASP Shares or opening an Eligible Account or may be unable to open an Eligible Account. The Share Sale Facility is intended to provide such EVRAZ Shareholders with the opportunity to sell, for cash, the RASP Shares to which they will be entitled following the Demerger.

Under the Share Sale Facility, EVRAZ will procure the sale of those RASP Shares to which Share Sale Facility Participants will be entitled following the Demerger, and will then, upon the sale of all such RASP Shares, provide the cash proceeds of the Share Sale (net of dealing and conversion costs, as well as any fees, expenses, commissions and applicable taxes payable or incurred by EVRAZ or any third parties involved in implementing the Share Sale Facility) to Share Sale Facility Participants on a pro rata basis in US Dollars. Such cash proceeds will be provided to Share Sale Facility Participants in US Dollars either:

- for each EVRAZ Shareholder who holds its EVRAZ Shares in certificated form, by way of a cheque being dispatched to such EVRAZ Shareholder by ordinary post to its address as recorded on the EVRAZ Share Register at such EVRAZ Shareholder's own risk; or
- for each EVRAZ Shareholder who holds its EVRAZ Shares in uncertificated form through CREST, by the creation of an assured payment obligation in favour of the CREST account through which such EVRAZ Shareholder holds such EVRAZ Shares in uncertificated form,

in each case no more than 20 Business Days following the settlement date of the relevant trade to sell the last RASP Share(s) to be sold pursuant to the Share Sale Facility. Further details

regarding the Share Sale Facility are set out in Section 5 of Part II (*Letter from the Chairman of EVRAZ plc*).

The EVRAZ Board notes that neither the sale price nor the sale timeframe is guaranteed under the Share Sale Facility. The EVRAZ Board therefore recommends that EVRAZ Shareholders that are capable of holding RASP Shares take the necessary action to receive the RASP Shares to which they will be entitled and do not participate in the Share Sale Facility.

The Major Shareholders have provided an undertaking to the Company to receive the RASP Shares to which they will be entitled following the Demerger Dividend and not to sell such RASP Shares through the Share Sale Facility.

All EVRAZ Shareholders will be entitled to sell their EVRAZ Shares or, following their receipt, their RASP Shares, in the usual course as well.

2.4 *What if I am unable to receive, or incapable of holding, RASP Shares?*

Any EVRAZ Shareholder who is unable to receive, or is incapable of holding, RASP Shares should **not** take the steps set out in Section 3.1 of Part I (*Action to be Taken*). Any EVRAZ Shareholder who does not take such steps will, from 6:00 p.m. on 15 March 2022, automatically be deemed to be an EVRAZ Shareholder incapable of holding RASP Shares (a Share Sale Facility Participant) and the RASP Shares to which they are entitled will be sold pursuant to the Share Sale Facility.

2.5 *Will I have to pay any tax as a result of the Demerger?*

A summary of the general tax consequences of the Capital Reduction Share Issue, Demerger and participation in the Share Sale Facility is set out in Part VII (*Taxation*). The summary is intended as a guide only. EVRAZ Shareholders who are in doubt about their tax position are strongly advised to contact an appropriate professional, independent adviser immediately.

3. *Voting and eligibility*

3.1 *Why am I being sent this document?*

Due to its size, the Demerger qualifies as a Class 1 transaction under the Listing Rules for EVRAZ and so requires the approval of EVRAZ Shareholders at the General Meeting.

In addition, other Resolutions will be considered at the General Meeting in order to enable the Demerger to be implemented in the manner set out in this document.

The Demerger Articles Amendment Resolution, which is a special resolution, is proposed to approve the amendment of the EVRAZ Articles to enable the Demerger Dividend to be made to all EVRAZ Shareholders registered on the EVRAZ Share Register at the Demerger Record Time. The Capital Reduction Resolution, which is a special resolution, is proposed to approve the capitalisation of the Company's profit and loss reserve by way of a bonus issue of Capital Reduction Shares and, subject to confirmation from the Court, the subsequent reduction of the Company's share capital by the cancellation of the Capital Reduction Shares. The Share Sale Facility Resolution, which is a special resolution, is proposed to authorise the Company to sell the RASP Shares pursuant to the Share Sale Facility.

Separately, the Combined Meeting Articles Adoption Resolution which is proposed as a special resolution to approve the adoption of the New Articles to enable the EVRAZ Board to hold "hybrid" general meetings is separate to the Demerger and is not required to be passed in order for the Company to proceed with the Demerger.

This document, sometimes referred to as the "Circular", contains information to assist you in your voting decision.

The General Meeting is to be held at Linklaters LLP, One Silk Street, London EC2Y 8HQ on 11 January 2022 at 11:00 a.m. and the Notice of General Meeting is set out at the end of this document.

3.2 Who is eligible to participate in the Demerger?

EVRAZ Shareholders registered on the EVRAZ Share Register at the Demerger Record Time will be able to participate in the Demerger.

3.3 When must an issue or transfer of EVRAZ Shares to me be recorded on the EVRAZ Share Register if I am to be a registered holder of EVRAZ Shares and able to participate in the Demerger?

The issue or transfer of EVRAZ Shares must be recorded on the EVRAZ Share Register by 6:00 p.m. on 15 February 2022 (or such other time and/or date as the EVRAZ Directors may determine) if you are to be the registered holder of EVRAZ Shares by the Demerger Record Time and be able to participate in the Demerger.

3.4 How do I vote?

EVRAZ Shareholders should read the Notice of General Meeting at the end of this document for the full text of the Resolutions. Even if you cannot attend the General Meeting, you can still make your vote count by voting by proxy.

You can appoint a proxy by registering the proxy appointment electronically on the website at www.investorcentre.co.uk/eproxy or by using the QR Code printed on the Form of Proxy. Alternatively, you can submit a CREST Proxy Instruction by using the CREST electronic proxy instruction service; or you can complete and return the Form of Proxy. The appointment of a proxy will not prevent an EVRAZ Shareholder from subsequently attending, voting and speaking at the General Meeting in person, in which case any votes of the proxy will be superseded.

To be effective, the instrument appointing a proxy and any authority under which it is signed (or a notarially certified copy of such authority) for the General Meeting must be submitted online or returned to Computershare at The Pavilions, Bridgwater Road, Bristol BS99 6ZY by 11:00 a.m. on 7 January 2022.

It is important that as many votes as possible are cast. Whether or not you plan to attend the General Meeting in person, you are encouraged to complete and return your Form of Proxy as soon as possible. Subject to any restrictions in place as a result of the ongoing COVID-19 situation, the completion and return of a Form of Proxy will not preclude you from attending and voting in person at the General Meeting if you wish to do so and are so entitled.

3.5 What will happen if the relevant Resolutions are not passed by EVRAZ Shareholders?

If any of the relevant Resolutions are not passed by EVRAZ Shareholders, the RASP Group will not separate from the EVRAZ Group and will continue to form a part of the EVRAZ Group. As long as the RASP Group remains a part of the EVRAZ Group, EVRAZ Shares will also represent an interest in the RASP Group, as they do today.

3.6 What will happen to fractional entitlements?

Entitlements to fractions of RASP Shares arising as a result of the Demerger Dividend will be aggregated and included in the Share Sale Facility, with EVRAZ retaining the proceeds of sale.

3.7 What are the relevant voting thresholds for approval?

Resolution 1 (the Demerger Resolution) is an ordinary resolution and must be approved by over 50% of shareholder votes cast to pass at the General Meeting.

Resolutions 2-5 (the Demerger Articles Amendment Resolution, Capital Reduction Resolution, Share Sale Facility Resolution and Combined Meeting Articles Adoption Resolution) are special resolutions and must be approved by a majority of not less than 75% of shareholder votes cast to pass at the General Meeting.

3.8 How does the EVRAZ Board recommend I vote?

The EVRAZ Board unanimously recommends that you vote in favour of the Resolutions to be considered at the General Meeting. Each EVRAZ Director intends to vote all EVRAZ Shares that he/she owns or controls in favour of the Resolutions.

4. EVRAZ Shares and RASP Shares

4.1 *What will be the price of EVRAZ Shares and RASP Shares upon completion of the Demerger?*

There is no certainty as to the price of EVRAZ Shares and RASP Shares following the Demerger. The price at which EVRAZ Shares and RASP Shares may be quoted, and the price which investors may realise for such shares, will be influenced by a large number of factors. Some of these may be specific to either the Post-Demerger EVRAZ Group or the RASP Group and their respective operations, and others may affect the industries in which they operate, other comparable companies or publicly traded companies as a whole.

Immediately following the Demerger, there is likely to be a drop in the price of the EVRAZ Shares to reflect the Demerger and the value of the RASP Group being demerged to EVRAZ Shareholders.

4.2 *Can RASP Shares be held in certificated form?*

RASP Shares can only be held in uncertificated form as a matter of Russian law. Thus, EVRAZ Shareholders who, at the Demerger Record Time, hold their EVRAZ Shares either in certificated form or in uncertificated form through CREST will in each case (subject to rounding down fractional entitlements) be transferred their pro rata proportion of uncertificated RASP Shares into their Eligible Account as soon as reasonably practicable after 29 March 2022. It is currently anticipated that the settlement date for the transfer of RASP Shares to Eligible Accounts will be 7 April 2022.

4.3 *Who is the registrar for RASP?*

RASP's registrar is Joint Stock Company "Independent Registrar Company R.O.S.T.". For more information about RASP's registrar, please visit: <https://rrost.ru/en/>.

4.4 *Who is the auditor of RASP?*

RASP's auditor of financial statements under IFRS is Ernst & Young LLC. RASP's auditor of financial statements under Russian Accounting Standards is FBK Grant Thornton.

4.5 *Where is RASP listed?*

RASP is listed on the Moscow Exchange (ticker: RASP) and currently has a free float of approximately 6.6% ordinary shares (with an additional approximately 2.5% ordinary shares held in treasury which are anticipated to be cancelled shortly after RASP's general shareholders' meeting scheduled for 27 January 2022). In addition, as a result of the Demerger, it is expected that RASP's free-float will increase from 6.6% ordinary shares to 46.28% ordinary shares.

4.6 *What will be the impact of the Demerger on EVRAZ's dividends?*

Following the Demerger, the EVRAZ Board does not intend to amend the current EVRAZ dividend policy. However, the RASP Group currently contributes to the underlying profit after tax of the EVRAZ Group and, following the Demerger, the EVRAZ Group will no longer receive this contribution and this could therefore impact the amount of future dividends.

The EVRAZ Group's dividend policy anticipates dividend payments to shareholders of a minimum of US\$300 million per annum, provided that the EVRAZ Group's net debt/EBITDA ratio remains below 3x. In addition, the EVRAZ Board may consider further distributions of free cash flow available after implementing its investment programme to support the business. The additional distributable reserves of US\$8,200,000,000 to be generated as a result of the Capital Reduction Share Issue and Capital Reduction will be used to effect the Demerger, with any excess improving EVRAZ's ability to pay dividends going forwards, subject to the ordinary course commercial considerations and approvals of the EVRAZ Board.

The Demerger will not affect the EVRAZ Shareholders' entitlement to receive the interim dividend of around US\$291.7 million declared on 14 December 2021, equivalent to US\$0.20 per EVRAZ Share at that time.

4.7 Will the Demerger have an effect on the FTSE indexation of EVRAZ?

No, EVRAZ is expected to remain eligible for inclusion in the FTSE UK Index Services, including the FTSE 100 Index, following completion of the Demerger.

4.8 Will there be any change to the corporate governance of EVRAZ, or the application of the UK Takeover Code to EVRAZ, following completion of the Demerger?

No. The EVRAZ Shares will continue to be admitted to the premium listing segment of the Official List of the FCA and will continue to be traded on the main market for listed securities of the London Stock Exchange. The Post-Demerger EVRAZ Group will continue to comply with the UK Corporate Governance Code and will also remain subject to the UK Takeover Code.

4.9 How can I sell the RASP Shares that I received after the Demerger?

You should consult with, and instruct, your broker or other authorised person regarding the sale of RASP Shares received as part of the Demerger. For information purposes, the average daily trading volumes for the last three months (calculated as at the Latest Practicable Date and based on Bloomberg data) were 1,864,971 RASP Shares. In addition, as a result of the Demerger, it is expected that RASP's free-float will increase from 6.6% ordinary shares to 46.28% ordinary shares.

5. Ongoing relationship between the EVRAZ Group and the RASP Group

5.1 Will the RASP Group and the EVRAZ Group operate as separate businesses following the Demerger?

EVRAZ and RASP will operate as separate companies following the Demerger and neither company will have a shareholding in the other (save for the RASP Shares held by EVRAZ on behalf of Share Sale Facility Participants to be sold under the Share Sale Facility and EVRAZ will not exercise any voting rights attached to such shares).

The Major Shareholders, who currently hold 57.61% of the EVRAZ Shares, are expected to hold at least 53.72% of the shares in RASP following the Demerger. RASP will therefore be considered a "related party" to EVRAZ under the Listing Rules following the Demerger.

5.2 Will there be an ongoing relationship between the RASP Group and the EVRAZ Group following the Demerger?

Certain existing supply, service and other agreements between EVRAZ and RASP are expected to remain in effect following completion of the Demerger. RASP currently provides approximately 70% of EVRAZ's metallurgical coal supply requirements needed to support its operations. In order for such supplies to continue, two EVRAZ Group entities and RASP have entered into two new, long-term coal offtake agreements pursuant to which RASP will provide EVRAZ with up to approximately 60% of the Post-Demerger EVRAZ Group's coal requirements for the purposes of steel production. The Strategic Cooperation Deed has also been entered into by EVRAZ and RASP to govern interactions between the parties in respect of such arrangements (similar to a transitional services agreement). EVRAZ will also continue to buy metallurgical coal from RASP for the purposes of coal trading pursuant to the EMAG Trading Agreement.

Certain entities in the EVRAZ Group and the RASP Group have agreed to provide (or procure that relevant members of the EVRAZ Group and the RASP Group, respectively, provide) certain administrative and support services to the other following the Demerger. EVRAZ and RASP shall endeavour to procure the termination of all such service arrangements on or before 1 January 2023 and shall in good faith discuss whether any further services shall be provided by the Post-Demerger EVRAZ Group to the RASP Group (and vice versa) after that time.

Further information on the agreements in place to govern the future relationship between the EVRAZ Group and the RASP Group is set out in Section 15 of Part VIII (*Additional Information*).

6. The Capital Reduction

6.1 ***Why is EVRAZ undertaking the Capital Reduction Share Issue and Capital Reduction?***

EVRAZ does not currently have sufficient distributable reserves to make the Demerger Dividend (and therefore effect the Demerger). As an interim step, it is therefore proposed that EVRAZ issues the Capital Reduction Shares (and cancels these shares shortly afterwards by undertaking the Capital Reduction) in order to create sufficient distributable reserves to enable the Demerger to be implemented in the manner set out in this document. The surplus distributable reserves generated (beyond those required for the Demerger Dividend) will also improve EVRAZ's ability to pay future dividends, subject to the ordinary course commercial considerations and approvals of the EVRAZ Board.

6.2 ***Do I have to participate in the Capital Reduction Share Issue?***

There is no obligation on EVRAZ Shareholders to participate in the Capital Reduction Share Issue and **there is no need to do so**. The Major Shareholders have provided an undertaking to receive Capital Reduction Shares to effect the Capital Reduction in the manner contemplated by this document. In some jurisdictions, receipt of the Capital Reduction Shares may also lead to certain EVRAZ Shareholders incurring a tax charge. No market will exist in the Capital Reduction Shares and it is anticipated that the Court will confirm their cancellation at the Court Hearing shortly after the date on which they are issued.

6.3 ***What happens if I choose not to participate in the Capital Reduction Share Issue?***

EVRAZ Shareholders who choose not to elect to receive the Capital Reduction Shares will not receive Capital Reduction Shares in the manner set out in this document. **Not receiving the Capital Reduction Shares to which an EVRAZ Shareholder is entitled will NOT affect the rights of any EVRAZ Shareholders to receive an entitlement to RASP Shares through the Demerger Dividend.**

6.4 ***Will my shareholding be diluted as a result of the Capital Reduction Share Issue?***

It is not anticipated that the Capital Reduction Share Issue will affect the rights of any EVRAZ Shareholder.

The Capital Reduction Shares will not be admitted to trading on the Main Market of the London Stock Exchange or any other market. No share certificates will be issued in respect of the Capital Reduction Shares. The Capital Reduction Shares will have extremely limited rights. In particular, the Capital Reduction Shares will carry no rights to vote, no rights to participate in the profits of the Company and no rights to participate in the Company's assets, save on a deeply deferred basis on a winding-up. The Capital Reduction Shares will be transferable, but no market will exist in them and it is anticipated that the Court will confirm their cancellation at the Court Hearing shortly after the date on which they are issued.

6.5 ***Will I still receive the Demerger Dividend if I do not participate in the Capital Reduction Share Issue?***

EVRAZ Shareholders who choose not to elect to receive the Capital Reduction Shares will continue to be entitled to the Demerger Dividend provided that they continue to hold EVRAZ Shares at the Demerger Record Time (provided the outstanding conditions to the Demerger are satisfied and the EVRAZ Board does not make the decision to stop proceeding with the implementation of the Demerger).

7. Further questions?

If you have any queries, please contact Computershare on 0370 873 5848 from within the UK or on +44 (0) 370 873 5848 if calling from outside the UK. Calls are charged at the standard geographic rate and will vary by provider and different charges may also apply to calls from mobile telephones. The helpline is open 8:30 a.m. – 5:30 p.m., Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes.

The helpline operator cannot provide advice on the merits of the Demerger nor give any financial, legal or tax advice.

PART IV

RISK FACTORS

This section addresses the existing and future material risks that relate to the Demerger and EVRAZ Shareholders should carefully consider the risks and uncertainties described below, together with all other information in this document before deciding whether to vote in favour of the Resolutions. The risk factors in this document set out the necessary disclosure in accordance with the Listing Rules and EVRAZ Shareholders should note that the risk factors set out below do not purport to be a complete list or explanation of all risk factors which may affect the Demerger, the Post-Demerger EVRAZ Group, the RASP Group, the EVRAZ Shares or the RASP Shares. Additionally, some risks may be unknown to EVRAZ and other risks, currently believed to be immaterial, could turn out to be material. All of these could materially and adversely affect the business, financial condition, results of operations and prospects of the Post-Demerger EVRAZ Group or the RASP Group. The market price of the EVRAZ Shares and RASP Shares could decline due to any of these risks and EVRAZ Shareholders may lose all or part of their investment.

EVRAZ Shareholders should read this document as a whole and not rely solely on the information set out in this section. Any forward-looking statements contained in this Part IV are made subject to the reservations specified under “Forward-looking Statements” on pages 7 and 8 of this document.

1. Risks relating to both the Post-Demerger EVRAZ Group and the RASP Group as a result of the Demerger

1.1 The Demerger may fail to realise some or all of its anticipated benefits

There can be no guarantee that either the Post-Demerger EVRAZ Group or the RASP Group will realise any or all of the anticipated benefits of the Demerger, either in a timely manner or at all.

Some or all of the potential benefits of the Demerger may not be achieved, as a result of circumstances outside the control of the EVRAZ Group or the RASP Group. The Post-Demerger EVRAZ Group and the RASP Group will each face a number of challenges relating to the implementation of the Demerger and operating as a standalone business. There may be adverse financial, operational, customer and reputational implications if either fails (either wholly or in part) to meet these challenges. Additional costs and management resources may also be required to address any issues, whether they arise from any failure to meet the challenges of separation and operating successfully as independent businesses or from external factors. Failure to realise the anticipated benefits of the Demerger could have an adverse effect on the Post-Demerger EVRAZ Group's and/or the RASP Group's business, financial condition, results of operations and prospects.

1.2 The EVRAZ Group and the RASP Group will have indemnification obligations in favour of each other after the Demerger, which could be significant

EVRAZ and RASP have entered into the Demerger Agreement which governs the allocation of the assets and liabilities of the businesses between the Post-Demerger EVRAZ Group and the RASP Group and their post-Demerger obligations to each other in respect of, among other things, their mutual obligations relating to the allocation of historical liabilities.

Subject to certain conditions contained in the Demerger Agreement, EVRAZ and RASP have agreed to ensure that, following the Demerger, historical liabilities (as well as any future liabilities which are referable to events which occurred before completion of the Demerger) relating to the steel and coal business are to be borne by the Post-Demerger EVRAZ Group and RASP Group (respectively). Therefore, if any such steel liabilities would otherwise have been incurred by the RASP Group, the Post-Demerger EVRAZ Group shall (1) ensure that all such liabilities are either novated or otherwise transferred to it or released or (2) indemnify the RASP Group against all such liabilities, provided that any such claim may only be filed within three years after completion of the Demerger. The same approach applies to relevant coal liabilities which would otherwise have been borne by the Post-Demerger EVRAZ Group. Such mutual indemnity undertakings are capped at US\$100 million for each of EVRAZ and RASP.

Claims made under such mutual cross-indemnities by the indemnified party are, subject to the right of the indemnifying party to defend any such claim, required to be paid by the indemnifying party. Any potential liability of each of EVRAZ and RASP under such mutual indemnities is capped at US\$100 million.

Any claim relating to the above re-allocation of liabilities (including an indemnity claim) is limited by time, i.e. a notice of such claim must be filed within three years after completion of the Demerger.

Although it is not anticipated that the Post-Demerger EVRAZ Group or the RASP Group will be liable under the above liability re-allocation provisions (including being required to pay any amount pursuant to the indemnity obligations), if the respective liabilities accepted and/or the amounts payable are substantial, this could have an adverse effect on the Post-Demerger EVRAZ Group's and the RASP Group's financial condition and/or results of operations.

1.3 *The cross-indemnities in the Demerger Agreement are capped and claims related to the allocation of liabilities (including indemnity claims) are limited by time*

As noted in Section 1.2 above, subject to certain conditions contained in the Demerger Agreement, the Post-Demerger EVRAZ Group and the RASP Group have agreed to indemnify each other and to otherwise allocate the historical liabilities between them, and these indemnification obligations and liabilities could be large. However, given that the mutual indemnities are capped and notices of claims in respect of such indemnities and other liability allocation provisions may be submitted only within three years after completion of the Demerger, there is also a risk that the indemnified party is not covered for the full amount of a liability (to the extent any such liability (indemnity payment in respect of which is to be made) exceeds the above capped amount or is discovered after expiry of the above three years).

1.4 *The market price of EVRAZ Shares and RASP Shares may go down as well as up*

EVRAZ Shareholders should be aware that the value of an investment in the Post-Demerger EVRAZ Group and in the RASP Group may go down as well as up and can be highly volatile. The price at which EVRAZ Shares and RASP Shares may be quoted and the price which investors may realise for their EVRAZ Shares and RASP Shares will be influenced by a large number of factors, some specific to the Post-Demerger EVRAZ Group or the RASP Group and their respective operations, and some which may affect their respective industries as a whole, other comparable companies or publicly traded companies as a whole.

The sentiments of the public market regarding the Demerger will be one such factor. The EVRAZ Directors are unable to predict whether a substantial number of EVRAZ Shares will be sold in the open market following completion of the Demerger. Further, a substantial number of RASP Shares may be sold in the open market following completion of the Demerger pursuant to the Share Sale Facility. There can be no guarantee as to how many RASP Shares will be sold pursuant to the Share Sale Facility, but the Major Shareholders have provided an undertaking to the Company to receive the RASP Shares to which they will be entitled following the Demerger Dividend and not to sell such RASP Shares through the Share Sale Facility. If all EVRAZ Shareholders (excluding the Major Shareholders) were to participate in the Share Sale Facility, this would result in approximately 263,128,408 RASP Shares being sold. Sales of a substantial number of EVRAZ Shares and/or RASP Shares in the public market after the Demerger, or the perception that these sales might occur, could depress the market price of EVRAZ Shares and/or RASP Shares. This potential factor, together with other factors including the actual or anticipated fluctuations in the financial performance of the Post-Demerger EVRAZ Group, the RASP Group and its competitors, market fluctuations and/or generally those affecting consumers could lead to the market price of EVRAZ Shares and/or RASP Shares going up or down.

1.5 *The future imposition of sanctions could materially adversely affect the economic environment in Russia, including the business, financial condition, results of operations and prospects of the Post-Demerger EVRAZ Group and/or the RASP Group*

In recent years, the U.S., the EU and the UK have imposed sanctions on a number of Russian persons, including current and former officials, businessmen, banks and companies, as well as companies owned or controlled by such individuals or entities, resulting in U.S., EU and UK

persons not being able to do business with such sanctioned persons or provide funds or economic resources to them and, in certain cases, the assets of such sanctioned persons in the relevant sanctioning jurisdictions being blocked. In addition, the U.S., the EU and the UK have imposed “sectoral” sanctions on entities operating in financial, oil and gas and military sectors of the Russian economy, restricting, among other things, the ability of such entities to access the capital markets or otherwise obtain funding from U.S., EU and UK persons. The U.S. executive order implementing sectoral sanctions also permits sanctions to be applied against companies in the metals and mining sectors.

The current sanctions regime is a result of multiple extensions by the U.S., the EU and the UK in the term and scope of sanctions.

Neither EVRAZ nor RASP is currently subject to any sanctions, however, there can be no assurances that sanctions will not be further expanded to companies in the metals and mining sector, and that any member of the Post-Demerger EVRAZ Group or RASP Group will not become subject to any U.S., EU and/or UK or other sanctions in the future. In this case, the Post-Demerger EVRAZ Group and/or the RASP Group could be restricted from accessing Western capital markets, acquiring certain U.S., EU or UK manufactured equipment, which could cause difficulties in the implementation of investment projects and securing supplies of imported equipment, or face other restrictions that may have a material adverse effect on the business, financial condition, results of operations and prospects of the Post-Demerger EVRAZ Group and/or the RASP Group.

2. Risks relating to the Demerger not proceeding

2.1 *The Demerger may not complete*

Completion of the Demerger is subject to the satisfaction of certain conditions which include, but are not limited to, approval of the relevant Resolutions by the EVRAZ Shareholders at the General Meeting as well as the Court’s approval of the Capital Reduction.

There can be no assurance that these conditions will be satisfied. In the event that any condition is not satisfied, including the failure of the relevant Resolutions to be passed by EVRAZ Shareholders at the General Meeting and/or the decision of the Court not to approve the Capital Reduction, the Demerger will not proceed. There are costs associated with the implementation of the Demerger which will still be payable if the Demerger does not proceed.

Failure to complete the Demerger may have an adverse effect on the reputation of the EVRAZ Group and on the external perception of its ability to implement large-scale projects successfully. This may be the case even where the failure to implement the Demerger is due to factors outside the control of the EVRAZ Group. In addition, the EVRAZ Group’s management and employees would have spent time in connection with the Demerger, which could otherwise have been spent more productively in connection with the other activities of the EVRAZ Group. The aggregate consequences of a failure to complete the Demerger could have an adverse effect on the business, financial condition, results of operations and prospects of the EVRAZ Group.

2.2 *Completion of the Demerger is subject to further approval by the EVRAZ Board*

Notwithstanding that, as at the date of this Circular, the EVRAZ Board supports the Demerger and unanimously recommends that EVRAZ Shareholders vote in favour of the Resolutions, the EVRAZ Board is entitled to decide not to proceed with the Demerger at any time prior to completion of the Demerger. Therefore, the Demerger will not complete if circumstances change such that the EVRAZ Board no longer considers that the Demerger would be in the best interests of EVRAZ Shareholders as a whole. Such circumstances could include a material adverse change in general market conditions, resulting from, or relating to, the COVID-19 pandemic and potential (geo)political events.

2.3 *If the Demerger does not proceed, EVRAZ Shareholders, EVRAZ and RASP would be unable to realise the anticipated opportunities and benefits of the Demerger*

The decision to undertake the Demerger was taken because there are a number of potential opportunities and benefits that both the Post-Demerger EVRAZ Group and the RASP Group may be able to realise as a result of operating as distinct and legally separate groups with different

strategic, operational and economic characteristics with their own dedicated management teams, as set out in Section 3 of Part II (*Letter from the Chairman of EVRAZ plc*).

If the Demerger does not proceed, the RASP Group will remain part of the EVRAZ Group, which may: (i) result in a delay in the execution of the strategic objectives of the EVRAZ Group and the RASP Group; (ii) have a disruptive effect on management and employees of the EVRAZ Group and/or RASP Group; or (iii) prevent the anticipated benefits and opportunities that the EVRAZ Directors believe will result from the Demerger being realised. This could have an adverse effect on the EVRAZ Group's business, financial condition, results of operations and prospects.

3. Risks relating to the Post-Demerger EVRAZ Group (in the context of the Demerger)

3.1 *Following the Demerger, the EVRAZ Group will form a smaller, less diversified group*

Following the Demerger, EVRAZ will no longer own the companies and assets that comprise the RASP Group and there will be no ongoing contributions by the RASP Group to the central cash balances and profit of the Post-Demerger EVRAZ Group. Accordingly, EVRAZ will be smaller and less diversified than it is currently.

As a result of the reduction in EVRAZ's size and diversification, should any part of its business underperform (including, in particular, the steel market on which the EVRAZ Group's business will be increasingly focused), this may have a larger relative impact on the Post-Demerger EVRAZ Group than it would have done prior to the Demerger. In addition, consistent with its smaller size, the overall amount of any future debt or equity financing which EVRAZ may obtain may be less, and the terms less favourable, than if the Demerger had not occurred.

3.2 *Greater uncertainty regarding the future supply of coal*

Following the Demerger, the Post-Demerger EVRAZ Group will no longer be a coal producer. The RASP Group will continue supplying:

- (a) metallurgical coal for the purposes of the Post-Demerger EVRAZ Group's steel production; and
- (b) by-products of metallurgical coal mining and enrichment processes as steam coal for operations of the power plant of JSC «EVRAZ ZSMK» in summer and autumn periods,

on the basis of the Coal Offtake Agreements (which will terminate after approximately five years following completion of the Demerger) as in particular set out in the Strategic Cooperation Deed.

The EVRAZ Group purchases from the RASP Group metallurgical coal (Gas-Fat (GZh), Fat (Zh), Coking (K), Coking-Caking (KS), Mearge-Caking (OS) and middling product) for the purposes of the EVRAZ Group's steel production as well as by-products of metallurgical coal mining and enrichment processes as steam coal which is supplied to the JSC «EVRAZ ZSMK» power plant. Historically, in the ordinary course of its business, the EVRAZ Group has satisfied approximately 78% of its annual requirements of metallurgical coal for production purposes by way of purchases from the RASP Group pursuant to framework supply agreements. The remainder of the EVRAZ Group's requirements for metallurgical coal have been satisfied through spot purchases from third parties.

The RASP Group will also supply bituminous coal to the Post-Demerger EVRAZ Group pursuant to the EMAG Trading Agreement, with EMAG re-selling the coal purchased from the RASP Group, applying arm's length margins.

Notwithstanding the terms agreed under the Strategic Cooperation Deed, the Coal Offtake Agreements, the EMAG Trading Agreement or any other arrangements that may be entered into between the Post-Demerger EVRAZ Group and the RASP Group, there can be no guarantee that the supplies thereunder will be provided or will be provided on time and to the standards required by the Post-Demerger EVRAZ Group (for instance, if the RASP Group fails to make the necessary financial investment into its assets required for coal production or breaches the supply arrangements for any other reason).

Despite the availability of alternative metallurgical coal suppliers, any such failure or delay in the metallurgical coal supply may result in business interruptions for the Post-Demerger EVRAZ

Group, which may have a material adverse effect on its overall business operations, operating results, prospects and financial conditions.

4. Risks relating to the RASP Group (in the context of the Demerger)

4.1 *Greater uncertainty regarding the future sale of coal*

In 2020, the RASP Group sold approximately one-third of its total coal production to the EVRAZ Group, with the remaining two-thirds of the RASP Group's production being sold to third parties. Notwithstanding the terms agreed under the Strategic Cooperation Deed, the Coal Offtake Agreements, the EMAG Trading Agreement or any other arrangements that may be entered into between the Post-Demerger EVRAZ Group and the RASP Group, there can be no guarantee that the sales thereunder will be effected (for instance, if the Post-Demerger EVRAZ Group fails to make the necessary payments required under the above arrangements for any reason).

4.2 *Third parties may terminate or seek to modify existing contracts with the RASP Group as a result of the Demerger*

Certain agreements to which the RASP Group is party may require amendment or renegotiation to the extent that the counterparty will continue to receive or provide services from or to the RASP Group. Counterparties may seek to renegotiate the contracts on terms less favourable to the RASP Group.

In addition, some of the contracts to which the RASP Group is, or following the Demerger will be, a party contain "change of control" or similar clauses that allow the counterparty to terminate or change the terms of their contract as a result of the Demerger, or may otherwise enable the counterparty to seek to modify the terms of the existing contract. This is especially relevant for contracts with longer contractual terms. There can be no assurance that the RASP Group will be able to contract on the same terms as EVRAZ has done prior to completion of the Demerger.

If a large number of third-party consents cannot be obtained, or the terms of such contracts are modified in a manner that is adverse to any of the RASP Group or the Post-Demerger EVRAZ Group, there may be a material adverse effect on the business, financial performance, results of operations and prospects of the RASP Group and/or the Post-Demerger EVRAZ Group.

4.3 *The low liquidity of RASP Shares may impact the ability of new RASP Shareholders to exit their position*

RASP currently has a free float of around 6.6% ordinary shares on the Moscow Exchange. Partly as a result of the current size of the free float of the RASP Shares, there has historically been relatively low liquidity in trading of RASP Shares. EVRAZ Shareholders who receive RASP Shares may therefore find that there is insufficient liquidity in the market to sell their RASP Shares, particularly with RASP Shares also being sold pursuant to the Share Sale Facility.

4.4 *The price at which RASP Shares are sold under the Share Sale Facility may not equal the market price of the RASP Shares at the date of this Circular or immediately following the Demerger*

The price at which RASP Shares are sold under the Share Sale Facility will vary from time to time in accordance with fluctuations in the underlying valuation of RASP Shares. Whilst EVRAZ currently intends that the RASP Shares will be sold over a period of time in an orderly fashion, there remains a risk that an increase in the number of RASP Shares being sold on the public markets following the Demerger will depress the price of RASP Shares and result in EVRAZ Shareholders who participate in the Share Sale Facility receiving considerably less consideration than if their entitlement to RASP Shares was sold on an alternative date. There can be no guarantee as to how many RASP Shares will be sold pursuant to the Share Sale Facility, but the Major Shareholders have provided an undertaking to the Company to receive the RASP Shares to which they will be entitled following the Demerger Dividend and not to sell such RASP Shares through the Share Sale Facility. If all EVRAZ Shareholders (excluding the Major Shareholders) were to participate in the Share Sale Facility, this would result in approximately 263,128,408 RASP Shares being sold. There is therefore no guarantee as to what price Share Sale Facility Participants will receive for their RASP Shares. The sale proceeds in respect of the RASP Shares sold pursuant to the Share Sale Facility will be retained by EVRAZ until all of the RASP Shares

to be sold pursuant to the Share Sale Facility have been sold. The cash proceeds received by Share Sale Facility Participants will also be net of dealing and conversion costs, as well as any fees, expenses, commissions and applicable taxes payable or incurred by EVRAZ or any third parties involved in implementing the Share Sale Facility.

4.5 *Ongoing reliance on, and potential disruption to, services provided by the Post-Demerger EVRAZ Group to the RASP Group*

Following the Demerger, certain entities in the Post-Demerger EVRAZ Group will provide certain administrative and support services to the RASP Group, including accounting, IT, treasury, agency and consultancy services. If the Post-Demerger EVRAZ Group fails to meet its obligations under any of the service agreements or fails to provide the services in a timely manner or as required under the relevant agreement, such failure could negatively impact the RASP Group's operations or the orderly implementation of the Demerger. This could, in turn, have a material adverse effect on the RASP Group's business, overall business operations, operating results, prospects and financial conditions.

4.6 *RASP will be removed from the regulations and protections of the "Premium" listing regime on the London Stock Exchange*

Pursuant to the Demerger, RASP will effectively be removed from the regulations and protections conferred under the premium listing regime on the London Stock Exchange. The removal of RASP from the protections conferred under the premium listing regime will result in investors in RASP experiencing a lower level of regulatory protection than that previously enjoyed when RASP was indirectly subject to the premium listing regime. In particular, investors in RASP will no longer indirectly benefit from the provisions of: (i) the UK Corporate Governance Code; (ii) Chapter 10 of the Listing Rules regarding significant transactions; or (iii) Chapter 11 of the Listing Rules regarding related party transactions.

4.7 *Policy, regulatory and market developments relating to climate change could adversely affect the RASP Group's business*

Rapidly evolving climate change policy designed to reduce greenhouse gas emissions is starting to result in increasing regulation and pressure on businesses to pursue environmentally sustainable activities. Financial institutions and institutional investors are under pressure to divest from fossil fuel extraction, and in particular from coal production, and climate change-related concerns are leading to unfavourable lending policies by government-backed finance providers. In addition, policy initiatives designed to encourage the decarbonisation of heavy industry may result in decreased demand for coal. In addition, RASP may be under pressure to invest heavily in local communities or the reskilling of all or part of its workforce if demand for coal decreases. These existing, incoming and potential future regulatory changes and market developments, as well as uncertainty over how these might unfold, could significantly affect the RASP Group's ability to raise debt or attract other investment, demand for the RASP Group's coal and/or RASP Shares.

4.8 *The RASP Group's operations are subject to the physical risks of climate change*

The RASP Group's operations and supply chain may also be subject to physical climate change risks such as, but not limited to, increases in temperature, more frequent and severe wildfires, droughts, changes in rainfall patterns and extreme weather events. These events or conditions could disrupt operations in the RASP Group's supply chain, create resource or energy shortages, increase energy costs, damage the RASP Group's property or equipment and/or increase health and safety risks at the RASP Group's sites as well as having other adverse effects on the workforce and on the communities surrounding the RASP Group's mine sites, such as an increased risk of fires, flooding and drought. The full extent to which the RASP Group's operations will be impacted is uncertain and any of the aforementioned transitional or physical risks related to climate change could have a material adverse effect on its business, financial condition and results of operations.

4.9 ***The RASP Group may become subject to climate-related litigation, or be indirectly impacted by wider such litigation***

As awareness of climate change rises, the RASP Group may become subject to legal action in relation to alleged contribution to, or failure to take sufficient action to prevent or mitigate the effects of, climate change. Litigation against government bodies, such as claims seeking more ambitious decarbonisation policies and regulation or challenging the decisions of public bodies to grant permits, may directly or indirectly affect the RASP Group. Any such claims may adversely affect the RASP Group's business and operations as well as operating results, prospects and financial conditions.

4.10 ***The RASP Group's mining operations face various operational environmental, health and safety risks and hazards which are subject to increasingly strict regulation and expectations on standards***

The RASP Group's mining operations entail a number of risks and hazards, including environmental hazards, industrial accidents and incidents, fires, explosions, cave ins, floods, industrial disease and equipment or mechanical failures. The occurrence of any events related to such risks and hazards could impact RASP Group operations and operating results through shutdowns, personnel injuries or fatalities, equipment damage or destruction or the loss of the social licence to operate. They could also lead to regulatory action or litigation by employees, contractors or impacted stakeholders. These could adversely impact the RASP Group's financial condition as a result of fines imposed, damages payable or requirements for capital expenditure on remediation and operational improvements.

The RASP Group is subject to extensive requirements relating to the environment and health and safety which may become more stringent over time. This could require the RASP Group to incur significant additional compliance costs or higher penalties in relation to any violations of such requirements. Such increased liabilities could have an adverse impact on the RASP Group's operating results and financial condition.

PART V

HISTORICAL FINANCIAL INFORMATION ON THE RASP GROUP

1. Basis of Preparation

The financial information presented in this Part V relating to the RASP Group has been extracted without material adjustments from the consolidation schedules that support the audited consolidated financial statements of EVRAZ plc for the years ended 31 December 2020, 2019 and 2018 and the unaudited condensed consolidated financial statements of EVRAZ plc for the six-month period ended 30 June 2021.

The historical financial information of the RASP Group in this Part V has been prepared applying the accounting policies used to prepare the consolidated financial statements of EVRAZ plc for each of the periods represented.

The historical financial information reflects the results and shareholders' equity of the RASP Group in the form that will arise on completion of the Demerger, as if it had been a standalone business throughout the financial periods covered and therefore the historical income statements of the RASP Group presented below include the results of Yuzhkuzbassugol and Mezhegeyugol which were acquired by RASP on 30 December 2020 as part of the reorganisation of the EVRAZ Group's coal business from the beginning of the periods presented rather than from the date of the acquisition of such entities by RASP.

The historical financial information contained in this Part V does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The consolidated financial statements of EVRAZ plc in respect of each of the years ended 31 December 2020, 2019 and 2018 have been delivered to the Registrar of Companies. The auditors' reports in respect of those financial statements (i) were unqualified; (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report; and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act. The independent review report on the unaudited condensed consolidated financial statements of EVRAZ plc for the six-month period ended 30 June 2021 indicated that nothing came to the auditor's attention that suggests that the statements, in all material respects, do not comply with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

EY were the auditors of EVRAZ plc in respect of the three years ended 31 December 2020, 2019 and 2018 and the reviewed financial statements for the six-month period ended 30 June 2021.

Shareholders should read the whole of this Circular and not rely solely on the financial information contained in this Part V.

Notes:

- (1) The RASP Group holds approximately 40% ownership interest in its associate, Actionfield Limited. The rest is owned by one of the other subsidiaries of the Post-Demerger EVRAZ Group. Actionfield Limited was a former shareholder of a 100% share in Mezhegeyugol, one of the RASP Group. During the reorganisation of the EVRAZ Group's coal segment in 2020, Actionfield Limited ceased to be a shareholder of Mezhegeyugol. Actionfield Limited has no operations and the only transactions in 2020 related to the return of capital contributions in Mezhegeyugol and a write-off of its investments in the entity. As such, all these transactions were not included in the presented income statements of the RASP Group.

2. Unaudited Consolidated Income Statement of the RASP Group

<i>US\$ million</i>	<i>6 months</i>	<i>Year ended 31 December</i>		
	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>
Revenue				
Sale of goods	\$680	\$1,093	\$1,663	\$1,973
Rendering of services	3	12	10	10
	<u>683</u>	<u>1,105</u>	<u>1,673</u>	<u>1,983</u>
Cost of revenue	<u>(362)</u>	<u>(775)</u>	<u>(781)</u>	<u>(808)</u>
Gross profit	321	330	892	1,175
Selling and distribution costs	(40)	(52)	(99)	(100)
General and administrative expenses	(32)	(66)	(82)	(57)
Social and social infrastructure maintenance expenses	(2)	(2)	(3)	(2)
Loss on disposal of property, plant and equipment	(1)	–	(3)	(6)
Impairment of assets	(2)	3	(107)	(10)
Foreign exchange gains/(losses), net	26	112	(30)	30
Other operating income/(expenses), net	(9)	(19)	(9)	(8)
Profit from operations	<u>261</u>	<u>306</u>	<u>559</u>	<u>1,022</u>
Interest income	1	10	9	16
Interest expense	(20)	(19)	(17)	(23)
Other non-operating gains/(losses), net	–	–	1	6
Profit/(loss) before tax	<u>242</u>	<u>297</u>	<u>552</u>	<u>1,021</u>
Income tax benefit/(expense)	(52)	(64)	(119)	(213)
Net profit/(loss)	<u>\$190</u>	<u>\$233</u>	<u>\$433</u>	<u>\$808</u>
Depreciation, depletion and amortisation expense	(83)	(189)	(168)	(158)
EBITDA	323	382	870	1,168

3. Unaudited Consolidated Statement of Financial Position of the RASP Group

<i>US\$ million</i>	<i>30 June 2021</i>	<i>31 December 2020</i>
ASSETS		
Non-current assets		
Property, plant and equipment	\$1,463	\$1,452
Investments in joint ventures and associates	15	15
Loans receivable from related parties	—	—
Deferred income tax assets	6	5
Other non-current assets	6	4
	<u>1,490</u>	<u>1,476</u>
Current assets		
Inventories	88	71
Trade and other receivables	30	17
Prepayments	8	7
Receivables from related parties	93	174
Taxes recoverable	62	58
Other current financial assets	1	1
Cash and cash equivalents	233	578
	<u>515</u>	<u>906</u>
Total assets	<u>\$2,005</u>	<u>\$2,382</u>
EQUITY AND LIABILITIES		
Equity		
Equity attributable to equity holders of the parent entity	\$973	\$786
Non-controlling interests	10	9
	<u>983</u>	<u>795</u>
Non-current liabilities		
Long-term bank loans	400	—
Lease liabilities	4	—
Loans payable to related parties	—	—
Deferred income tax liabilities	98	96
Employee benefits	43	42
Provisions	125	123
Long-term trade and other payables	16	19
	<u>686</u>	<u>280</u>
Current liabilities		
Trade and other payables	129	150
Contract liabilities	1	2
Loans payable to related parties	—	—
Trade and other payables to related parties	21	71
Payables for the purchase of Yuzhkuzbassugol	—	917
Payables to associate	38	38
Dividends payable	49	—
Taxes payable	77	48
Provisions	21	16
Amounts payable under put options for shares	—	65
	<u>336</u>	<u>1,307</u>
Total equity and liabilities	<u>\$2,005</u>	<u>\$2,382</u>

PART VI

UNAUDITED PRO FORMA FINANCIAL INFORMATION FOR THE POST-DEMERGER EVRAZ GROUP

The unaudited pro forma financial information set out below has been prepared to illustrate the effects of the proposed demerger of the RASP Group from the EVRAZ Group and the dividends declared by RASP in 2021 as at the date of this Circular on the financial position of the EVRAZ Group as if they had occurred on 30 June 2021 and on the income statements of the EVRAZ Group as if they had occurred on either 1 January 2021 or 1 January 2020. The unaudited pro forma financial information is based on the EVRAZ Group's unaudited interim condensed consolidated financial statements for the six-month period ended 30 June 2021 and the audited consolidated financial statements for the year ended 31 December 2020. The unaudited pro forma statement of financial position and unaudited pro forma income statements have been prepared on the basis of, and should be read in conjunction with, the notes set out below.

This pro forma financial information is unaudited and is produced for illustrative purposes only; by its nature it addresses a hypothetical situation and therefore does not represent the EVRAZ Group's actual financial position or the results of the EVRAZ Group following the implementation of the Demerger, and, therefore, it is not indicative of the results that may, or may not, be expected to be achieved in the future. It has been prepared pursuant to Listing Rule 13.3.3R and in a manner consistent with IFRS accounting policies adopted in the Group's consolidated financial statements for the year ended 31 December 2020, on the basis of the notes below and in accordance with sections 1 and 2 of Annex 20 to the Prospectus Regulation Rules.

The unaudited pro forma financial information does not constitute financial statements within the meaning of section 434 of the Companies Act 2006. EY's report on the unaudited consolidated pro forma financial information is set out in this Part VI.

Shareholders should read the whole of this document and not rely solely on the unaudited pro forma financial information in this Part VI.

**Post-Demerger EVRAZ Group unaudited consolidated pro forma statement of financial position
as of 30 June 2021**

<i>US\$ million Notes</i>	<i>EVRAZ Group consolidated financial information (as reported)</i> 1	<i>Financial information of the RASP Group</i> 2	<i>Reversal of intra-group eliminations with the RASP Group</i> 3	<i>Non- controlling interests arising on demerger</i> 4	<i>2021 dividends</i> 5	<i>Transaction costs</i> 6	<i>Post- Demerger EVRAZ Group Pro Forma financial information</i>
ASSETS							
Non-current assets							
Property, plant and equipment	\$4,485	(1,463)	—	—	—	—	\$3,022
Intangible assets other than goodwill	140	(4)	—	—	—	—	136
Goodwill	460	—	—	—	—	—	460
Investments in joint ventures and associates	91	(15)	—	15	—	—	91
Deferred income tax assets	239	(6)	—	—	—	—	233
Other non-current financial assets	23	(2)	12	—	—	—	33
Other non-current assets	51	—	—	—	—	—	51
	5,489	(1,490)	12	15	—	—	4,026
Current assets							
Inventories	1,363	(88)	—	—	—	—	1,275
Trade and other receivables	529	(30)	—	—	—	—	499
Prepayments	76	(8)	—	—	—	—	68
Receivables from related parties	11	(93)	190	—	(49)	—	59
Income tax receivable	34	(8)	—	—	—	—	26
Other taxes recoverable	196	(54)	—	—	—	—	142
Other current financial assets	12	(1)	—	—	—	—	11
Cash and cash equivalents	1,415	(233)	—	—	438	(11)	1,609
	3,636	(515)	190	—	389	(11)	3,689
Total assets	\$9,125	(2,005)	202	15	389	(11)	\$7,715
EQUITY AND LIABILITIES							
Equity							
Equity attributable to equity holders of the parent entity	\$1,432	(917)	—	—	394	(11)	\$898
Non-controlling interests	154	(66)	—	15	—	—	103
	1,586	(983)	—	15	394	(11)	1,001
Non-current liabilities							
Long-term loans	4,002	(400)	—	—	—	—	3,602
Deferred income tax liabilities	256	(98)	—	—	—	—	158
Employee benefits	212	(43)	—	—	—	—	169
Provisions	278	(125)	—	—	—	—	153
Lease liabilities	50	(4)	—	—	—	—	46
Other long-term liabilities	104	(16)	—	—	—	—	88
	4,902	(686)	—	—	—	—	4,216

US\$ million Notes	EVRAZ Group consolidated financial information (as reported) 1	Financial information of the RASP Group 2	Reversal of intra-group eliminations with the RASP Group 3	Non- controlling interests arising on demerger 4	2021 dividends 5	Transaction costs 6	Post- Demerger EVRAZ Group Pro Forma financial information
Current liabilities							
Trade and other payables	1,429	(129)	—	—	—	—	1,300
Contract liabilities	251	(1)	—	—	—	—	250
Short-term loans and current portion of long-term loans	536	—	—	—	—	—	536
Lease liabilities	31	—	—	—	—	—	31
Payables to related parties	36	(108)	202	—	—	—	130
Income tax payable	96	(12)	—	—	(5)	—	79
Other taxes payable	201	(65)	—	—	—	—	136
Provisions	57	(21)	—	—	—	—	36
	<u>2,637</u>	<u>(336)</u>	<u>202</u>	<u>—</u>	<u>(5)</u>	<u>—</u>	<u>2,498</u>
Total liabilities	<u>7,539</u>	<u>(1,022)</u>	<u>202</u>	<u>—</u>	<u>(5)</u>	<u>—</u>	<u>6,714</u>
Total equity and liabilities	<u>\$9,125</u>	<u>(2,005)</u>	<u>202</u>	<u>15</u>	<u>389</u>	<u>(11)</u>	<u>\$7,715</u>

Notes to the unaudited consolidated pro forma statement of financial position:

- The EVRAZ Group's financial information has been extracted, without material adjustment, from the EVRAZ Group's published unaudited interim condensed consolidated financial statements for the six-month period ended 30 June 2021.
- The financial information for the RASP Group has been extracted without material adjustment from the historical financial information of the RASP Group set out in Part V (*Historical Financial Information on the RASP Group*) of this document. This adjustment reflects the fact that the RASP Group will no longer be consolidated by the EVRAZ Group post-Demerger; it removes the assets and liabilities of the RASP Group from the EVRAZ Group's consolidated financial information.
- As the RASP Group will no longer be consolidated by the EVRAZ Group post-Demerger, intra-group receivables and payables between the RASP Group and the rest of the EVRAZ Group, which were eliminated in the EVRAZ Group's financial information, are therefore reversed as shown in the table above.
- The RASP Group holds approximately 40% ownership interest in its associate, Actionfield Limited. The rest is owned by one of the other subsidiaries of the EVRAZ Group. In the event that the Demerger occurs the EVRAZ Group continues to consolidate Actionfield Limited as its subsidiary, however a 40% share in the net assets of Actionfield Limited will become a non-controlling interest for the EVRAZ Group. Hence this adjustment reinstates Actionfield Limited as a consolidated subsidiary rather than an associate as it is shown in the RASP Group's historical financial information using the equity method of accounting.
- Total dividends expected to be paid by RASP before the proposed demerger are (i) \$52 million declared in the first half of 2021 and accrued as receivables from the related parties as of 30 June 2021, which were translated for the purpose of the pro forma statement of financial position at the USD/RUB exchange rate published by the Bank of Russia on 30 June 2021 (\$1 = 72.3723 roubles), (ii) \$212 million declared in September 2021 and translated at the USD/RUB exchange rate as of 30 June 2021 for the purpose of the pro forma statement of financial position and (iii) \$258 million proposed in November 2021 and to be declared in December 2021, which was translated at the USD/RUB exchange rate as of 30 June 2021 for the purpose of the pro forma statement of financial position. The share of the EVRAZ Group in these dividends is 93.24%.

The EVRAZ Group's share in the declared dividends is recorded as an increase in cash after a deduction of 10% withholding tax. This adjustment reflects the situation as if all dividends from the RASP had been received by the EVRAZ Group during the first half of 2021.
- The transaction costs relating to the proposed demerger include \$10 million which was already incurred and paid in connection with obtaining consents from EVRAZ's creditors for the Demerger and \$14 million of professional advisers' fees, of which \$3 million was already paid as of 30 June 2021. Consequently, the cash balance is adjusted for the remaining \$11 million of the professional advisers' fees.
- All adjustments are non-recurring items.
- No account has been taken of the trading or other transactions of the EVRAZ Group or the RASP Group since 30 June 2021.

Post-Demerger EVRAZ Group unaudited consolidated pro forma income statement for the six-month period ended 30 June 2021

<i>US\$ million Notes</i>	<i>EVRAZ Group consolidated financial information (as reported)</i>	<i>Financial information of the RASP Group</i>	<i>Reversal of intra- group eliminations with the RASP Group</i>	<i>Translation difference recycling</i>	<i>Fair value of distribution</i>	<i>2021 dividends</i>	<i>Transaction costs</i>	<i>Post- Demerger EVRAZ Group Pro Forma financial information</i>
	1	2	3	4	5	6	7	
Revenue								
Sale of goods	\$6,055	(680)	457	—	—	—	—	\$5,832
Rendering of services	123	(3)	30	—	—	—	—	150
	6,178	(683)	487	—	—	—	—	5,982
Cost of revenue	(3,633)	362	(482)	—	—	—	—	(3,753)
Gross profit	2,545	(321)	5	—	—	—	—	2,229
Selling and distribution costs	(414)	40	(1)	—	—	—	—	(375)
General and administrative expenses	(288)	32	(3)	—	—	—	3	(256)
Social and social infrastructure maintenance expenses	(16)	2	—	—	—	—	—	(14)
Gain/(loss) on disposal of property, plant and equipment, net	(1)	1	—	—	—	—	—	—
Impairment of non-financial assets	(4)	2	—	—	—	—	—	(2)
Foreign exchange gains/(losses), net	(30)	(26)	—	—	—	—	—	(56)
Other operating income	6	(1)	—	—	—	—	—	5
Other operating expenses	(49)	10	(1)	—	—	—	—	(40)
Profit from operations	1,749	(261)	—	—	—	—	3	1,491
Interest income	3	(1)	18	—	—	—	—	20
Interest expense	(124)	20	(18)	—	—	—	—	(122)
Share of profits/(losses) of joint ventures and associates	5	—	—	—	—	—	—	5
Gain/(loss) on financial assets and liabilities, net	(4)	—	—	—	—	—	—	(4)
Gain/(loss) on disposal of groups classified as held for sale, net	2	—	—	—	—	—	—	2
Dividend income	—	—	48	—	—	426	—	474
Profit before tax	1,631	(242)	48	—	—	426	3	1,866
Income tax expense	(419)	52	—	—	—	(43)	—	(410)
Net profit from continuing operations	1,212	(190)	48	—	—	383	3	1,456
Net loss from discontinued operations	—	—	—	(1,873)	2,433	—	(14)	546

Post-Demerger EVRAZ Group unaudited consolidated pro forma income statement for the year ended 31 December 2020

<i>US\$ million Notes</i>	<i>EVRAZ Group consolidated financial information (as reported) 1</i>	<i>Financial information of the RASP Group 2</i>	<i>Reversal of intra- group eliminations with the RASP Group 3</i>	<i>Translation difference recycling 4</i>	<i>Fair value of distribution 5</i>	<i>2021 dividends 6</i>	<i>Transaction costs 7</i>	<i>Post- Demerger EVRAZ Group Pro Forma financial information</i>
Revenue								
Sale of goods	\$9,514	(1,093)	811	—	—	—	—	\$9,232
Rendering of services	240	(12)	55	—	—	—	—	283
	9,754	(1,105)	866	—	—	—	—	9,515
Cost of revenue	(6,712)	775	(857)	—	—	—	—	(6,794)
Gross profit	3,042	(330)	9	—	—	—	—	2,721
Selling and distribution costs	(840)	52	—	—	—	—	—	(788)
General and administrative expenses	(552)	66	(7)	—	—	—	—	(493)
Social and social infrastructure maintenance expenses	(31)	2	—	—	—	—	—	(29)
Gain/(loss) on disposal of property, plant and equipment, net	(3)	—	—	—	—	—	—	(3)
Impairment of non-financial assets	(310)	(3)	—	—	—	—	—	(313)
Foreign exchange gains/(losses), net	408	(112)	—	—	—	—	—	296
Other operating income	22	(3)	—	—	—	—	—	19
Other operating expenses	(65)	22	(2)	—	—	—	—	(45)
Profit from operations	1,671	(306)	—	—	—	—	—	1,365
Interest income	6	(10)	13	—	—	—	—	9
Interest expense	(328)	19	(13)	—	—	—	(3)	(325)
Share of profits/(losses) of joint ventures and associates	2	—	—	—	—	—	—	2
Gain/(loss) on financial assets and liabilities, net	(71)	—	—	—	—	—	—	(71)
Gain/(loss) on disposal groups classified as held for sale, net	1	—	—	—	—	—	—	1
Other non-operating gains/(losses), net	14	—	—	—	—	—	—	14
Dividend income	—	—	—	—	—	488	—	488
Profit before tax	1,295	(297)	—	—	—	488	(3)	1,483
Income tax expense	(437)	64	—	—	—	(49)	—	(422)
Net profit from continuing operations	\$858	(233)	—	—	—	439	(3)	\$1,061
Net loss from discontinued operations	\$—	—	—	(1,893)	2,694	—	(14)	\$787

Notes to the unaudited consolidated pro forma income statements:

1. The EVRAZ Group's financial information has been extracted, without material adjustment, from the EVRAZ Group's published unaudited interim condensed consolidated financial statements for the six-month period ended 30 June 2021 and audited consolidated financial statements for the year ended 31 December 2020.
2. The financial information for the RASP Group has been extracted without material adjustment from the historical financial information of the RASP Group set out in Part V (*Historical Financial Information on the RASP Group*) of this document. This adjustment reflects the fact that the results of the RASP Group will no longer be consolidated by the EVRAZ Group post Demerger.
3. As the RASP Group will no longer be consolidated by the EVRAZ Group post-Demerger, intra-group transactions between the RASP Group and the rest of the EVRAZ Group, which were eliminated in the EVRAZ Group's financial information, are therefore reversed as shown in the table above.
4. The functional currency of the RASP Group is the Russian rouble, which is different from the EVRAZ Group's presentation currency (US dollar). The exchange differences arising on translation of the assets, liabilities and income statements of the RASP Group were recorded in other comprehensive income and accumulated in the separate component of equity. On disposal of the RASP Group the cumulative amount of the exchange differences relating to RASP operations in the amount of \$(1,873) million as of 30 June 2021 and \$(1,893) million as of 31 December 2020 is recycled to the EVRAZ Group's income statement for the six-month period ended 30 June 2021 and EVRAZ Group's income statement for the year ended 31 December 2020, respectively.
5. It is proposed that the Demerger will be effected by EVRAZ making an interim *in specie* distribution of the RASP Shares to EVRAZ Shareholders. The difference between the fair value of the dividend *in specie* and the carrying amount of the net assets of the RASP business as of 30 June 2021 and 31 December 2020, respectively, is recognised in the amount of \$2,433 million in the pro forma income statement for the six-month period ended 30 June 2021 and in the amount of \$2,694 million in the pro forma income statement for the year ended 31 December 2020.

For the purposes of calculating the pro forma impact of the Demerger the fair value of the dividend payable was determined based on the closing market quotation of RASP Shares at 10 December 2021, being the Latest Practicable Date (RUB 397.06 per share) and translated at the exchange rate of USD/RUB = 73.5998, the ownership interest of the EVRAZ Group in the RASP Group after the buyout of shares executed by RASP in February 2021 (93.24%) and assuming zero premium for control. For the purposes of accounting for the Demerger, the dividend will be subject to a fair value assessment under the IFRS requirements, which will be performed on completion of the Demerger and, as a result, the final difference between the fair value of the dividend *in specie* and the carrying amount of the net assets of the RASP Group to be recognised in the income statement may differ materially from that shown.

6. Total dividends expected to be paid by RASP before the proposed demerger are (i) dividends declared in the first half of 2021 and accrued as receivables from the related parties as of 30 June 2021 (\$51 million and \$53 million translated for the purpose of the pro forma income statements at the average USD/RUB exchange rates published by the Bank of Russia for the first half of 2021 and for the year 2020, respectively), (ii) dividends declared in September 2021 (\$206 million and \$212 million translated for the purpose of the pro forma income statements at the average USD/RUB exchange rates published by the Bank of Russia for the first half of 2021 and for the year 2020, respectively) and (iii) dividends proposed in November 2021 and to be declared in December 2021 (\$251 million and \$258 million translated for the purpose of the pro forma income statements at the average USD/RUB exchange rates published by the Bank of Russia for the first half of 2021 and for the year 2020, respectively). In the first half of 2021 and in the year 2020 these average USD/RUB exchange rates were 74.2781 roubles and 72.1464 roubles per \$1, respectively.

The share of the EVRAZ Group in these dividends is 93.24%. The EVRAZ Group's share in the declared dividends is recorded as dividend income and 10% of withholding tax on dividends is recorded in the income tax expense. This adjustment reflects the situation as if the whole amount of dividend income from the RASP business had been recognised by the EVRAZ Group either during the first half of 2021 or during the year 2020.

7. The transaction costs relating to the proposed demerger include \$10 million in connection with obtaining consents from EVRAZ's creditors for the Demerger and \$14 million of professional advisers' fees.

The consent fees were already accrued and paid in the unaudited interim condensed consolidated financial statements for the six-month period ended 30 June 2021. They will be amortised during the term of the respective notes and bank loans within the Interest expense caption of the consolidated income statement.

The professional advisers' fees will approximate \$14 million, of which \$3 million were recorded within the General and administrative expense caption of the unaudited interim condensed consolidated financial statements for the six-month period ended 30 June 2021. Upon the Demerger such costs will be recognised within the Net loss from discontinued operations caption of the income statement. Consequently, the unaudited pro forma financial information for the six-month period ended 30 June 2021 is adjusted for \$11 million of unpaid fees and the unaudited pro forma financial information for the year ended 31 December 2020 takes into account the whole amount of the professional advisers' fees.

8. All adjustments are non-recurring items.
9. No account has been taken of any trading or other transactions of the EVRAZ Group or the RASP Group since 30 June 2021 for the unaudited pro forma income statement for the six-month period ended 30 June 2021. No account has been taken of any trading or other transactions of the EVRAZ Group or the RASP Group since 31 December 2020 for the unaudited pro forma income statement for the year ended 31 December 2020.
10. The effect of the Demerger of the RASP Group from the EVRAZ Group on EBITDA for the six-month period ended 30 June 2021 and for the year ended 31 December 2020 (based on the above mentioned assumptions) is disclosed below. EBITDA is determined as profit/(loss) from operations adjusted for social and social infrastructure maintenance expenses, impairment of assets, profit/(loss) on disposal of property, plant and equipment and intangible assets, foreign exchange gains/(losses) and depreciation, depletion and amortisation expense.

Six-month period ended 30 June 2021

	EVRAZ Group consolidated financial information (as reported)	Financial information of the RASP Group	Reversal of intra- group eliminations with the RASP Group	Translation difference recycling	Fair value of distribution	2021 dividends	Transaction costs	Post- Demerger EVRAZ Group Pro Forma financial information
US\$ million	1	2	3	4	5	6	7	
Notes	1	2	3	4	5	6	7	
EBITDA	2,082	(323)	—	—	—	—	(11)	1,748

Year ended 31 December 2020

	EVRAZ Group consolidated financial information (as reported)	Financial information of the RASP Group	Reversal of intra- group eliminations with the RASP Group	Translation difference recycling	Fair value of distribution	2021 dividends	Transaction costs	Post- Demerger EVRAZ Group Pro Forma financial information
US\$ million	1	2	3	4	5	6	7	
Notes	1	2	3	4	5	6	7	
EBITDA	2,212	(382)	—	—	—	—	(14)	1,816

Accountants' Report on Post-Demerger EVRAZ Group Pro Forma Financial Information

The Directors
EVRAZ plc
2 Portman Street
London W1H 6DU
United Kingdom

15 December 2021

Dear Sir or Madam

EVRAZ plc (the “Company” and, together with its subsidiary undertakings, the “EVRAZ Group”)

We report on the pro forma financial information (the “**Pro Forma Financial Information**”) set out in Part VI of the Class 1 circular dated 15 December 2021 (the “**Circular**”).

This report is required by Listing Rule 13.3.3R and is given for the purpose of complying with that rule and for no other purpose.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to ordinary shareholders as a result of the inclusion of this report in the Circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Listing Rule 13.4.1R (6), consenting to its inclusion in the Circular.

Opinion

In our opinion:

- the Pro Forma Financial Information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of the Company.

Responsibilities

It is the responsibility of the directors of the Company to prepare the Pro Forma Financial Information in accordance with Listing Rule 13.3.3R.

It is our responsibility to form an opinion, as required by Listing Rule 13.3.3R as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of Preparation

The Pro Forma Financial Information has been prepared on the basis described in the notes from 1 to 10 to the Pro Forma Financial Information, for illustrative purposes only, to provide information about how the proposed demerger of PJSC Raspadskaya and its subsidiary undertakings from the EVRAZ Group and the dividends declared by PJSC Raspadskaya in 2021 as at the date of this Circular might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the period ended 31 December 2020.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom (the “**FRC**”). We are independent in accordance with the FRC’s Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Yours faithfully

Ernst & Young LLP

PART VII

TAXATION

1. Section A: UK tax considerations

The comments set out below are based on current UK tax law as applied in England and Wales and HMRC practice (which may not be binding on HMRC) as at the date of this Circular, both of which are subject to change, possibly with retrospective effect. They are intended as a general guide and apply only to EVRAZ Shareholders resident and, in the case of an individual, domiciled for tax purposes in, and only in, the UK (except insofar as express reference is made to the treatment of non-UK residents) who hold EVRAZ Shares as an investment and who are the absolute beneficial owners thereof. The discussion does not address all possible UK tax consequences relating to the receipt of Capital Reduction Shares and RASP Shares, as well as the ownership and disposal thereof. Certain categories of EVRAZ Shareholders, such as traders, brokers, dealers, banks, financial institutions, insurance companies, investment companies, collective investment schemes, tax-exempt organisations, persons connected with the Company, persons holding the EVRAZ Shares as part of hedging or conversion transactions, EVRAZ Shareholders who have (or are deemed to have) acquired their shares by virtue of an office or employment, and EVRAZ Shareholders who are or have been officers or employees of the Company or an affiliate company, may be subject to special rules and this summary does not apply to such EVRAZ Shareholders.

EVRAZ Shareholders who are in any doubt as to their UK tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the UK, should consult their own professional advisers.

1.1 *The receipt of Capital Reduction Shares and cancellation of Capital Reduction Shares pursuant to the Capital Reduction*

The issue of the Capital Reduction Shares and their subsequent cancellation pursuant to the Capital Reduction should be regarded as a reorganisation of the share capital of the Company.

Accordingly, no liability to UK tax on capital gains should arise in respect of the issue of the Capital Reduction Shares or their subsequent cancellation pursuant to the Capital Reduction.

1.2 *The receipt of the RASP Shares pursuant to the Demerger Dividend*

For an individual EVRAZ Shareholder the tax implications of receiving RASP Shares pursuant to the Demerger Dividend will depend on whether such individual EVRAZ Shareholder holds their shares in the Company via a tax-exempt wrapper such as an Individual Savings Account or a personal equity plan. If individual EVRAZ Shareholders do hold EVRAZ Shares in a tax-exempt wrapper, the receipt of RASP Shares pursuant to the Demerger Dividend could be exempt from tax. For individual EVRAZ Shareholders who hold their EVRAZ Shares directly and not through a tax-exempt wrapper, the Demerger Dividend received would be subject to income tax in the UK at the EVRAZ Shareholder's applicable tax rate (as at the date of this Circular, 38.1% (Additional rate taxpayers), 32.5% (Higher rate taxpayers) and 7.5% (Basic rate taxpayers)). These rates are set to increase to 39.35% (Additional rate taxpayers), 33.75% (Higher rate taxpayers) and 8.75% (Basic rate taxpayers) from 6 April 2022.

Corporate EVRAZ Shareholders are prima facie subject to corporation tax upon receipt of the RASP Shares pursuant to the Demerger Dividend. However, it is expected that the Demerger Dividend will fall within one of a number of tax exemptions available to corporate EVRAZ Shareholders (such as the exemption for distributions in respect of non-redeemable ordinary shares, the exemption for distributions in respect of portfolio holdings and the exemption for small companies).

1.3 *Participation in the Share Sale Facility*

Individual and corporate EVRAZ Shareholders participating in the Share Sale Facility will be treated as having received beneficial ownership of the RASP Shares, the tax implications of which will be the same as discussed in paragraph 1.2 above.

On participating in the Share Sale Facility, any chargeable gain arising to an EVRAZ Shareholder (other than an individual EVRAZ Shareholder who holds their EVRAZ Shares via a tax-exempt wrapper, as discussed at paragraph 1.2 above) on the disposal of the RASP Shares in return for the cash proceeds, will be liable to capital gains tax or corporation tax on chargeable gains (as applicable) in the UK. The gain or loss will be the difference (if any) between (i) the cash proceeds received by the EVRAZ Shareholder and (ii) the fair market value of RASP Shares on the date of the Demerger Dividend. It is anticipated that there will be either a gain or loss, given that there is expected to be several months between the date of the Demerger Dividend and the date on which the RASP Shares are sold on the market, with the resulting cash distributed to EVRAZ Shareholders participating in the Share Sale Facility.

After using their capital gains tax allowance (at the date of this Circular, £12,300 for 2021-22 and 2022-23), individual EVRAZ Shareholders will pay capital gains tax on any gain arising at their applicable capital gains tax rate (at the date of this Circular, 10% (where the individual has unused basic rate band) and 20% thereafter). Corporate EVRAZ Shareholders should pay corporation tax on any gain arising at the applicable corporation tax rate (at the date of this Circular, 19%).

For an individual EVRAZ Shareholder who holds their EVRAZ Shares via a tax-exempt wrapper (as discussed at paragraph 1.2 above), the disposal of the RASP Shares should not lead to any tax implications.

In view of the expected time between the date of the Demerger Dividend and the date on which the RASP Shares are sold on the market, those EVRAZ Shareholders participating in the Share Sale Facility would need to separately account for dividend income during this period, and consideration should therefore be given to paragraph 1.4 below.

1.4 *Holding RASP Shares on an ongoing basis*

For individual EVRAZ Shareholders that hold their RASP Shares via a tax-exempt wrapper (as discussed at paragraph 1.2 above), the receipt of dividends from RASP should be exempt from UK income tax. Where RASP Shares are to be held directly and not through a tax-exempt wrapper, the tax implications will depend on an individual EVRAZ Shareholder's domicile status. For UK domiciled, deemed domiciled and non-UK domiciled EVRAZ Shareholders who opt to be taxed on the arising basis, any dividend received from RASP would be taxable in the UK at the EVRAZ Shareholder's applicable tax rate (as set out in paragraph 1.2 above).

Corporate EVRAZ Shareholders will prima facie be subject to corporation tax upon receiving dividends from RASP. However, it is expected that such dividends will fall within one of a number of tax exemptions available to corporate EVRAZ Shareholders (as noted in paragraph 1.2 above).

The taxable EVRAZ Shareholders should be able to obtain a credit for Russian withholding tax suffered (unless the distributions are exempt for a UK corporate EVRAZ Shareholder, in which case no credit will be available for Russian withholding tax). Under UK law the credit would in all cases be limited to the amount of Russian withholding tax calculated at 10%, which is a reduced (beneficial) withholding income tax rate under the currently effective double tax treaty between Russia and the UK. Please note that Russian tax law requires that, in order to rely on the benefits set out in the double tax treaty concluded by Russia a foreign recipient of income should satisfy a number of conditions (including the confirmation of tax residency in a treaty jurisdiction and of the beneficial ownership of the respective income as well as specific conditions established by a particular double tax treaty). As such, there can be no assurance that a reduced withholding tax rate on the dividend income stipulated in the double tax treaty between Russia and the UK will be available in practice for such EVRAZ Shareholders (see section 2.5 Russian tax considerations for non-Russian EVRAZ Shareholders holding RASP Shares on an ongoing basis (A) Russian withholding tax on dividend income arising from RASP Shares for more detail).

Capital gains from the disposal of RASP Shares by EVRAZ Shareholders not participating in the Share Sale Facility will be subject to capital gains tax or corporation tax (as applicable) as set out in paragraph 1.3 above. Corporate EVRAZ Shareholders should note that UK corporation tax is set to increase to 25% from 1 April 2023.

1.5 **Stamp Duty**

No stamp duty or stamp duty reserve tax is expected to be payable in connection with the issue or cancellation of the Capital Reduction Shares, the Demerger Dividend *in specie* of the RASP Shares, or the Share Sale Facility.

2. **Section B: Russian Federation tax considerations**

The comments set out below are based on current Russian Federation tax law as applied in Russia as at the date of this Circular, which is subject to change, possibly with retrospective effect. The summary does not seek to address the applicability of, and procedures in relation to, taxes levied by regions, municipalities or other non-federal level authorities of Russia. The below comments do not purport to be a complete analysis of all tax considerations relating to the receipt of Capital Reduction Shares and RASP Shares, as well as the ownership and disposal thereof. They are intended as a general guide only. Certain categories of EVRAZ Shareholders may be subject to special rules and this summary does not apply to such EVRAZ Shareholders. The below comments apply to EVRAZ Shareholders resident in Russia (except insofar as express reference is made to the treatment of non-Russian residents).

EVRAZ Shareholders should consult their own professional advisers. No representation with respect to the Russian tax consequences of the receipt of Capital Reduction Shares and RASP Shares, as well as the ownership and disposal thereof pertinent to any particular EVRAZ Shareholder is made hereby.

Many aspects of Russian tax laws are subject to significant uncertainty and a lack of interpretive guidance, resulting in the inconsistent interpretation and application of such laws. Further, provisions of the Russian Tax Code applicable to securities (including shares) and the interpretation and application of those provisions by the Russian tax authorities may be subject to more rapid and unpredictable changes (possibly with retrospective effect) and inconsistent interpretation than in jurisdictions with better developed capital markets or taxation systems. In particular, the interpretation and application of such provisions will in practice rest substantially with local tax inspectorates, and relevant interpretations may continually change. In practice, interpretation by different tax inspectorates may be inconsistent or contradictory and may result in the imposition of conditions, requirements or restrictions that are not explicitly stated in the Russian Tax Code. Similarly, in the absence of binding precedents, court rulings on tax or other related matters taken by different Russian courts relating to the same or similar facts and circumstances may also be inconsistent or contradictory.

2.1 ***The receipt of Capital Reduction Shares and cancellation of Capital Reduction Shares pursuant to the Capital Reduction***

The receipt of Capital Reduction Shares is expected to be taxable and the existing tax exemptions are not expected to apply. Individual EVRAZ Shareholders will be liable to account for personal income tax on the market value of the Capital Reduction Shares at the applicable rates (at the date of this Circular, the progressive scale of rates is 13% and 15%). For tax purposes income is considered received on the date when the legal title to Capital Reduction Shares is transferred to individual EVRAZ Shareholders.

Corporate EVRAZ Shareholders should be subject to corporate income tax on the market value of the Capital Reduction Shares (at the date of this Circular, at a rate of 20%).

There will be no Russian tax implications for EVRAZ Shareholders who do not elect to receive the Capital Reduction Shares and therefore do not receive title to the Capital Reduction Shares.

The subsequent cancellation of the Capital Reduction Shares pursuant to the Capital Reduction should not result in a taxable gain for EVRAZ Shareholders on the basis that the EVRAZ Shareholders will not receive any consideration.

2.2 ***The receipt of the RASP Shares pursuant to the Demerger Dividend***

Individual EVRAZ Shareholders receiving legal title to the RASP Shares under the Demerger Dividend (which will not include those individual EVRAZ Shareholders participating in the Share Sale Facility) should be subject to income tax on the market value of the RASP Shares (which should be determined by reference to the lowest price of the RASP Shares on the stock exchange where securities are traded). The relevant market value of the RASP Shares should

be subject to income tax at individual EVRAZ Shareholders' applicable progressive tax rate(s) (at the date of this Circular, 13% and 15%).

Corporate EVRAZ Shareholders receiving legal title to the RASP Shares under the Demerger Dividend (which will not include those corporate EVRAZ Shareholders participating in the Share Sale Facility) should be subject to corporate income tax on the market value of the RASP Shares. While the Russian tax law does not explicitly state how such market value of shares received as a dividend in kind should be determined for that purpose, there are strong technical grounds to establish the value based on the weighted average price of the RASP Shares on the stock exchange where securities are traded on the date of transfer of legal title to the RASP Shares. The relevant market value of the RASP Shares should be subject to corporate income tax at the dividend income tax rate (at the date of this Circular, at a rate of 13%).

2.3 *Participation in the Share Sale Facility*

Individual EVRAZ Shareholders participating in the Share Sale Facility will not be treated as receiving the Demerger Dividend and will instead be required to pay income tax at the EVRAZ Shareholder's applicable progressive tax rate(s) (at the date of this Circular, 13% and 15%) on the gross amount of the cash proceeds (which if received in foreign currency are calculated in Russian rubles at the exchange rate of the Bank of Russia effective on the date of payment, usually taken to be the date that cash is credited to the relevant individual EVRAZ Shareholder's personal account). For tax purposes cash income is considered received on such date of payment. Corporate EVRAZ Shareholders participating in the Share Sale Facility are not expected to be treated as receiving the Demerger Dividend and therefore cash proceeds to be received by corporate EVRAZ Shareholders, on participation in the Share Sale Facility, would not be treated as a dividend by the Russian tax authorities. Corporate EVRAZ Shareholders will therefore be required to pay corporate income tax (at the date of this Circular, at a rate of 20%) on the gross amount of the cash proceeds (which if received in foreign currency are calculated in Russian rubles at the exchange rate of the Bank of Russia effective on the date of income receipt, usually taken to be the date that cash is credited to the relevant corporate EVRAZ Shareholder's account). Corporate EVRAZ Shareholders who participate in the Share Sale Facility should seek their own independent advice.

The disposal by EVRAZ of the RASP Shares pursuant to the Share Sale Facility should not generally be subject to any Russian taxes on capital gains if RASP Shares are considered as marketable securities for Russian tax purposes or if not more than 50% of the asset base of RASP directly or indirectly consists of immovable property located in Russia.

2.4 *Holding RASP Shares on an ongoing basis*

For individual EVRAZ Shareholders, dividend distribution by RASP should be subject to personal income tax at the applicable rates (at the date of this Circular, the progressive scale of rates is 13% and 15%). Proceeds from the disposal of RASP Shares should generally be subject to personal income tax at the aforementioned rates. However, individual EVRAZ Shareholders will be exempt from such tax if they own their RASP Shares for more than five years in a row and if RASP's financial statements show that on the last day of the month preceding the date of disposal, the value of immovable property located in Russia (owned by RASP directly and indirectly) does not exceed 50% of RASP's assets. If an exemption is not available, individual EVRAZ Shareholders are entitled to deduct from the sale proceeds their expenses related to the acquisition (brokerage and depository fees, market value of RASP Shares received as dividends *in specie* from which Russian personal income tax was paid by the individual EVRAZ Shareholders), to the holding and disposal of these shares; the respective expenses should be supported by appropriate documents.

For corporate EVRAZ Shareholders, dividend distribution by RASP should generally be subject to corporate income tax at the applicable rate (at the date of this Circular, at a rate of 13%). Capital gains realised on the disposal of RASP Shares by corporate EVRAZ Shareholders should generally be subject to corporate income tax at the applicable rate (at the date of this Circular, at a rate of 20%). However, corporate EVRAZ Shareholders should be exempt from corporate income tax on capital gains if they own their RASP Shares for more than five years in a row and if RASP's financial statements show that on the last day of the month preceding the date of

disposal, the value of immovable property located in Russia (owned by RASP directly and indirectly) does not exceed 50% of RASP's assets. If an exemption is not available, the taxable income of corporate EVRAZ Shareholders from disposal of RASP Shares should generally be determined as the sale price of the shares less expenses related to the acquisition. The expenses related to the acquisition must be supported by appropriate documents. The Russian Tax Code does not provide explicit guidance on how the tax cost of securities received as a dividend-in-kind should be determined in case of their subsequent disposal. There are some technical arguments that the tax cost of such securities should be equal to the market value of securities, provided that the dividend income in such an amount was accounted for corporate income tax purposes by corporate EVRAZ Shareholders, otherwise, the acquisition cost should be equal to nil. Considering the lack of explicit guidance in the Russian tax law, corporate EVRAZ Shareholders should seek their own independent advice as to the calculation of the taxable income from the disposal of RASP Shares.

2.5 ***Russian tax considerations for non-Russian EVRAZ Shareholders holding RASP Shares on an ongoing basis***

The following sections summarise the Russian tax consequences for an EVRAZ Shareholder (including any individual and any legal entity or an organisation) that does not qualify as a Russian tax resident ("non-Russian EVRAZ Shareholder" or collectively "non-Russian EVRAZ Shareholders"). The below summary does not describe Russian tax consequences for a foreign legal entity or organisation that owns EVRAZ Shares and/or holds and disposes of RASP Shares through its permanent establishment in Russia. Such corporate non-Russian EVRAZ Shareholders should consult their own tax advisers with respect to the relevant tax consequences.

(A) *Russian withholding tax on dividend income arising from RASP Shares*

Dividend income arising from RASP Shares is subject to withholding tax in Russia. Either RASP (if the RASP Shares are accounted in the registrar directly) or a Russian depository (if the RASP shares are held via owner deposit accounts or foreign nominal holder accounts) will act as a tax agent, i.e. will deduct the withholding tax from the dividend payments and will remit the tax to the Russian tax authorities.

Payment of a dividend on RASP Shares to individual non-Russian EVRAZ Shareholders who do not hold their shares through foreign nominal accounts should be subject to withholding tax at a rate of 15%. If the individual non-Russian RASP Shareholders are resident in a jurisdiction which has a double tax treaty in force with Russia and this double tax treaty provides for a lower withholding tax rate, such payment of a dividend may be subject to withholding tax at such a reduced rate if conditions established by the respective double tax treaty and Russian documentation requirements are satisfied. The individual non-Russian EVRAZ Shareholders should provide documents confirming they are eligible for the respective benefits under the applicable double tax treaty to the relevant tax agent (which will be deducting the withholding tax from the dividend payments as an agent and remitting it to the Russian tax authorities). Individual non-Russian EVRAZ Shareholders who do not hold their shares through foreign nominal accounts, and who want to benefit from a reduction of withholding tax rate on the dividend income pursuant to the double tax treaty, should consult their own professional advisors regarding what documentation to submit. Payment of a dividend on RASP Shares to corporate non-Russian EVRAZ Shareholders who do not hold their shares through foreign nominal accounts should be subject to Russian withholding tax at a rate of 15%. If the corporate non-Russian EVRAZ Shareholders are resident in a jurisdiction which has a double tax treaty in force with Russia and such double tax treaty provides for a lower withholding income tax rate, the corporate RASP Shareholders could benefit from a reduction of withholding tax rate pursuant to the double tax treaty if such corporate non-Russian EVRAZ shareholders are the beneficial owners of the dividends received and are entitled to benefit from the applicable double tax treaty and the Russian documentation requirements are satisfied. The corporate non-Russian EVRAZ Shareholders should provide documents confirming they are eligible for the benefits under the applicable double tax treaty to the relevant tax agent (which will be deducting the withholding tax from the dividend payments and remitting it to the Russian tax authorities).

Generally, for corporate non-Russian EVRAZ Shareholders such documentation would include an annual confirmation of the Shareholder's tax residency to be presented to the Russian tax resident acting as a tax agent prior to payment of such income and other documents confirming the eligibility of the non-resident legal entity or organisation for the benefits of the double tax treaty (the Russian tax authorities may, in practice, require a wide variety of documentation). In addition to a tax residency certificate, the Russian Tax Code requires that a non-resident legal entity or organisation should provide the tax agent with a confirmation that it is the beneficial owner of the relevant income or proceeds in advance of payment of such income or proceeds. The Russian tax authorities have stringently enforced such beneficial ownership requirements. As of the date of this Circular, there has been no guidance on the form of such confirmation in the Russian Tax Code. Due to (*inter alia*) these requirements, there can be no assurance that double tax treaty relief at source or tax refund will be available in practice for a corporate non-Russian EVRAZ Shareholders. Corporate non-Russian EVRAZ Shareholders who do not hold their shares through foreign nominal accounts, and who want to benefit from a reduced withholding income tax rate on the dividend income pursuant to the applicable double tax treaty, should consult their own professional advisors regarding what documentation to submit.

In March 2020, the president of Russia proposed to cancel tax benefits with certain double tax treaty partner countries and increase the withholding income tax rates on dividends to 15%, indicating that Russia is ready to withdraw from double tax treaties with countries that do not agree with such measures. Russia has since signed amendments to the double tax treaties with a number of countries (significantly restricting the scope of application of the reduced withholding income tax rate to cases of payments to certain qualifying recipients of income only). Russia unilaterally terminated its double tax treaty with the Netherlands (effective 1 January 2022). It is possible that Russia will also initiate the revision or termination (if no agreement can be reached) of other double tax treaties.

In 2017, Russia signed the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS (the "**MLI**"). MLI entered into force in Russia from 1 January 2021 in respect of withholding income tax in Russia. MLI establishes additional requirements to apply benefits (such as reduced withholding income tax rates or exemption from taxation) set out by the double tax treaties. Generally, MLI provides for prevention of the tax abuse through a general anti-abuse rule on the principal purpose test in relation to a transaction ("**PPT**") or a combination of PPT and Simplified Limitation of Benefits (the "**S-LOB**") clause, or a detailed LOB clause. Russia selected to apply a combination of PPT and S-LOB as well as a number of additional criteria (e.g. minimum holding period) that would restrict access to double tax treaty benefits. Failure to pass the PPT and/or other additional criteria implemented in the double tax treaty by MLI would result in the denial of application of the double tax treaty benefits. In this case the distributions on income from Russia would be taxed at standard tax rates set out in the Russian Tax Code. Currently in Russia there is very limited practice as to the application of the MLI and it is hard to foresee how the Russian tax authorities would apply the relevant concepts in practice.

Given the above developments in the Russian and international tax law and practice, no assurance can be given that any reduction of withholding income tax rate on the dividend income provided for in the relevant double tax treaty (or a refund of any tax withheld) will be available to any non-Russian EVRAZ Shareholders.

Special requirements are provided by the Russian Tax Code with respect to the taxation of dividends in respect of securities of Russian issuers which are held in certain types of accounts with Russian custodians as described below, including shares held in special accounts for foreign nominal holders (i.e., foreign custodians, depositaries, foreign authorised holders (e.g., foreign brokers)) or depositary receipt programs. This tax regime introduces, *inter alia*, disclosure of tax-related information on an aggregate basis by a foreign nominal holder to the Russian custodian acting as a tax agent in respect of persons executing rights in respect of the shares issued by the issuer held with Russian custodians in foreign nominal holder deposit accounts, foreign authorised holder deposit accounts and

foreign depository receipt program deposit accounts. When the Russian custodian transfers dividends in respect of shares held on such accounts, Russian withholding tax is calculated and withheld by such Russian custodian acting as a tax agent based on the disclosure of the aggregated information about the persons executing rights in respect of the relevant shares.

The Russian custodian acting as a tax agent can, *prima facie*, withhold the tax from the dividends paid on RASP Shares held in the above types of accounts at a rate of 15%. If the required information is properly disclosed in accordance with the Russian Tax Code by the foreign nominal holder to the Russian custodian, the Russian custodian can withhold Russian withholding income tax at the tax rate determined by a relevant double tax treaty, but only if the application of such reduced tax rate provided by such double tax treaty is not dependent on special conditions (such as percentage of shareholding, threshold of investments to the capital of the Russian issuer or a holding period). As mentioned above, Russia has recently initiated revisions of double tax treaties with the objective to restrict the cases of the application of reduced withholding income tax on dividends paid from Russia.

Both Russian and non-Russian EVRAZ Shareholders who hold their RASP Shares through foreign nominal accounts should consult their own professional advisors regarding their eligibility for a reduced withholding tax rate and the process required to submit the relevant information to the Russian custodian.

(B) *Taxation of capital gains on disposal of RASP Shares with Russian withholding income tax*

Individual non-Russian EVRAZ shareholders should generally not be subject to any Russian taxes on the capital gains realised from a disposal of RASP Shares outside Russia, provided the proceeds of such disposal of RASP Shares are not received from a source within Russia. According to an opinion of the Russian Ministry of Finance such proceeds shall be treated as income received from a source within Russia if the depository or registry, which keeps records about transactions resulting in the transfer of ownership of shares, is located in Russia. In the absence of any additional guidance as to what should be considered as a source within Russia, the Russian tax authorities may apply various criteria in order to determine the source of the sale (or other disposal) of shares, including the place where the transaction was concluded, the location or tax residency of the buyer, the location of the register where the transfer of title to the shares takes place, or other similar criteria. If proceeds from the disposal of RASP Shares are treated as received from a Russian source as discussed above, individual non-Russian EVRAZ Shareholders should be subject to Russian tax at a rate of 30% (which could be reduced to zero if certain criteria are met as discussed above) in respect of the gross proceeds from the sale of RASP Shares less any available deductions subject to any available double tax treaty relief.

Depending on how individual non-Russian EVRAZ Shareholders hold their RASP Shares (e.g., at an account opened with a Russian depository, an account opened with a Russian broker, etc.) and the type of the buyer (e.g., a Russian legal entity, an individual, a foreign legal entity), income can be taxed either by means of the tax withholding by the respective tax agent or individual non-Russian EVRAZ Shareholders can be personally required to pay tax by means of filing a Russian tax return.

Individual non-Russian EVRAZ Shareholders should be exempt from Russian withholding tax on capital gains arising from the disposal of their RASP Shares if the RASP Shares are owned by the respective individual non-Russian EVRAZ Shareholder for more than five years in a row and if according to RASP financial statements on the last day of the month preceding the date of disposal the value of immovable property located in Russia (owned by RASP directly and indirectly) does not exceed 50% of RASP assets. Such Shareholders should consult their own professional advisors regarding applying this exemption.

If individual non-Russian EVRAZ Shareholders are resident in a jurisdiction which has a double tax treaty in force with Russia, depending on the terms of the respective double tax

treaty in some cases they could benefit from an exemption from withholding tax pursuant to the treaty. Such shareholders should seek their own professional advice regarding application of exemption pursuant to the relevant double tax treaty.

Corporate non-Russian EVRAZ Shareholders should generally not be subject to Russian withholding tax on proceeds (capital gains) arising from the disposal of their RASP Shares if RASP Shares are marketable securities. However, if (i) the RASP Shares are not qualified as marketable securities as defined by the Russian Tax Code, and (ii) more than 50% of the asset base of RASP consists directly or indirectly of immovable property located in Russia, then the gross proceeds of such disposal less any available deductions arising from the disposal of such RASP Shares will be subject to Russian withholding income tax at a rate of 20%. In such a case, if corporate non-Russian EVRAZ Shareholders are resident in a jurisdiction which has a double tax treaty in force with Russia, depending on the terms of the respective double tax treaty in some cases the corporate non-Russian EVRAZ Shareholders could potentially benefit from exemption from taxation pursuant to the treaty. Corporate non-Russian EVRAZ shareholders may apply the benefits stipulated by the relevant double tax treaty if they are entitled to the double tax treaty benefits and the Russian tax documentation requirements are satisfied (including a confirmation of a tax residency as well as of the beneficial ownership of respective RASP Shares as defined by the Russian tax law). Such Shareholders should seek their own professional advice regarding applying for the exemption under the double tax treaty.

3. Section C: US tax considerations

US Federal Income Tax Considerations

US Holders are hereby informed that (a) any US federal tax advice contained herein (including any attachments or enclosures) was not intended or written to be used, and cannot be used, for the purpose of avoiding US federal tax penalties, (b) any such advice was written to support the promotion or marketing of the transactions or matters addressed herein and (c) holders should seek advice based on their particular circumstances from an independent tax adviser.

The following is a summary of certain material US federal income tax consequences to US Holders (as defined below) of the receipt of Capital Reduction Shares, the cancellation of Capital Reduction Shares pursuant to the Capital Reduction, the receipt of the RASP Shares pursuant to the Demerger Dividend and holding the RASP Shares on an ongoing basis. This summary does not cover all aspects of US federal income taxation that may be relevant to the receipt of Capital Reduction Shares and RASP Shares and does not address the effects of any state, local, US non-income or non-US tax laws. In particular, this summary does not address all of the tax considerations that may be applicable to investors subject to special treatment under US federal income tax laws (financial institutions, regulated investment companies, real estate investment trusts, insurance companies, dealers or traders subject to a mark-to-market method of accounting with respect to the securities, persons holding the securities as part of a “straddle”, hedge, integrated transaction or similar transaction, persons who acquired the securities through the exercise or cancellation of employee stock options or otherwise as compensation for their services, shareholders whose functional currency is not the US dollar, shareholders that are expatriates, shareholders that are partnerships or other pass-through entities for US federal income tax purposes; shareholders that own their shares indirectly through holding companies, shareholders owning or considered as owning 10% or more of the ordinary shares; persons that are subject to “applicable financial statement rules” under Section 451 (b) of the Internal Revenue Code of 1986 (the “Code”); and tax-exempt entities). This summary assumes that US Holders have held their shares in the Company, and will hold the Capital Reduction Shares and RASP Shares, as capital assets within the meaning of section 1221 of the Code.

As used herein, the term “**US Holder**” means a beneficial owner of Capital Reduction Shares or RASP Shares that is, for US federal income tax purposes: (i) a citizen or individual resident of the US; (ii) a corporation created or organised in or under the laws of the US or any State thereof; (iii) an estate the income of which is subject to US federal income tax without regard to its source; or (iv) a trust if a court within the US is able to exercise primary supervision over the administration of the trust and one or more US persons have the authority to control all substantial decisions of the trust, or the trust has elected to be treated as a domestic trust for US federal income tax purposes.

The US federal income tax treatment of a partner in an entity treated as a partnership for US federal income tax purposes that holds or that will hold Capital Reduction Shares and RASP Shares, will depend on the status of the partner and the activities of the entity. Holders that are partnerships for US federal income tax purposes should consult their tax advisers concerning the US federal income tax consequences to their partners of participating in the Demerger, and of owning shares in RASP.

This summary also assumes that the Company is not currently and has not been, and that RASP will not be, a passive foreign investment company (“**PFIC**”) for US federal income tax purposes. If the Company is or has been, or RASP were to become, a PFIC in any year, special, possibly materially adverse, consequences could result for US Holders. US Holders are urged to consult their own tax advisers regarding how to determine whether the Company is or has been, or RASP is likely to become, a PFIC, and as to the particular tax consequences to them if the Company is or has been, or RASP were to become in any year, a PFIC.

This summary further assumes that neither the Company nor RASP (in the latter case, after the Demerger) is a controlled foreign corporation for US federal income tax purposes and also that there are no US Holders that qualify for a 100% dividends received deduction under section 245A of the Code, as amended, with respect to distributions from the Company or RASP.

This summary is based on the US federal income tax laws, including the Code, its legislative history, final, temporary, and proposed regulations thereunder, published rulings, and court decisions, all as of the date hereof and all of which are subject to change, possibly with retroactive effect. A change in law or any of these authorities upon which this summary is based could adversely affect the US federal income tax consequences set out below.

The summary of US federal income tax consequences set out below is for general information only and is subject to the limitations and qualifications set forth herein. US Holders are urged to consult their own tax advisers as to the particular tax consequences to them of receiving and owning shares in RASP and the Capital Reduction Shares.

The US federal income tax rates that are included in this section are the current US federal income tax rates. These rates are subject to change; thus, the applicable US federal income tax rates at the time of the Demerger may be different from the rates included in this section.

3.1 *The receipt of Capital Reduction Shares and cancellation of Capital Reduction Shares pursuant to the Capital Reduction*

Although not free from doubt, the issue of the Capital Reduction Shares and their subsequent cancellation is expected either to be disregarded for US federal income tax purposes or to qualify for nonrecognition treatment, such that no adverse tax consequences are expected to arise for US Holders.

3.2 *The receipt of the RASP Shares pursuant to the Demerger Dividend*

Based on EVRAZ’s expectation, the Demerger Dividend should be treated as a tax-free distribution under Section 355 of the Code.

If Section 355 applies, there should be no taxable income, gain or loss arising to US Holders on receipt (or deemed receipt) of RASP Shares pursuant to the Demerger Dividend for US federal income tax purposes. A US Holder’s basis in their EVRAZ Shares held immediately prior to the Demerger Dividend should be allocated between their EVRAZ Shares and RASP Shares held immediately after the Demerger Dividend in proportion to the respective fair market value of such shares.

If Section 355 does not apply, on receipt (or deemed receipt) of RASP Shares pursuant to the Demerger Dividend, such distribution (measured at an amount equal to the fair market value of the RASP Shares received) should be treated as a dividend to US Holders to the extent of the Company’s current or accumulated earnings and profits, as determined for US federal income tax purposes. Any amount of the distribution in excess of such earnings and profits would be applied to reduce the US Holder’s tax basis in their EVRAZ Shares. To the extent the distribution exceeds both earnings and profits and tax basis, the remainder would be treated as gain from the sale or exchange of property for US federal income tax purposes. Because the Company does not maintain records of its earnings and profits for US federal income tax purposes, US Holders

should assume that the entire amount of the distribution would be treated as a dividend for US federal income tax purposes. The tax rate would be subject to several factors but to the extent the Demerger Dividend constitutes a dividend for US federal income tax purposes, it could be subject to US federal income tax at the ordinary income rates (at the date of this circular, a maximum rate of 37%, plus a 3.8% additional net investment income tax for individual US Holders and 21% for the corporate US Holders). A reduced rate may be applicable for the individual US Holders, provided that, inter alia, the holding period requirement is met to qualify the dividend as a “qualified dividend” for US federal income tax purposes and the Company qualifies for benefits under the double taxation treaty between the US and the UK. The maximum tax rate in such a case would be 20%, plus a 3.8% additional net investment income tax. State and local taxes could apply as well.

3.3 Participation in the Share Sale Facility

If Section 355 applies (as is expected by EVRAZ), US Holders participating in the Share Sale Facility would recognise gain or loss from the sale or exchange of property for US federal income tax purposes when the RASP Shares are sold pursuant to the Share Sale Facility in an amount equal to the difference between the tax basis in their RASP Shares (as determined on the basis described above) and the sales proceeds. The respective gain generally would be subject to US federal income tax at the ordinary income rates (at the date of this Circular, a maximum of 37%, plus a 3.8% additional net investment income tax for individual US Holders and 21% for corporate US Holders). A reduced rate may be applicable for individual US Holders, provided that, inter alia, the holding period requirement is met to qualify the gain as long-term capital gain. The maximum tax rate in such a case would be (at the date of this Circular) 20%, plus a 3.8% additional net investment income tax. State and local taxes could apply as well.

If, contrary to EVRAZ’s expectation, Section 355 does not apply, US Holders participating in the Share Sale Facility are expected to have a basis in their RASP Shares equal to the fair market value of those shares at the date of the Demerger Dividend. On participation in the Share Sale Facility, US Holders will be subject to tax on the gain (if any) on their RASP Shares in an amount equal to the difference between the amount of sales proceeds and their basis in their RASP Shares. Again, the respective gain would be generally subject to tax in the US at the ordinary income rates (at the date of this Circular, a maximum of 37%, plus a 3.8% additional net investment income tax for individual US Holders and 21% for corporate US Holders). A reduced rate may be applicable for individual US Holders, provided that, inter alia, the holding period requirement is met to qualify the gain as long-term capital gain. The maximum tax rate in such a case would be (at the date of this Circular) 20%, plus a 3.8% additional net investment income tax. State and local taxes could apply as well.

3.4 Holding RASP Shares on an ongoing basis

Subject to the PFIC rules, if RASP makes a distribution of cash or other property to a US Holder, such distribution will generally be treated as a dividend for US federal income tax purposes to the extent the distribution is paid out of RASP’s current or accumulated earnings and profits (as determined under US federal income tax principles). Such dividends generally would be subject to US federal income taxation at the standard rates (at the date of this Circular, a maximum of 37%, plus a 3.8% additional net investment income tax for individual US Holders and 21% for corporate US Holders). Such dividends could potentially qualify for preferential rates applicable to qualified dividends, provided certain requirements are met (as mentioned in paragraph 3.2. above). The preferential rates generally would not be available if RASP is a PFIC.

Provided the US Holder elects to credit foreign taxes, withholding taxes paid to Russia potentially could be credited against US federal income tax.

Any amount of a distribution by RASP in excess of current and accumulated earnings and profits would be expected to be applied to reduce the US Holder’s tax basis in their RASP Shares. To the extent the distribution exceeds both of current and accumulated earnings and profits and the US Holder’s tax basis, the remainder would be expected to be treated as gain from the sale or exchange of property for US federal income tax purposes.

Capital gain or loss for US federal income tax purposes should generally be recognised on the sale or other taxable disposition of the RASP Shares equal to the difference, if any, between the amount realised and the adjusted tax basis in the RASP Shares. The respective gain generally

would be subject to US federal income tax at the ordinary income rates (at the date of this Circular, a maximum of 37%, plus a 3.8% additional net investment income tax for individual US Holders and 21% for corporate US Holders). A reduced rate may be applicable for individual US Holders, provided that, inter alia, the holding period requirement is met to qualify the gain as long-term capital gain. The maximum tax rate in such a case would be (at the date of this Circular) 20%, plus a 3.8% additional net investment income tax. State and local taxes could apply as well.

PART VIII

ADDITIONAL INFORMATION

1. Responsibility

EVRAZ and the EVRAZ Directors, whose names are set out in Section 3 below, accept responsibility for the information contained in this document. To the best of the knowledge and belief of EVRAZ and the EVRAZ Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. EVRAZ

EVRAZ was incorporated and registered in England and Wales on 23 September 2011 as a public company limited by shares with registered number 07784342. EVRAZ was previously incorporated as Project Savannah plc until 13 October 2011, when it changed its name to Evraz plc. Its legal entity identifier is 5493005B7DAN39RXLK23.

Its registered office is 2 Portman Street, London W1H 6DU, England and its telephone number is +44 (0) 207 290 1095. EVRAZ's website is www.evraz.com. The information on the website does not form part of this document unless that information is incorporated by reference into this document.

The principal laws and legislation under which EVRAZ operates, and under which the EVRAZ Shares have been created, are the Companies Act and the regulations made thereunder.

3. EVRAZ Directors

The EVRAZ Directors and their principal functions are set out below. The business address of each director is 2 Portman Street, London W1H 6DU, England.

<i>Name</i>	<i>Function</i>
Alexander Abramov	<i>Non-executive Chairman</i>
Alexander Frolov	<i>Non-executive Director</i>
Eugene Shvidler	<i>Non-executive Director</i>
Eugene Tenenbaum	<i>Non-executive Director</i>
Sir Michael Peat	<i>Senior Independent Non-executive Director</i>
Karl Gruber	<i>Independent Non-executive Director</i>
Deborah Gudgeon	<i>Independent Non-executive Director</i>
Alexander Izosimov	<i>Independent Non-executive Director</i>
Stephen Odell	<i>Independent Non-executive Director</i>
James Rutherford	<i>Independent Non-executive Director</i>
Sandra Stash	<i>Independent Non-executive Director</i>

4. EVRAZ Directors' interests in EVRAZ Shares

4.1 EVRAZ Shares

As at the Latest Practicable Date, EVRAZ Directors collectively held 463,161,950 EVRAZ Shares and are expected to hold 463,161,950 EVRAZ Shares immediately following the Demerger. The interests (all of which are beneficial unless otherwise stated) of the EVRAZ Directors in the share capital of EVRAZ or interests of a person connected (within the meaning of Article 3(1)(26) of the retained EU law version of the Market Abuse Regulation (596/2014) ("**UK MAR**") with a Director, together with such interests as are expected to be held immediately following the Demerger, are as follows:

<i>Director</i>	<i>Number of EVRAZ Shares</i>	<i>Percentage of voting rights held (%)</i>
Alexander Abramov	281,870,003	19.32
Alexander Frolov	140,723,705	9.65
Eugene Shvidler	40,488,242	2.79
Alexander Izosimov	80,000	0.01

4.2 Options and awards over EVRAZ Shares

No options to acquire EVRAZ Shares have been granted to the EVRAZ Directors since 2006.

5. PJSC Raspadskaya

RASP is registered in the Russian Federation with registered number (OGRN) 1024201389772. It is a public joint stock company limited by shares which are admitted to trading on the Moscow Exchange (ticker: RASP).

Its registered office is 106 Mira street, Mezhdurechensk, 652870, Kemerovo region, Russian Federation and a telephone number for RASP is +7 495 232 1370. RASP's website is www.raspadskaya.com. The information on the website does not form part of this document unless that information is incorporated by reference into this document.

The principal laws and legislation under which RASP operates, and under which the RASP Shares have been created, are the Civil Code of the Russian Federation, Federal Law of the Russian Federation on Joint-Stock Companies, Federal Law of the Russian Federation on the Securities Market and the regulations made thereunder.

6. Directors of RASP

The RASP Directors and their principal functions are set out below.

<i>Name</i>	<i>Function</i>
Alexander Frolov	<i>Non-executive Chairman</i>
Eric Hugh John Stoyell	<i>Independent Non-executive Director</i>
Marat Atnashev	<i>Independent Non-executive Director</i>
Olga Pokrovskaya	<i>Independent Non-executive Director</i>
Andrey Davydov	<i>Chief Executive Director</i>
Ilya Lifshits	<i>Non-executive Director</i>
Aleksey Ivanov	<i>Non-executive Director</i>
Nikolay Ivanov	<i>Non-executive Director</i>
Alexander Kuznetsov	<i>Non-executive Director</i>

It is anticipated that at RASP's general shareholders' meeting scheduled for 27 January 2022, new directors may be elected to the RASP Board.

7. RASP Directors' interests in RASP Shares

As at the Latest Practicable Date, none of the RASP Directors have any direct interest in the RASP Shares or the RASP Group.

8. Information on the RASP Shares

8.1 Public status

RASP is currently listed on the Moscow Exchange (ticker: RASP) and has a free float of approximately 6.6% ordinary shares (with an additional approximately 2.5% ordinary shares held in treasury which are anticipated to be cancelled shortly after RASP's general shareholders' meeting scheduled for 27 January 2022).

In recent years, the general liquidity of shares listed on the Moscow Exchange has increased. Since 1 January 2020, ten Russian companies have undertaken an IPO¹², with five of these issuers choosing the Moscow Exchange as their sole listing venue (with the other five issuers also listing on the Moscow Exchange, but opting for a dual listing). The Moscow Exchange now accounts for more than 50% of total trading volume for stocks with a dual listing on the Moscow Exchange and the London Stock Exchange.

8.2 Rights attached to the RASP Shares

RASP has issued 682,858,899.95 ordinary shares with a nominal value of 0.004 rubles each. RASP currently holds 17,124,981 ordinary shares in treasury, which do not have voting rights and do not participate in the distribution of dividends issued by RASP and are anticipated to be cancelled shortly after RASP's general shareholders' meeting scheduled for 27 January 2022. The total number of voting rights attached to the RASP's ordinary shares is therefore 665,733,918.95.

Each RASP Share, being an ordinary share, carries identical rights. These rights include the ability to participate in, and vote at, RASP's general shareholders' meetings and the right to participate in the distribution of dividends issued by RASP (though there is no corresponding obligation on RASP to pay dividends unless dividends have been declared). Additional rights include (but are not limited to) the right to (i) receive a portion of RASP's assets on its liquidation (subject to satisfaction of all creditors' claims), (ii) file a court claim for the invalidation of a resolution passed by RASP's general shareholders' meeting or a transaction made to the apparent detriment of RASP's interests (in each case, only if certain conditions are met), (iii) receive information on RASP's activities and (iv) access certain documents in accordance with Russian law. The allocation of such non-voting statutory rights will in some cases depend on the number of RASP Shares held by a particular shareholder.

8.3 Russian regulatory requirements

The acquisition by any EVRAZ Shareholder (together with its affiliates) of more than 30% of RASP Shares will trigger a mandatory tender offer for RASP Shares under Russian law by such EVRAZ Shareholder. Based on the number of shares held by each EVRAZ Shareholder as at the Latest Practicable Date, it is not anticipated that any EVRAZ Shareholder will separately hold more than 30% of RASP Shares immediately following the Demerger (not taking into account the Share Sale Facility).

Any EVRAZ Shareholder who intends, together with their "group of persons" (as defined under Russian law), to hold directly or indirectly over 25% of RASP Shares must first obtain a Russian merger control clearance.

Any foreign investor (including a Russian citizen acting through a foreign holding company or a Russian/foreign company controlled by a Russian citizen holding any additional citizenships) who seeks to directly or indirectly hold over 25% of votes (or blocking rights) in RASP must make a pre-transaction disclosure of their "controlling persons, beneficial owners and beneficiaries" (as defined under Russian law) in accordance with Federal Law No. 57-FZ dated 29 April 2008 "On Foreign Investments into Entities of Strategic Significance for the Defence of the Country and Security of the State", unless the investor is controlled by a foreign state or international organisation. Such disclosure must be submitted to, and subsequently reviewed by, the Federal Antimonopoly Service of the Russian Federation by the relevant individual or entity acquiring the RASP Shares (or blocking rights) prior to such acquisition.

¹² Excluding fixed price and Special Purpose Acquisition Company ("SPACs") initial public offerings.

Any foreign investor who seeks to directly or indirectly acquire over 25% of votes (or blocking rights) in RASP and who does not make the above pre-transaction disclosure of “controlling persons, beneficial owners and beneficiaries” (as defined under Russian law), or in any event is controlled by a foreign state or international organisation, will trigger a Russian strategic clearance under Federal Law No. 57-FZ dated 29 April 2008 “On Foreign Investments into Entities of Strategic Significance for the Defence of the Country and Security of the State”. The relevant individual or entity acquiring the RASP Shares (or blocking rights) must obtain clearance prior to such acquisition.

Any EVRAZ Shareholder who (i) seeks to directly or indirectly acquire, together with their “group of persons” (as defined under Russian law), over 50% of votes in RASP (or other form of control over RASP, including the right to appoint its sole executive body or over 50% of members of the RASP Board) and (ii) is not controlled by a foreign state or international organisation will trigger a Russian strategic clearance under Federal Law No. 57-FZ dated 29 April 2008 “On Foreign Investments into Entities of Strategic Significance for the Defence of the Country and Security of the State”, in which case the above pre-transaction disclosure of “controlling persons, beneficial owners and beneficiaries” is not required. The relevant individual or entity acquiring the RASP Shares (or other form of control over RASP) must receive clearance prior to such acquisition.

Any EVRAZ Shareholder which is controlled by a foreign state or international organisation is prohibited from acquiring over 50% of votes in RASP (or any other form of control in RASP) whether directly or indirectly.

In addition, the Prime Minister of the Russian Federation is entitled, at their own discretion, to require Russian strategic clearance for any transaction in respect of any Russian entity by referring such transaction to the Governmental Commission for Control over Foreign Investments for review.

Any EVRAZ Shareholder who directly or indirectly acquires 5% or more shares in RASP must subsequently submit a notification to the Federal Antimonopoly Service of the Russian Federation under Federal Law No. 57-FZ dated 29 April 2008 “On Foreign Investments into Entities of Strategic Significance for the Defence of the Country and Security of the State” within 45 calendar days of such acquisition.

In respect of the Demerger, the Company understands that Greenleas International Holdings Ltd has filed a pre-transaction disclosure of its controlling persons, beneficial owners and beneficiaries with the Federal Antimonopoly Service of the Russian Federation and has received a Russian merger control clearance in connection with its proposed receipt of RASP Shares pursuant to the Demerger Dividend.

9. RASP Remuneration Policy

The remuneration policy of the RASP Directors’ was approved by RASP Shareholders in May 2016 and currently remains in effect. Under the remuneration policy, RASP Directors receive an annual fee, gross of deduction of applicable income and other taxes. The Chairman of the RASP Board receives 5,050,000 rubles (around \$69,000) per annum, whilst other RASP Directors receive 3,800,000 rubles (around \$52,000) per annum. RASP Directors who serve on any of the committees of the RASP Board receive an additional 1,250,000 rubles (around \$17,000) per annum for their participation. The expenses of the RASP Directors which are incurred in the performance of their duties as members of the RASP Board (including travel expenses and accommodation costs) are reimbursed by RASP. The Company understands that RASP intends to review the remuneration policy of the RASP Directors before completion of the Demerger in order to align the remuneration levels with market standards and practices.

Raspadskaya Coal Company, RASP’s management company, has a separate remuneration policy which was adopted in January 2021. The policy is aimed at increasing labour and production performance, improving industrial safety and implementing a consistent approach to remuneration. In order to achieve these aims, the remuneration policy introduces a graded system of various positions within the organisation by using a standardised method for determining the appropriate benefits for each such position. It also sets principles and guidelines for the revision of salary, and payments of bonuses, which are linked to different quantitative targets.

10. EVRAZ and RASP Share Plans

10.1 *Impact of the Demerger on the EVRAZ Long Term Incentive Plan*

Awards under the EVRAZ Long Term Incentive Plan (“**EVRAZ LTIP**”) held by EVRAZ employees will not be affected by the Demerger (although the awards will be adjusted (see below)) and will continue in the normal way.

Holders of unvested awards under the EVRAZ LTIP will not participate in the Demerger or the Capital Reduction. As a result, the value of the awards is expected to be reduced. Consequently, the awards will be adjusted to ensure that the participants are neither disadvantaged nor advantaged as a result of the Demerger.

The Remuneration Committee will consider whether or not the Demerger will have any impact on any performance targets linked to EVRAZ LTIP awards and will consider whether any action is required in order to ensure that such targets continue to be capable of being assessed on a consistent basis.

No directors of EVRAZ participate in the EVRAZ LTIP.

10.2 *Impact of the Demerger on the RASP Long Term Incentive Plan*

Awards under the EVRAZ LTIP held by RASP employees will be replaced by new incentive plans to be established by RASP following the Demerger (“**RASP LTIP**”). The awards under the RASP LTIP will be subject to the satisfaction of performance conditions and continued employment.

11. EVRAZ Directors’ service contracts and appointment letters

The current terms and conditions relating to the appointment and employment of the EVRAZ Directors, including the remuneration payable to the EVRAZ Directors, are set out in the “Directors’ Remuneration Report” on pages 134 to 139 of EVRAZ’s 2020 annual report and accounts, which are hereby incorporated by reference into this document.

12. Key Individuals

Andrey Davydov, the general director (CEO) of Raspadskaya Coal Company (RASP’s management company) assumed his role in June 2020 and has more than 25 years of experience in the Russian and Ukrainian mining industries. In 2010, he joined EVRAZ and was in charge of EVRAZ’s Sukha Balka iron ore mine in Ukraine for five years. Between 2016 and 2020, Mr. Davydov led the Management Company EVRAZ Mezhdurechensk which managed the Sibuglemet group of enterprises.

The mine director of RASP, Alexander Elokhin, has held his current position since September 2018, having joined RASP in 1996 as an underground electrician. He graduated from the Kuzbass State Technical University with a degree in the Underground mining of minerals and has held multiple roles at RASP, including underground field supervisor, deputy director for production and deputy general director of RASP. In 2018, he assumed his current role as mine director of RASP.

Stanislav Kuznetsov assumed his role as the current Director of Economy and Finance (CFO) of Raspadskaya Coal Company in July 2020. He graduated from the Kemerovo State University in 2010 with a degree in Economics and Management at Industrial Enterprises, and subsequently joined the Directorate of Economy and Finance of UCC Yuzhkuzbassugol before progressing from a position as a leading economist to head of a bureau of the Office of the Planning and Economic Department. In 2018, Mr. Kuznetsov graduated from the EVRAZ New Leaders programme and has an IFRS diploma.

Sergey Shiryayev has acted as Technology Director (CTO) of Raspadskaya Coal Company since 2019. Mr. Shiryayev graduated from the Siberian State Industrial University with two diplomas in Underground Mining and in Economics and Management at the Mining Industry and Geological Exploration. In 2014, Mr. Shiryayev joined Raspadskaya Coal Company as First Deputy Technical Director.

13. Major Shareholders

As at the Latest Practicable Date, EVRAZ had been notified of the following EVRAZ Shareholders who were, directly or indirectly, interested in 3% or more of the total voting rights in respect of the issued EVRAZ Shares:

<i>EVRAZ Shareholder</i>	<i>Number of EVRAZ Shares</i>	<i>Approximate percentage of voting rights attached to the issued share capital⁽¹⁾⁽²⁾</i>
Greenleas International Holdings Ltd.	417,767,314	28.64
Abiglaze Ltd	281,870,003	19.32
Crosland Global Limited	140,723,705	9.65
Gennady Kozovoy	83,751,827	5.74
Maxim Vorobyev	43,872,001	3.01

Notes:

- (1) These figures are shown as at the Latest Practicable Date and do not reflect the Capital Reduction Share Issue.
- (2) The percentages shown above are calculated using the current total number of EVRAZ Shares in issue. As at the Latest Practicable Date, EVRAZ held 47,837,582 EVRAZ Shares in treasury.

As at the Latest Practicable Date, the Company is aware of the following individuals who each have a beneficial interest in 3% or more of the issued EVRAZ Shares (in each case, except for Gennady Kozovoy, held indirectly):

<i>EVRAZ Shareholder</i>	<i>Number of EVRAZ Shares</i>	<i>Approximate percentage of voting rights attached to the issued share capital⁽¹⁾⁽²⁾</i>
Roman Abramovich	417,767,314	28.64
Alexander Abramov	281,870,003	19.32
Alexander Frolov	140,723,705	9.65
Gennady Kozovoy	83,751,827	5.74
Maxim Vorobyev	43,872,001	3.01

Notes:

- (1) These figures are shown as at the Latest Practicable Date and do not reflect the Capital Reduction Share Issue.
- (2) The percentages shown above are calculated using the current total number of EVRAZ Shares in issue. As at the Latest Practicable Date, EVRAZ held 47,837,582 EVRAZ Shares in treasury.

Save as disclosed in this Section 13, EVRAZ is not aware of any person who, as at the Latest Practicable Date, directly or indirectly, has a holding which exceeds the threshold of 3% or more of the total voting rights attached to its issued share capital.

14. Related party transactions

Related party transactions of the EVRAZ Group during the three-year period to 31 December 2020 are as disclosed in accordance with IFRS in:

- note 16 to the audited consolidated financial statements for the year ended 31 December 2018 of EVRAZ's 2018 annual report and accounts which is hereby incorporated by reference into this document;
- note 16 to the audited consolidated financial statements for the year ended 31 December 2019 of EVRAZ's 2019 annual report and accounts which is hereby incorporated by reference into this document; and
- note 16 to the audited consolidated financial statements for the year ended 31 December 2020 of EVRAZ's 2020 annual report and accounts which is hereby incorporated by reference into this document.

The nature of the related party transactions of the EVRAZ Group has not changed during the period between 1 January 2021 and the Latest Practicable Date from those described in note 16 to the consolidated financial statements of EVRAZ for the year ended 31 December 2020. There have been

no other related party transactions requiring disclosure under IFRS during the period between 1 January 2021 and the Latest Practicable Date.

15. Material contracts of the Post-Demerger EVRAZ Group

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Post-Demerger EVRAZ Group: (i) within the two years immediately preceding the date of this document which are, or may be, material; or (ii) at any time and which contain any provision under which any member of the Post-Demerger EVRAZ Group has any obligation or entitlement which is material to the Post-Demerger EVRAZ Group as at the date of this document:

15.1 The Demerger Agreement

The Demerger Agreement was entered into between EVRAZ and RASP on 15 December 2021 to effect the Demerger and to govern the post-Demerger obligations of the RASP Group and the EVRAZ Group in respect of, among other things, their respective indemnity obligations. Under the Demerger Agreement, RASP and EVRAZ warrant to each other that all assets and losses pertaining to coal and steel businesses are held by the RASP Group and the EVRAZ Group (respectively).

EVRAZ and RASP have agreed to ensure that, following the Demerger, historical liabilities (as well as any future liabilities which are referable to events which occurred before completion of the Demerger) relating to the steel and coal business are to be borne by the Post-Demerger EVRAZ Group and RASP Group (respectively). Therefore, if any such steel liabilities would otherwise have been incurred by the RASP Group, the Post-Demerger EVRAZ Group shall (1) ensure that all such liabilities are either novated or otherwise transferred to it or released or (2) indemnify the RASP Group against all such liabilities, provided that any such claim may only be filed within three years after completion of the Demerger. The same approach applies to relevant coal liabilities which would otherwise have been borne by the Post-Demerger EVRAZ Group. Such mutual indemnity undertakings are capped at US\$100 million for each of EVRAZ and RASP.

Subject to certain limited exceptions, the Post-Demerger EVRAZ Group will not (for its own account or for that of any person, firm or company (other than the RASP Group)) directly or indirectly, during the Restricted Period in the Restricted Territory: (i) carry on or be economically interested in any business which is of the same or similar type to the business of the RASP Group and/or (ii) compete with the business of the RASP Group, canvass or solicit the custom of any person, firm or company who has within five years prior to completion of the Demerger been a regular customer of the RASP Group. Similar provisions apply to the RASP Group, *mutatis mutandis*.

The majority of obligations contained within the Demerger Agreement are conditional on the Demerger Dividend having been declared and the Demerger being approved as a Class 1 transaction under the Listing Rules. The Demerger Agreement will terminate if the transfer of RASP Shares to EVRAZ Shareholders not participating in the Share Sale Facility has not occurred on or before the date falling six (6) months after the date of issuance of the Court decision approving the Capital Reduction (or such other date as the parties thereto may agree in writing).

15.2 The Sponsor's Agreement

On 15 December 2021, the Company and J.P. Morgan Cazenove (the “**Sponsor**”) entered into a sponsor's agreement, pursuant to which the Company appointed J.P. Morgan Cazenove as sponsor in connection with the publication of the Circular (the “**Sponsor's Agreement**”). Under the terms of the Sponsor's Agreement, the Company has agreed to provide the Sponsor with certain customary indemnities, undertakings, representations and warranties. The indemnities provided by the Company indemnify the Sponsor and its affiliates against, *inter alia*, claims made against them or losses incurred by them in connection with the arrangements contemplated by the Circular and other relevant documents, subject to certain customary exceptions.

15.3 Coal Offtake Agreements

On 1 November 2021, EVRAZ NTMK and EVRAZ ZSMK entered into separate Coal Offtake Agreements with the RASP Group, to take effect immediately upon completion of the Demerger and until 31 December 2026. Pursuant to the Coal Offtake Agreements, EVRAZ NTMK and EVRAZ ZSMK will purchase certain grades of coal from the RASP Group accounting for up to approximately 60% of the Post-Demerger EVRAZ Group's coal requirements for the purposes of steel production.

The price to be paid by EVRAZ NTMK and EVRAZ ZSMK will be determined in accordance with an agreed formula, linked to global coal index prices over which EVRAZ has no control, taking into account foreign-exchange movements and quality.

Under the Coal Offtake Agreement entered into by EVRAZ NTMK, EVRAZ NTMK will be obliged to purchase fixed volumes of coal each year as follows:

<i>Period</i>	<i>Q4 2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>	<i>2026</i>
Volume ('000' tonnes)	332	1692	1767	1652	1677	2123

Under the Coal Offtake Agreement entered into by EVRAZ ZSMK, EVRAZ ZSMK will be obliged to purchase fixed volumes of coal each year as follows:

<i>Period</i>	<i>Q4 2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>	<i>2026</i>
Volume ('000' tonnes)	526	2967	3188	3072	3346	3303

If the supply of coal, or the payment for that supply, is delayed then the delaying party will be required to pay a daily penalty of 0.83% of the value of the delayed products or delayed consideration, respectively. Such penalties will accrue up to a maximum of 10% of the value of the delayed products or delayed consideration, respectively.

If the fixed volumes of coal are not supplied, or not purchased, then the party in breach of the Coal Offtake Agreement will be required to pay a sum to the other party equal to 20% of the costs of the coal not supplied or not purchased, as applicable, such cost being calculated using the formula price for the relevant quarter.

In addition, certain penalties apply if the time for the loading of coal into railcars exceeds the standard required period or if railcars are damaged during the course of unloading the coal. If railcars are directed to stations other than those provided for in the long-term coal offtake agreements, then EVRAZ NTMK or EVRAZ ZSMK (as applicable) will be able to claim for any resultant losses from RASP.

If, during any quarter, the formula price under the agreements differs by 10% or more from that of a confirmed offer by a third party to buy coal from, or sell coal to, RASP, or EVRAZ NTMK or EVRAZ ZSMK (as applicable), respectively, then the party receiving the more favourable offer must, where the offer from a third party relates to coal of a similar quality to the RASP Group's and for a volume amounting to at least one-third of the amount that EVRAZ NTMK or EVRAZ ZSMK (as applicable) would have ordered under the long-term coal offtake agreements in that quarter, inform the other party who must offer to match the price or inform the other party that it cannot match the price.

If RASP and EVRAZ NTMK or EVRAZ ZSMK (as applicable) fail to agree on a price that matches, for the total quarterly amounts due under the relevant Coal Offtake Agreement, the price offered by the third party, the party receiving the more favourable third party offer must accept it (with any such volumes being deducted from the fixed volumes contained in the relevant Coal Offtake Agreement). Starting from the following quarter, the formula prices under the relevant Coal Offtake Agreement revert to their original settings.

EVRAZ NTMK and EVRAZ ZSMK will be entitled under the terms of the Coal Offtake Agreements to reallocate within a quarter the average monthly amount of supplied coal within a 10% tolerance, subject to the acquisition of the required quarterly amount within that quarter. No reallocation between quarters is permitted under the Coal Offtake Agreements. EVRAZ NTMK has the right to redirect unnecessary volumes of coal to EVRAZ ZSMK (and vice versa).

Under the Coal Offtake Agreements, the parties must comply with national and international environmental laws applicable to their businesses, endeavour to decrease adverse environmental impacts and procure that any waste resulting from production and commercial activities is handled responsibly. Additionally, the parties must comply with employment and industrial relations standards as observed by similar employers in the jurisdictions where the parties conduct their businesses, must not discriminate against employees on the basis of personal characteristics not related to their profession, must ensure reasonable labour conditions and must implement labour protection and industrial safety policies on the basis of global best practices in their respective industries. The RASP Group has agreed to give EVRAZ NTMK and EVRAZ ZSMK reasonable access to its premises, the site of any works or operations carried out under or in connection with the Coal Offtake Agreements and to any records, accounts or relevant documents that are necessary to assess compliance with environmental and social standards. If the RASP Group breaches these standards, it must notify EVRAZ NTMK or EVRAZ ZSMK (as applicable) and must include in its notice reasonable details of the relevant breach and any investigations and/or corrective actions it has taken or plans to take in response to the respective breach.

The Post-Demerger EVRAZ Group's remaining coal requirements will be satisfied by ordinary course trades under shorter term contracts. Purchases under shorter term contracts will be made from a variety of suppliers, depending on the grade of coal, with the majority currently expected to be made on a quarterly basis. If quarterly contracts are not commercially practicable or desirable, shorter periods (e.g. monthly or individual cargoes) or periods of up to one year may be permitted provided the terms of such contracts are consistent with market practice. Tenders will be competitive on the basis of base price, volume and quality. The RASP Group may or may not be selected as a supplier for short term contract purchases and decisions will be made on an arm's length basis independent of any influence from RASP. Final decisions will be made on an arm's length basis by the Director for Procurement of EVRAZ and each tender will be reviewed by the Internal Audit department of EVRAZ. A procurement policy will be put in place to govern such arrangements. The EVRAZ Audit Committee will require the Internal Audit department to verify on an annual basis that shorter-term coal purchases have been carried out in accordance with EVRAZ's tender policies and procedures, to ensure a competitive process, and that pricing for transactions with RASP is always in line with market pricing.

The form of short term purchase contracts to be used between RASP and EVRAZ will be similar to those used historically between the entities. Historical spot purchase contracts also exist with third parties. In future tenders, third parties will be offered conditions equivalent to those of the contracts between RASP and EVRAZ in terms of deferred payment, delivery basis and volumes. There are various potential third party suppliers of coal available to EVRAZ.

15.4 **Strategic Cooperation Deed**

On 15 December 2021, EVRAZ and RASP entered into the Strategic Cooperation Deed to acknowledge that EVRAZ and RASP will continue providing certain services and supplying certain goods to each other pursuant to the agreements entered into between them before the Demerger.

Under the Strategic Cooperation Deed, EVRAZ and RASP will, and acknowledge that their respective subsidiaries will, up to and including 31 December 2022, supply services and perform certain other agreements between them in accordance with their terms. Unless EVRAZ and RASP agree otherwise, both parties shall endeavour to procure the termination of all such service and other arrangements by 1 January 2023 (unless RASP requires the earlier termination of any of them, in which case the parties shall endeavour to terminate the respective agreements as may be so requested).

Under the Strategic Cooperation Deed, EVRAZ and RASP will, and acknowledge that their respective subsidiaries will, perform the coal supply agreements which are in place between the Post-Demerger EVRAZ Group and the RASP Group at that time in accordance with their terms.

Any potential liability of each of EVRAZ and RASP under the Strategic Cooperation Deed is capped at US\$20 million. This cap is independent of the parties' liabilities under the respective underlying agreements.

15.5 **EMAG Trading Agreement**

On 8 November 2021, RASP as the Seller, and EMAG, the trading subsidiary of the EVRAZ Group, as the Buyer entered into an agreement for the sale of bituminous coal (the “**Goods**”) (the “**EMAG Trading Agreement**”). Goods are shipped, pursuant to the agreement, to South Korea, China, Japan, Taiwan, Vietnam, Slovakia, Turkey, Romania, Serbia, Poland, Lithuania, the Czech Republic, Ukraine and India. It is anticipated that arrangements under the EMAG Trading Agreement will continue until 31 December 2022, with a possible extension to 31 March 2023.

Certain minimum volumes are to be shipped to South Korea, China, Japan, Taiwan, Vietnam, Slovakia, Romania, Serbia, Poland, Lithuania, the Czech Republic, Ukraine and India:

<i>Period</i>	<i>Q1 2022</i>	<i>Q2 2022</i>	<i>Q3 2022</i>	<i>Q4 2022</i>
Volume ('000' tonnes)	1620	1620	1720	1720

Certain minimum volumes are to be shipped to Turkey:

<i>Period</i>	<i>Until 31 January 2022</i>
Volume ('000' tonnes)	20

Under the EMAG Trading Agreement, the parties will need to agree prices for coal and, if they do not, the prices will be determined using a mechanism based on indices compiled by Platts, an independent provider of commodity benchmark prices, plus adjustments. Once prices are agreed, they may then be adjusted if the quality differs in relation to certain metrics (e.g., moisture levels or sulphur content).

15.6 **Share Sale and Purchase Agreement in respect of UCC Yuzhkuzbassugol**

On 28 December 2020, EVRAZ NTMK (as seller) and RASP (as purchaser) entered into a share sale and purchase agreement in respect of 100% of the shares in UCC Yuzhkuzbassugol for a purchase price equal to approximately 67,741 million rubles (the “**YKU SPA**”).

On 30 December 2020, 100% of the shares in UCC Yuzhkuzbassugol were transferred to RASP. As of the date of this Circular, the purchase price has been paid up in full in accordance with the terms and conditions of the YKU SPA.

15.7 **Construction Contracts relating to the Pueblo Site**

In May 2021, EVRAZ (as client) entered into a construction contract and auxiliary arrangements with Wanzek Construction Inc. (as contractor) to construct a universal long rail mill at the Pueblo site. The project is intended to modernise the Pueblo's rail making capability and to enable the manufacturing and welding of 100 m rails, with a long-term target being to replace an existing rail facility at the site and meet the needs of customers for long rail products. Under the above contract and other arrangements, EVRAZ has an estimated budget of approximately US\$684m. All the works are expected to be completed by the second quarter of 2023 (inclusive).

15.8 **Sibuglemet Joint Guarantee**

In June 2018, EVRAZ and EVRAZ ZSMK issued a joint guarantee amounting to up to 30 billion rubles in favour of nine entities owned by Sibuglemet in respect of management services provided by EVRAZ Mezhdurechensk to these entities.

The management services covered all of the functions typically carried out by the chief executive officer including carrying out the day-to-day operations of these companies, their investment and procurement activities. On 15 November 2020, the management services contract was terminated. The guarantee will continue to be effective until 3 years after the date of termination and will therefore expire on 15 November 2023.

15.9 **EVRAZ financing arrangements**

15.9.1 **Bonds**

In 2016, EVRAZ issued US\$500 million 6.75% Eurobonds due 2022 which it elected to fully repay and redeem on 28 October 2021.

EVRAZ has two outstanding Eurobonds with maturities ranging between 2023 and 2024, with total principal amounts of US\$750 million and US\$700 million remaining outstanding under EVRAZ's 5.375% notes due 2023 and 5.25% notes due 2024, respectively. The US\$750 million 5.375% notes due 2023 and US\$700 million 5.25% notes due 2024 were issued on 20 March 2017 and 2 April 2019, respectively. Both issues are listed on the Euronext Dublin (previously known as the Irish Stock Exchange) and have been assigned senior unsecured debt ratings from Standard and Poor's, Moody's Investors Service, and Fitch Ratings currently standing at BB+, Ba1, and BB+, respectively.

The trust deeds of both bond issues contain certain covenants, including a limitation on certain transactions and the incurrence of new debt if a ratio of consolidated financial indebtedness to EBITDA (earnings before interest, tax, depreciation and amortisation) calculated on a last twelve months basis exceeds 3.5x. However, the limitation on incurring new debt contains certain carve-outs that allow for some flexibility, including a right of the Company and its subsidiaries to incur new debt if proceeds are applied to refinancing of existing indebtedness. The financial covenants under the trust deeds of both bond issues are tested semi-annually as of 31 December and as of 30 June, using consolidated financial statements of the Company.

EVRAZ also has one outstanding rouble-denominated bond. On 5 August 2019, a Russian financial subsidiary of the Company, EvrazHolding Finance LLC, issued a RUB 20,000 million exchange-traded bond guaranteed by the Company which matures on 29 July 2024. The bonds bear interest at a rate of 7.95% per annum payable semi-annually. These bonds are publicly traded on the Moscow Exchange. There are no financial covenants under the bond documents.

15.9.2 *US\$750 million syndicated credit facility*

On 18 March 2020, EVRAZ NTMK signed a US\$750 million syndicated loan facility with AO Citibank, AO UniCredit Bank, Bank ICBC (JSC), Banca Intesa, China Construction Bank, Crédit Agricole Corporate and Investment Bank, Credit Suisse AG, Deutsche Bank AG, London Branch, ING Bank (a branch of ING-DiBa AG), Intesa Sanpaolo Bank Ireland Plc, Mizuho Bank, Ltd. and SGBTCI S.A. which was guaranteed by the Company and EVRAZ ZSMK. On 15 March 2021, EVRAZ NTMK utilised the full amount under this facility, which is repayable in nine equal quarterly instalments from 2024 to 2026. As at the Latest Practicable Date, US\$750 million was drawn and was outstanding under the facility. The final maturity of this facility is on 15 March 2026.

Interest in respect of the outstanding loan amount is payable at a rate per annum equal to the aggregate of (a) a margin of 1.90% plus (b) a 3-month LIBOR rate, on a quarterly basis.

The loan agreement has the following financial covenants customary for these types of facilities, which will be tested on a semi-annual basis, as of 31 December and as of 30 June using consolidated financial statements of the Company:

- Gearing: the ratio of net borrowings to EBITDA (earnings before interest, taxes, depreciation and amortisation) calculated on a last twelve months basis does not exceed 4.5x; and
- Interest cover: the ratio of EBITDA (earnings before interest, taxes, depreciation and amortisation) to interest expense payable, each calculated on a last twelve months basis, shall not be lower than 2.5x.

15.9.3 *US\$350 million Credit Agreement with Intesa*

On 29 November 2021, EVRAZ ZSMK entered into a credit agreement with Intesa Group. The Company together with EVRAZ NTMK secured the facility with a joint and several guarantee. Under terms of this agreement, EVRAZ ZSMK can borrow at any time within six calendar months after the signing date, and the bank is committed to lend, an amount up to US\$350 million. The utilised amount under this credit agreement is repayable in nine equal quarterly instalments, with the first instalment payable 36 months after the signing date. As at the Latest Practicable Date, no amount was drawn or outstanding under the facility. The final maturity of this facility is on 29 November 2026.

Interest in respect of the outstanding loan amount is payable at a rate per annum equal to the aggregate of (a) a margin of 1.60% plus (b) a 3-month LIBOR rate, on a quarterly basis.

The credit agreement has the following financial covenants customary for these types of facilities, which will be tested on a semi-annual basis, as of 31 December and as of 30 June:

- Gearing: the ratio of net borrowings to EBITDA (earnings before interest, taxes, depreciation and amortisation) calculated on a last twelve months basis does not exceed 4.5x; and
- Interest cover: the ratio of EBITDA (earnings before interest, taxes, depreciation and amortisation) to interest expense payable, each calculated on a last twelve months basis, shall not be lower than 2.5x.

16. Material contracts of the RASP Group

In addition to the Demerger Agreement, the Coal Offtake Agreements, the Strategic Cooperation Deed, the EMAG Trading Agreement and the YKU SPA, the following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the RASP Group: (i) within the two years immediately preceding the date of this document which are, or may be, material; or (ii) at any time and which contain any provision under which any member of the RASP Group has any obligation or entitlement which is material to the RASP Group as at the date of this document:

16.1 Freight Forwarding Services Agreements

OOO EVRAZ Trading Company and certain entities of the RASP Group entered into several agreements for freight forwarding services in relation to the cargo transportation in territory of the Russian Federation (including elaboration of the optimal transportation arrangements and feasibility studies, ensuring the provision of railcars, payment of railway fees and other additional payments and charges in respect of the above).

As of the date of this Circular, these agreements have been in effect for more than six years, with an average annual turnover of approximately 7.6 billion rubles between 2016 and 2021. OOO EVRAZ Trading Company acts as an agent with a 0.4% commission, whereas the turnover is based on payments to Russian Railways for the provision of locomotives, and to the logistics companies for the provision of railcars and payment of the railway fees. Pursuant to the Strategic Cooperation Deed, EVRAZ and RASP shall endeavour to procure the termination of these agreements by 1 January 2023 (unless RASP requires the earlier termination of any of them, in which case the parties shall endeavour to terminate the respective agreements as may be so requested).

16.2 Energy Supply Agreements

MetallEnergFinans LLC and certain entities of the RASP Group entered into several agreements for the supply of energy and provision of the related services, including in respect of the electricity transmission.

As of the date of this Circular, these agreements have been in effect for more than six years, with an average annual turnover of approximately 3.4 billion rubles between 2016 and 2021. MetallEnergFinans LLC acts as a wholesale electricity market operator and as a guaranteed supplier of electricity in accordance with the laws of the Russian Federation. MetallEnergFinans LLC's profit margin under these agreements is estimated at about 2.5%, where the range of the electricity prices available is prescribed by the Regional Energy Commission of the Russian Federation. Pursuant to the Strategic Cooperation Deed, EVRAZ and RASP shall endeavour to procure the termination of these agreements from 1 January 2023 (unless RASP requires the earlier termination of any of them, in which case the parties shall endeavour to terminate the respective agreements as may be so requested).

16.3 ***Mining Equipment Supply Agreements***

Certain entities of the RASP Group and various counterparties, the major of which are JSC Gruppa Chaina Koul, Polskiye Mashiny LLC, Dzhoi Global LLC, Joy Global (UK) Limited, entered into several agreements for the supply, installation and commissioning of the mining equipment as well as for the training of personnel of the RASP Group in relation to the operation and maintenance of the same. Procurement of mining equipment is an ordinary course of business activity for the RASP Group, with an average annual turnover under all the agreements reaching approximately 4.1 billion rubles between 2016 and 2021. The selection of suppliers is carried out on a tender basis.

16.4 ***US\$200 million Facility Agreement with Sberbank***

On 9 April 2021, RASP entered into a US\$200 million facility agreement with Sberbank and fully utilised it. As at the Latest Practicable Date, the amount drawn under the facility agreement was US\$200 million. The debt (principal amount and the interest accrued) is repayable in three instalments of US\$20 million on each of 8 April 2023, 8 April 2024 and 8 April 2025, with the remaining US\$140 million to be repaid on 8 April 2026. The interest rate is a 3-month LIBOR plus a margin of 2.80 per cent accrued on an annual basis. Upon completion of the Demerger, the margin will be increased to 3.10%. The margin can subsequently be reduced by 0.10% subject to RASP meeting certain ESG-related requirements. The facility is guaranteed by the six largest subsidiaries of RASP.

The facility agreement has the following financial covenants customary for these types of facilities, which will be tested on a semi-annual basis, as of 31 December and as of 30 June:

- Gearing: the ratio of consolidated total net borrowings to consolidated EBITDA (earnings before interest, taxes, depreciation and amortisation) calculated on a last twelve months basis does not exceed 4.0x;
- Restriction on dividends: RASP shall not declare or pay dividends where the ratio of consolidated total net borrowings to consolidated EBITDA (earnings before interest, taxes, depreciation and amortisation) calculated on a last twelve months basis exceeds 3.0x; and
- Interest cover: the ratio of consolidated EBITDA (earnings before interest, taxes, depreciation and amortisation) to consolidated net interest payable, each calculated on a last twelve months basis, shall not be lower than 2.0x.

16.5 ***US\$200 million Facility Agreement with Alfa-Bank***

On 16 April 2021, RASP entered into a US\$200 million facility agreement with Alfa-Bank and fully utilised it. As at the Latest Practicable Date, the amount drawn under the facility agreement was US\$200 million. The debt (principal amount and the interest accrued) is repayable in three instalments of US\$20 million on each of 19 April 2023, 19 April 2024 and 19 April 2025, with the remaining US\$140 million to be repaid on 19 April 2026. The interest rate is a 3-month LIBOR plus a margin of 2.85 per cent accrued on an annual basis. The facility is guaranteed with a suretyship provided by EVRAZ NTMK, which expired in October 2021. Upon the expiry of the suretyship, the margin has increased to 3.10%.

The facility agreement has the following financial covenants customary for these types of facilities, which will be tested on a semi-annual basis as of 31 December and as of 30 June:

- Gearing: the ratio of consolidated total net borrowings to consolidated EBITDA (earnings before interest, taxes, depreciation and amortisation) calculated on a last twelve months basis does not exceed 4.0x;
- Restriction on dividends: RASP shall not declare or pay dividends where the ratio of consolidated total net borrowings to consolidated EBITDA (earnings before interest, taxes, depreciation and amortisation) calculated on a last twelve months basis exceeds 3.0x; and
- Interest cover: the ratio of consolidated EBITDA (earnings before interest, taxes, depreciation and amortisation) to consolidated net interest payable, each calculated on a last twelve months basis, shall not be lower than 2.0x.

17. Litigation

17.1 *The Post-Demerger EVRAZ Group*

There are no, nor have there been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened by or against any member of the Post-Demerger EVRAZ Group of which EVRAZ is aware) during the period covering at least the previous 12 months preceding the date of this document which may have, or have had in the recent past, a significant effect on the financial position or profitability of EVRAZ or the Post-Demerger EVRAZ Group.

17.2 *The RASP Group*

There are no, nor have there been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened by or against any member of the RASP Group of which EVRAZ is aware) during the period covering at least the previous 12 months preceding the date of this document which may have, or have had in the recent past, a significant effect on the RASP Group's financial position or profitability, save for the following:

EVRAZ learnt on 5 October 2021 that a criminal investigation has recently been launched in Russia, in relation to a public official who has been serving with a Russian industrial regulatory agency. The Company understands that the investigation relates to allegations of the unlawful provision of RASP Group property to the public official. As part of this investigation, an employee of the RASP Group has been questioned, and is assisting the authorities with their inquiries as a witness. The investigation is ongoing, however, neither RASP, nor any other member of the RASP Group, is party or subject to the investigation, nor is it anticipated that RASP or any other member of the RASP Group will be in the future since, under Russian law, only an individual, rather than a company, is capable of being found guilty of having committed the offence of bribery, irrespective of whether company property was used. The relevant employee continues to be employed by the RASP Group. Any decision regarding the employee's future employment by the RASP Group will be made following the conclusion of the investigation (including any potential Court process) and in accordance with Russian employment law.

18. Working capital statement for the EVRAZ Group

EVRAZ is of the opinion that, taking into account the bank and other facilities available to the Post-Demerger EVRAZ Group, the Post-Demerger EVRAZ Group has sufficient working capital for its present requirements, that is, for at least the next 12 months from the date of publication of this document.

19. No significant change

19.1 *The EVRAZ Group*

There has been no significant change in the financial performance or financial position of the EVRAZ Group since 30 June 2021, being the date to which the last interim financial information was published for the EVRAZ Group.

19.2 *The RASP Group*

There has been no significant change in the financial performance or financial position of the RASP Group since 30 June 2021, being the date to which the last interim financial information in Part V (*Historical Financial Information on the RASP Group*) has been published for the RASP Group.

20. Incorporation by reference

The table below sets out the various information incorporated by reference into this document so as to provide the information required under the Listing Rules. These documents are also available at <https://www.evraz.com/en/investors/reports-and-results/annual-reports/>.

<i>Document</i>	<i>Information incorporated by reference</i>	<i>Page number(s) in this document</i>
EVRAZ's 2018 annual report and accounts	Information on related party transactions included in note 16 to the audited consolidated financial statements for the year ended 31 December 2018	198-199
EVRAZ's 2019 annual report accounts	Information on related party transactions included in note 16 to the audited consolidated financial statements for the year ended 31 December 2019	201-202
EVRAZ's 2020 annual report accounts	Directors' Remuneration Report	134-139
EVRAZ's 2020 annual report accounts	Information on related party transactions included in note 16 to the audited consolidated financial statements for the year ended 31 December 2020	201-202

Information that is itself incorporated by reference into the above documents is not incorporated by reference into this document. It should be noted that, except as set forth above, no other portion of the above documents is incorporated by reference into this document and those portions which are not specifically incorporated by reference into this document are either not relevant for EVRAZ Shareholders or the relevant information is included elsewhere in this document.

Any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this document to the extent that a statement contained herein (or in a later document which is incorporated by reference herein) modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this document.

21. Consents

- (a) Citi has given and not withdrawn its written consent to the publication of this document with the inclusion herein of the references to its name in the form and context in which it appears.
- (b) J.P. Morgan Cazenove has given and not withdrawn its written consent to the publication of this document with the inclusion herein of the references to its name in the form and context in which it appears.
- (c) EY has given and has not withdrawn its written consent to the inclusion of its report in Part VI (*Unaudited Pro Forma Financial information for the Post-Demerger EVRAZ Group*) of this document in the form and context in which it appears for the purposes of Listing Rule 13.4.1R(6).

22. Documents available for inspection

Copies of the following documents may be inspected during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of EVRAZ at 2 Portman Street, London W1H 6DU, England and at the offices of Linklaters LLP at One Silk Street, London EC2Y 8HQ and, where marked with an asterisk (*), also on EVRAZ's website at www.evraz.com, from the date of this document up to and including the date of the General Meeting:

- (a) * the up to date memorandum of association of EVRAZ and the EVRAZ Articles;
- (b) * the New Articles;
- (c) * the consent letters referred to in Section 21 above;
- (d) * the report of EY set out in Part VI (*Unaudited Pro Forma Financial information for the Post-Demerger EVRAZ Group*);
- (e) the Demerger Agreement; and
- (f) * this document.

PART IX

DEFINITIONS AND GLOSSARY

1. Definitions

The following definitions apply throughout this document, unless stated otherwise:

Business Day	a day (other than a Saturday, Sunday, public or bank holiday) on which banks are generally open for business in London and Moscow
Capital Reduction	the proposed cancellation of the Capital Reduction Shares pursuant to the Capital Reduction Resolution
Capital Reduction Record Time	6:00 p.m. on 26 January 2022 or as otherwise notified by EVRAZ
Capital Reduction Resolution	the resolution to issue the Capital Reduction Shares to those EVRAZ Shareholders registered on the EVRAZ Share Register at the Capital Reduction Record Time who request to participate in such share issuance and, subject to confirmation of the High Court of England and Wales, to subsequently reduce the Company's share capital by cancelling the Capital Reduction Shares
Capital Reduction Share Issue	the issuance of the Capital Reduction Shares to those EVRAZ Shareholders registered on the EVRAZ Share Register at the Capital Reduction Record Time who explicitly request to participate in such share issuance
Capital Reduction Shares	the deferred shares to be issued pursuant to the Capital Reduction Resolution
Capital Reduction Shares Election Form	the election form for use by EVRAZ Shareholders to elect to receive their entitlement to Capital Reduction Shares which are to be issued pursuant to the Capital Reduction Share Issue
CIS	the Commonwealth of Independent States
Citi	Citigroup Global Markets Limited
Clearing Systems and each, a Clearing System	Euroclear, Clearstream and NSD
Clearstream	Clearstream Banking S.A.
Coal Offtake Agreements	the agreements for the supply of coal between Limited Liability Company "Raspadskaya Ugolnaya Kompaniya" (OOO "RUK") (referred to as "RUK") and EVRAZ NTMK, and between RUK and EVRAZ ZSMK, each dated 1 November 2021
Coal Segment	the business segment of the EVRAZ Group which provides raw materials for the EVRAZ Group's steel mills, supplies coking coal to major domestic coke and steel producers, and exports its products to foreign customers
Combined Meeting Articles Adoption Resolution	the special resolution to adopt the New Articles in order to facilitate the holding of combined physical and electronic general meetings to be proposed at the General Meeting which is set out in full in the Notice of General Meeting

Computershare, the Company's Registrar or EVRAZ's Registrar	Computershare Investor Services PLC, whose registered office is at The Pavilions, Bridgwater Road, Bristol BS13 8AE
Court	the High Court of Justice in England and Wales
Court Hearing	the hearing of the Court to confirm the Capital Reduction
Court Order	the order of the Court confirming the Capital Reduction
CREST	the UK-based system for the paperless settlement of trades in listed securities, of which Euroclear UK is the operator
CREST Manual	the manual, as amended from time to time, produced by Euroclear UK describing the CREST system and supplied by Euroclear UK to users and participants thereof
CREST Proxy Instruction	a properly authenticated CREST message appointing and instructing a proxy to attend and vote in place of an EVRAZ Shareholder at the General Meeting and containing the information required to be contained in the CREST Manual
Demerger	the proposed demerger of the RASP Group from the EVRAZ Group to be implemented through the Demerger Dividend, following the Capital Reduction Share Issue and the Capital Reduction, and on the terms and subject to the conditions set out in the Demerger Agreement
Demerger Agreement	the agreement relating to the Demerger between EVRAZ and RASP, a summary of the principal terms of which is set out in Section 15 of Part VIII (<i>Additional Information</i>)
Demerger Articles Amendment Resolution	the special resolution to amend the EVRAZ Articles in order to permit the Demerger Dividend to be proposed at the General Meeting which is set out in full in the Notice of General Meeting
Demerger Dividend	the <i>in specie</i> distribution of RASP Shares by EVRAZ to EVRAZ Shareholders
Demerger Record Time	6:00 p.m. on 15 February 2022 or as otherwise notified by EVRAZ
Demerger Resolution	the ordinary resolution to be proposed at the General Meeting to approve the Demerger Dividend and the Demerger for the purposes of Chapter 10 of the Listing Rules, as set out in the Notice of General Meeting at the end of this document
Disclosure Guidance and Transparency Rules	the rules relating to the disclosure of information made in accordance with section 73(A)(3) of FSMA
EBITDA	earnings before interest, tax, depreciation and amortisation
Eligible Account	an account eligible to receive RASP Shares with an Eligible Participant
Eligible Account Details	in relation to each Eligible Account, the name of the Clearing System (and, in the case of the NSD only, the relevant NSD Agent Details) associated with such Eligible Account
Eligible Participant	a direct or indirect participant of a Clearing System
EMAG	East Metals AG

EMAG Trading Agreement	the agreement between EMAG and Limited Liability Company “Raspadskaya coal company” dated 8 November 2021, as amended from time to time
Euroclear	Euroclear Bank SA/NV
Euroclear UK	Euroclear UK & Ireland Limited, the operator of CREST
EVRAZ or Company	EVRAZ plc, a public limited company incorporated in England and Wales with registered number 07784342, whose registered office is 2 Portman Street, London W1H 6DU, England
EVRAZ Articles	the current articles of association of the Company
EVRAZ Board	the board comprising the EVRAZ Directors
EVRAZ Directors	the directors of EVRAZ as at the date of this document, whose names are set out in Part II (<i>Letter from the Chairman of EVRAZ plc</i>) of this document
EVRAZ Group	in respect of any time prior to completion of the Demerger, EVRAZ and its subsidiaries and subsidiary undertakings including those companies which form part of the RASP Group; and in respect of any period following completion of the Demerger, EVRAZ and its subsidiaries and subsidiary undertakings excluding those companies which form part of the RASP Group
EVRAZ LTIP	the EVRAZ Group’s long-term incentive plan
EVRAZ NTMK	Joint Stock Company “EVRAZ Nizhny Tagil Metallurgical Plant” (JSC “EVRAZ NTMK”)
EVRAZ Share Register	the share register of EVRAZ
EVRAZ Shareholders	the holders of the EVRAZ Shares
EVRAZ Shares	the existing ordinary shares of US\$0.05 each in the capital of EVRAZ
EVRAZ ZSMK	Joint Stock Company “EVRAZ Consolidated West Siberian Metallurgical Plant” (JSC “EVRAZ ZSMK”)
EY	Ernst & Young LLP
FCA	the Financial Conduct Authority
Form of Proxy	the form of proxy for use by EVRAZ Shareholders in relation to the General Meeting
FSMA	Financial Services and Markets Act 2000 (as amended)
General Meeting	the general meeting of the EVRAZ Shareholders to be held at Linklaters LLP, One Silk Street, London EC2Y 8HQ on 11 January 2022 at 11:00 a.m. to consider and, if thought fit, pass the Resolutions, notice of which is set out at the end of this document
J.P. Morgan Cazenove	J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove
Latest Practicable Date	10 December 2021, being the latest practicable date before publication of this document
LIBOR	the London interbank offer rate

Listing Rules	the listing rules relating to admission to the Official List made under section 73A(2) of FSMA
London Stock Exchange	London Stock Exchange plc
Major Shareholders	Greenleas International Holdings Ltd., Abiglaze Ltd and Crosland Global Limited
Moscow Exchange	PJSC Moscow Exchange MICEX-RTS
New Articles	the proposed set of articles of association to be adopted by the Company pursuant to EVRAZ Shareholders approving the (i) Demerger Articles Amendment Resolution and (ii) Combined Meeting Articles Adoption Resolution
Notice of General Meeting	the notice of General Meeting contained in this document
NSD	the Russian National Settlement Depository
NSD Agent	a professional securities market participant who has a securities account held with NSD to which the RASP Shares can be transferred by EVRAZ for their further transfer to, or to record as owned by, the EVRAZ Shareholder
NSD Agent Details	the name, BIC and 30-digit account number of the relevant NSD Agent specified in Box 5 of the RASP Shares Information Form
Official List	the Official List of the FCA
Overseas Shareholders	EVRAZ Shareholders with a registered address outside the UK or who are citizens or residents of countries other than the UK
Post-Demerger EVRAZ Group	from completion of the Demerger, EVRAZ and its subsidiaries and subsidiary undertakings, excluding those companies which form part of the RASP Group
RASP	PJSC Raspadskaya, a public joint stock company registered in the Russian Federation with registered number (OGRN) 1024201389772 and whose registered office is at 106 Mira street, Mezhdurechensk, 652870, Kemerovo region, Russian Federation
RASP Board	the board comprising the RASP Directors
RASP Directors	the members of the RASP Board as set out in Section 6 of Part VIII (<i>Additional Information</i>)
RASP Group	RASP and its subsidiaries and subsidiary undertakings
RASP Shareholders	the holders of the RASP Shares
RASP Shares	the ordinary shares of 0.004 rubles each in the capital of RASP
RASP Shares Information Form	the information form for use by EVRAZ Shareholders to provide information about their Eligible Account in relation to the receipt of RASP Shares pursuant to the Demerger (EVRAZ Shareholders on the EVRAZ Share Register at the Demerger Record Time will receive their personalised RASP Shares Information Form by post as soon as reasonably practicable after the Demerger Record Time)
RASP Shares Settlement Details	in relation to each EVRAZ Shareholder, the relevant Eligible Account Details, number of EVRAZ Shares held as at the Demerger Record Time and RASP Shares Entitlement Amount

Regulatory Information Service	any of the services authorised by the FCA from time to time for the purpose of disseminating regulatory announcements
Resolutions	the Demerger Resolution, Articles Amendment Resolution, Capital Reduction Resolution, Share Sale Facility Resolution and Combined Meeting Articles Adoption Resolution
Restricted Period	five years from the date of the transfer of RASP Shares to EVRAZ Shareholders not participating in the Share Sale Facility
Restricted Territory	the territory of the Russian Federation, Ukraine and the Commonwealth of Independent States (CIS)
Russian Natural Resources Supervision Agency	the Russian Federal Service for Supervision of Natural Resources
Russian QIs	“qualified investors” within the meaning of Article 51.2 of the Federal Law No. 39-FZ “On the Securities Market” dated 22 April 1996, as amended
Russian Reserves Committee	the National Reserves Committee of the Russian Federal Subsoil Management Agency
Sale Agent	the financial institution appointed by EVRAZ to assist EVRAZ with the sale of the RASP Shares pursuant to the Share Sale Facility
Sale Period	the period in which the RASP Shares to be sold pursuant to the Share Sale Facility are sold
Securities Act	the United States Securities Act of 1933
Separation Agreements	together, the Demerger Agreement, the Coal Offtake Agreement, the EMAG Trading Agreement and the Strategic Cooperation Deed
Share Sale	the sale of the RASP Shares pursuant to the Share Sale Facility
Share Sale Facility	the option pursuant to which certain EVRAZ Shareholders will not receive the RASP Shares to which they will be entitled upon completion of the Demerger, with such RASP Shares instead being sold and the cash proceeds paid to such EVRAZ Shareholders instead (net of dealing and conversion costs, as well as any fees, expenses, commissions and applicable taxes payable or incurred by EVRAZ or any third parties involved in implementing the Share Sale Facility)
Share Sale Facility Participants	EVRAZ Shareholders who participate in the Share Sale Facility
Share Sale Facility Resolution	the resolution to authorise the Company to sell certain RASP Shares pursuant to the Share Sale Facility
Sponsor’s Agreement	the sponsor’s agreement between J.P. Morgan Cazenove and EVRAZ, a summary of the principal terms of which is set out in Section 15 of Part VIII (<i>Additional Information</i>)
Steel Segment	the business segment of the EVRAZ Group which uses locally sourced raw materials to produce steel products in the CIS, which it sells for domestic infrastructure and construction projects while taking a flexible approach to exports

Steel, North America Segment	the business segment of the EVRAZ Group which focuses on the premium markets in the Western US and Canada, offering high value-added products including infrastructure steel, rails, large-diameter pipes and oil country tubular goods
Strategic Cooperation Deed	the strategic cooperation deed entered into by EVRAZ and RASP governing the provision of certain services, supply of certain goods and performance of certain other agreements between the Post-Demerger EVRAZ Group and the RASP Group, a summary of the principal terms of which is set out in Section 15 of Part VIII (<i>Additional Information</i>)
UCC Yuzhkuzbassugol	Joint Stock Company «United Coal Company «Yuzhkuzbassugol» (JSC «UCC «Yuzhkuzbassugol»)
UK Corporate Governance Code	the UK Corporate Governance Code (July 2018), as amended
UK Takeover Code	The City Code on Takeovers and Mergers, as amended
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
United States, US or U.S.	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
Voting Record Time	6:00 p.m. on 7 January 2022

All times referred to are London times unless otherwise stated.

All references to legislation in this document are to the legislation of England and Wales unless otherwise stated. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

2. Glossary

Basic oxygen furnace	Furnace (converter vessel) used in a method of primary steelmaking in which carbon-rich molten pig iron and some scrap is converted into steel. Blowing oxygen on top of molten pig iron melt lowers the carbon content of the alloy and changes it into low-carbon steel. The process is known as basic because fluxes of burnt lime or dolomite, which are chemical bases, are added to promote the removal of impurities and protect the lining of the converter.
Beam	A structural element. Beams are characterised by their profile (the shape of their cross-section). One of the most common types of steel beams is the I-beam, also known as H-beam, W-beam (wide-flange beam) or a 'universal beam/column'. Beams are widely used in the construction industry and are available in various standard sizes, e.g., 40-k beam, 40Sh beam, 70Sh beam.
Blast furnace	Classic production unit to reduce iron ore to molten iron, known as hot metal or pig iron. It operates as a counter-current shaft system, where iron ore, coke and additives are charged at the top. While this charge mix descends towards the bottom, ascending carbon containing gases and coke reduces the iron ore to hot metal. To increase efficiency and productivity, hot air (often enriched with oxygen) is blown into the bottom of the blast furnace via tuyeres. In order to save coke, coal or other carbon containing materials like NG (natural gas) are sometimes injected via the tuyeres.
By-product	A secondary product which results from a manufacturing process or chemical reaction.
Coke	A product made by baking coal without oxygen at high temperatures in closed sections of the coke battery. Unwanted chemical elements escape as gases or liquids are driven out of the coal. The unwanted gases can be used as fuels or processed further to recover valuable chemicals. The resulting material (coke) has a strong porous structure which makes it ideal to use in a blast furnace.
Coking coal	Coal used to produce coke.
Concentrate	A product resulting from iron ore/coal enrichment, with a high grade of extracted mineral.
Crude steel	Steel in its solidified state directly after casting. This semi-product is then further processed by rolling or other treatments, which changes its mechanical properties.
Degassing methane emissions	Methane (CH_4) emitted in the process of degassing carried out during coal mining.
Dip	The angle at which a vein, structure or rock bed is inclined from the horizontal as measured at right angles to the strike.
Direct reduced iron	Pellets which contain processed iron oxides that has had its oxygen content removed. This process uses syngas as a reductant in a shaft furnace, which reduces the iron oxide in a counterflow in the shaft.
EBS	EVRAZ business system.

Electric arc furnace	Furnace used in the steelmaking process which heats charged material like scrap, hot metal or direct recycled iron via an electric arc.
Finished steel products	Products that have completed the manufacturing process but have not yet been sold or distributed to the end user.
Gas-Fat (GZh) coal	Coal with grade GZh (Gazovyy Zhirnyy) in Russian classification.
GHG emissions	Greenhouse gas emissions.
Grade KS coal	Coal with grade KS (Koksovyy Slabospekayushchiysya) in Russian classification.
Grade OS semi-lean coking coal	Coking coal with grade OS (Otoshchonno-Spekayushchiysya) in Russian classification.
Grinding balls	Balls used to grind material by impact and pressure.
Hard coking coal	High quality coking coal.
HH rails	Head-hardened rails, which are high strength rails which undergo a heat treatment process to increase the hardness and wear resistance of rails heads.
Iron ore	Chemical compounds of iron with other elements, namely oxygen, silicon, sulphur or carbon. Only extremely pure (rich) iron-oxygen compounds are used for steel making.
JORC	The Australasian Joint Ore Reserves Committee, which publishes the JORC code, which is widely accepted as a standard for professional reporting of Mineral Resources and Ore Reserves.
K-grade or grade K coking coal or coking K coal	Coking coal with grade K (Koksovyy) in Russian classification.
KO-grade coking coal	Coking coal with grade KO (Koksovyy Otoshchennyy) in Russian classification.
KZh-grade coking coal	Coking coal with grade KZh (Koksovyy Zhirnyy) in Russian classification.
Lean-Caking (TS) coal	Coal with grade TS (Toshchiy Slabospekayushchiysya) in Russian classification.
Longwall method	An underground mining process in which the coal face is dug out by a shearer and transported above ground by conveyors.
LTIFR	Lost time injury frequency rate, which represents the number of lost time injuries (one day or more of absence) divided by the total number of hours worked expressed in millions of hours.
Metallurgical coal	Coking coal and PCI.
Mt	Million tonnes.
Open pit	A mine working or excavation open to the surface where material is not replaced into the mined out areas.
PCI	Pulverised coal injection, which is a cost-reducing technique in iron-making where cheaper coal is prepared to replace normal coking coal in the blast furnace. The coal is pulverised into very small particles before injection into the furnace via tuyeres.

Reheat furnace	Furnace used to heat new steel stock (semi-products) to rolling temperatures.
Rolling mill	A machine which converts semi-finished steel into finished steel products by passing them through sets of rotating rollers which form the steel into finished products.
Scope 1 emissions	Greenhouse gas emissions from operations that are controlled or owned by the relevant organisation.
Scope 2 emissions	Greenhouse gas emissions from the generation of purchased or acquired electricity, steam, heating, or cooling consumed by the relevant organisation.
Scrap	Iron containing recyclable materials (mainly industrial or household waste) that is generally remelted and processed into new steel.
Semi-finished steel products	The initial product forms in the steel making process including slabs, blooms, billets and pipe blanks that are further processed into more finished products such as beams, bars, sheets, tubing etc.
Strike	The direction, or bearing from true north, of a vein or rock formation measure on a horizontal surface.
Tubular products	Products including large diameters line pipes, ERW pipes and casings, seamless pipes and other tubular products.
Vanadium	A grey metal that is normally used as an alloying agent for iron and steel products. It is also used to strengthen titanium based alloys.
Zh-grade coking coal or Fat (Zh) coal	Coking coal with grade Zh (Zhirnyy) in Russian classification.

EVRAZ PLC

(Incorporated and registered in England and Wales with registered number 07784342)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a **GENERAL MEETING** of EVRAZ plc (the “**Company**”) will be held at Linklaters LLP, One Silk Street, London EC2Y 8HQ on 11 January 2022 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions of which Resolution 1 will be proposed as an ordinary resolution and Resolutions 2, 3, 4 and 5 will be proposed as special resolutions.

Ordinary Resolution

1. Demerger Resolution

THAT:

(a) subject to and conditional upon:

- (i) Resolutions 2, 3 and 4 set out in this Notice being passed; and
- (ii) the capital reduction contemplated by Resolution 3 having become fully effective,

and upon the recommendation and conditional on the approval of the directors of the Company (the “**EVRAZ Directors**”), in connection with the proposed demerger of PJSC Raspadskaya (“**RASP**”) and its business from the Company (the “**Demerger**”), pursuant to Article 101.1.2 of its Articles of Association (as amended by Resolution 2), the Company make an interim *in specie* distribution of all the ordinary shares of RASP it holds (“**RASP Shares**”) to holders of ordinary shares of US\$0.05 each in the capital of the Company (“**EVRAZ Shares**”) on the register of members of the Company at such time and date as the EVRAZ Directors may determine (the “**Record Time**”) (each such holder being a “**Qualifying Shareholder**”), pro rata in proportion to the number of EVRAZ Shares held by each Qualifying Shareholder at the Record Time, and credited as fully paid;

- (b) the Demerger be hereby approved for the purposes of Chapter 10 of the Listing Rules, as amended, and generally;
- (c) each Qualifying Shareholder’s aggregate entitlement to RASP Shares shall be rounded down to the nearest whole number of RASP Shares;
- (d) the provisions of paragraph (a) above shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if, in respect of any Qualifying Shareholder with a registered address in a jurisdiction outside the United Kingdom or whom the Company reasonably believes to be a citizen, resident or national of, or located in, a jurisdiction outside the United Kingdom, the Company is advised that the distribution of RASP Shares pursuant to paragraph (a) above would or may infringe the laws of such jurisdiction or would or may require the Company or RASP to comply with any governmental or other consent or any registration, filing or other formality with which the Company or RASP is unable to comply or compliance with which the Company or RASP regards as unduly onerous, the EVRAZ Directors be and are hereby authorised to sell (or appoint any person to sell) such RASP Shares (without making any distribution of such RASP Shares to such Qualifying Shareholders) and to remit the net proceeds of sale to such Qualifying Shareholders pro rata. Any sale under this paragraph shall be carried out at the best price which can reasonably be obtained at the time of sale; and
- (e) each and any of the EVRAZ Directors be and is hereby authorised to conclude and implement the Demerger and to do or procure to be done all such acts and things on behalf of the Company and each of its subsidiaries as they may, in their absolute discretion, consider necessary or expedient for the purpose of giving effect to the Demerger with such amendments, modifications, variations or revisions thereto as are determined by the EVRAZ Directors not to be of a material nature in the context of the Demerger.

Special Resolutions

2. Demerger Articles Amendment Resolution

THAT:

with immediate effect, the Articles of Association of the Company be amended, such that Article 101.1 is deleted in its entirety and replaced with the following:

101.1 Without prejudice to Article 99,

101.1.1 the Company may, by ordinary resolution, passed at a General Meeting, direct payment of a dividend in whole or in part by the transfer of specific assets of equivalent value (including paid-up shares or other securities of any other company) and the Directors shall give effect to such resolution; and

101.1.2 the Company may, by ordinary resolution, on the recommendation of the Directors, decide to pay or make a dividend or other distribution in whole or in part by transferring non-cash assets or by procuring the receipt by shareholders of non-cash assets (including, without limitation, paid-up shares or other securities of any other company) and the Directors shall give effect to such resolution, and where any difficulty arises in regard to the distribution the Directors may settle it as they think expedient, and in particular may authorise any person to sell and transfer the relevant non-cash asset such that the relevant shareholder ultimately receives a cash payment instead.

3. Capital Reduction Resolution

THAT:

(a) the amount of US\$8,200,000,000 standing to the credit of the profit and loss reserve of the Company (the “**Capitalised Amount**”) be capitalised;

(b) the Capitalised Amount shall be applied in paying up in full and at par such number of new deferred shares (the “**Capital Reduction Shares**”) equal to the total number of EVRAZ Shares held by holders of EVRAZ Shares who are:

(i) on the register of members of the Company at such time and date as the EVRAZ Directors may determine; and

(ii) have validly elected to receive the Capital Reduction Shares,

such holders of EVRAZ Shares being “**Electing Shareholders**” and such Capital Reduction Shares each having a nominal value equal to (or as near as practicable to) the amount that is obtained by dividing the number of Capital Reduction Shares to be issued as set out above into US\$8,200,000,000;

(c) the EVRAZ Directors be and are hereby authorised for the purposes of section 551 of the Companies Act 2006 (the “**Act**”) to allot and issue all of the Capital Reduction Shares up to an aggregate nominal amount of US\$8,200,000,000 to the Electing Shareholders in accordance with this resolution, and such authority shall for the purposes of section 551 of the Act expire on 30 June 2022;

(d) the Capital Reduction Shares created and issued pursuant to this resolution shall have the following rights, restrictions, privileges and conditions:

(i) the Capital Reduction Shares shall have the rights, and be subject to the restrictions, attaching to shares set out in the Articles of Association of the Company save that in the event of a conflict between any provision in this resolution and any provision in the Articles of Association of the Company, the provisions in this resolution shall prevail;

(ii) the Capital Reduction Shares shall confer no right to participate in the profits of the Company;

- (iii) on a return of capital on a winding up (excluding any intra group reorganisation on a solvent basis), there shall be paid to the holders of the Capital Reduction Shares the nominal capital paid up, or credited as paid up, on such Capital Reduction Shares after paying to the holders of the Ordinary Shares the nominal capital paid up or credited as paid up on the Ordinary Shares held by them respectively, together with the sum of US\$100,000,000 on each Ordinary Share;
- (iv) the holders of the Capital Reduction Shares shall not be entitled to any further right of participation in the assets of the Company;
- (v) the holders of the Capital Reduction Shares shall not be entitled, in their capacity as holders of such shares, to receive notice of any general meeting of the Company or to attend, speak or vote at any such meeting;
- (vi) the Company may from time to time create, allot and issue further shares, whether ranking *pari passu* with or in priority to the Capital Reduction Shares, and on such creation, allotment or issue any such further shares (whether or not ranking in any respect in priority to the Capital Reduction Shares) shall be treated as being in accordance with the rights attaching to the Capital Reduction Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the Capital Reduction Shares;
- (vii) the reduction of the capital paid up on the Capital Reduction Shares, and/or the cancellation of the Capital Reduction Shares (with or without any payment in respect thereof), shall be in accordance with the rights attaching to the Capital Reduction Shares and shall not involve a variation of such rights for any purpose and the Company shall be authorised at any time to reduce or cancel its capital (in accordance with the Act) without obtaining the consent of the holders of the Capital Reduction Shares;
- (viii) without prejudice to paragraphs (vi) and (vii), the Company is authorised to reduce or cancel (or purchase shares in) its capital of any class or classes and such reduction or cancellation (or purchase) shall not involve the variation of any rights attaching to the Capital Reduction Shares for any purpose or require the consent of the holders of the Capital Reduction Shares;
- (ix) the Capital Reduction Shares shall not be listed or traded on any stock exchange nor shall any share certificates be issued in respect of such shares. The Capital Reduction Shares shall not be transferable except in accordance with paragraph (x) below or with the written consent of the EVRAZ Directors; and
- (x) the Company may at any time (and from time to time) (subject to the provisions of the Act) without obtaining the sanction of the holder or holders of the Capital Reduction Shares:
 - (i) appoint any person to execute on behalf of the holders of such shares a transfer thereof and/or an agreement to transfer the same without making any payment to the holders thereof to such person or persons as the Company may determine;
 - (ii) purchase or cancel such shares without making any payment to or obtaining the sanction of the holders thereof and pending such a transfer and/or purchase and/or cancellation to retain the certificates, if any, in respect thereof, provided also that the Company may in accordance with the provisions of the Act purchase all but not some only of the Capital Reduction Shares then in issue at a price not exceeding 1 penny for all the Capital Reduction Shares; and
 - (iii) cancel all or any of the Capital Reduction Shares purchased or acquired by the Company in accordance with the Act; and
- (e) subject to and conditional upon each of the resolutions set out in this Notice of General Meeting being passed by the requisite majority, to the allotment of the Capital Reduction Shares in accordance with paragraphs (a) and (b) above and to the Company's register of members having been written up accordingly, the share capital of the Company shall be reduced by cancelling and extinguishing all of the Capital Reduction Shares without any payment in respect thereof to the holders of such Capital Reduction Shares.

4. Share Sale Facility Resolution

THAT:

Subject to Resolutions 1, 2 and 3 set out in this Notice being passed by the requisite majority:

- (a) the sale and transfer of all RASP Shares which the EVRAZ Directors reasonably determine cannot be transferred to a Qualifying Shareholder upon the Company making the interim *in specie* distribution referred to in Resolution 1 (including where such Qualifying Shareholders have not provided the necessary account details in order to effect the transfer) be and is hereby approved pursuant to Article 101.1.2 of the Company's Articles of Association (as amended by Resolution 2); and
- (b) the EVRAZ Directors be and are hereby authorised to sell (or appoint any person to sell) such RASP Shares and to remit the net proceeds of sale to such Qualifying Shareholders pro rata. Any sale under this paragraph shall be carried out at the best price which can reasonably be obtained at the time of sale.

5. Combined Meeting Articles Adoption Resolution

Subject to Resolution 2 set out in this Notice being passed, to resolve that, with immediate effect, the Articles of Association produced to the meeting and initialled by the Chairman of the meeting for the purposes of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association (as amended by the passing of Resolution 2 set out in this Notice).

By order of the Board
Prism Cosec Limited
Company Secretary
15 December 2021

Registered office:
2 Portman Street
London W1H 6DU
England

Registered in England and Wales No. 07784342

Explanation of Resolutions to be put to the General Meetings:

Resolution 1 is proposed as an ordinary resolution. For this Resolution to be passed, more than half of the votes cast must be in favour of the Resolution. Resolutions 2, 3, 4 and 5 are proposed as special resolutions. For each of these Resolutions to be passed, at least three-quarters of the votes cast must be in favour of the Resolution.

Resolution 1: Demerger Resolution

The purpose of this Resolution is to approve the Demerger in which the RASP Group becomes demerged from the EVRAZ Group through the Demerger Dividend and on the terms and subject to the conditions set out in the Demerger Agreement.

The Demerger Resolution is conditional upon the passing of Resolutions 2, 3 and 4, which are required to enable the Demerger to be implemented in the manner set out in this document.

Resolution 2: Articles Amendment Resolution

Under this Resolution, the Company is proposing to amend its articles of association to permit an interim *in specie* distribution in the manner contemplated for the Demerger. The amendment to the Articles of Association clarifies that the Company may, by ordinary resolution upon the recommendation of the EVRAZ Directors, make a distribution consisting of the transfer of non-cash assets or by procuring the receipt by shareholders of non-cash assets.

A copy of the Company's existing articles of association and proposed amended articles of association marked to show all the changes will be available for inspection during normal business hours (excluding Saturdays, Sundays and bank holidays) at the Company's registered office from the date of this notice of meeting until the close of the meeting. The proposed amended articles of association will also be available for inspection at the general meeting at least 15 minutes prior to the start of the meeting and up until the close of the meeting.

Resolution 3: Capital Reduction Resolution

The purpose of this Resolution is to approve the capitalisation of the amount of US\$8,200,000,000 standing to the credit of the Company's profit and loss reserve by way of the issue of the Capital Reduction Shares and, subject to the approval of the Court, the subsequent cancellation of the Capital Reduction Shares in order to create sufficient distributable reserves to effect the Demerger and to make the Demerger Dividend, with any excess distributable reserves available to support the Company's ability to pay future dividends.

Resolution 4: Share Sale Facility Resolution

The purpose of this Resolution is to authorise the Company to sell certain RASP Shares pursuant to the Share Sale Facility and Article 101.1.2 (as amended by Resolution 2).

Resolution 5: Combined Meeting Articles Adoption Resolution

The purpose of this Resolution is to adopt new Articles of Association (the "**New Articles**") in order to update the Company's current Articles of Association (the "**Current Articles**"). Subject to Resolution 2 set out above being passed, the resolution adopting the New Articles will come into force with immediate effect.

The principal changes introduced in the New Articles are to provide greater flexibility for the Company to postpone general meetings and to hold general meetings either physically or through a combined electronic and physical meeting. The New Articles also allow the EVRAZ Board to postpone and cancel a general meeting, and provide further flexibility for the EVRAZ Board to decide the format and arrangements for holding a general meeting to ensure it is appropriate for the circumstances.

The New Articles and the Current Articles are available for inspection at the registered office of the Company during normal business hours on any business day from the date of dispatch of the notice convening the meeting until the close of the meeting. Subject to government guidance, copies of both versions will also be available for inspection at the place of the General Meeting for at least 15 minutes prior to, and during, the meeting.

Further Notes and General Information

1. Attending the Meeting

You have the right to attend, to speak and to vote at the General Meeting if you are on the register of members of the Company on 7 January 2022 at 6:00 p.m. Changes to the register of members after this time will be disregarded in determining the rights of any person to attend, to speak and to vote at the meeting. A map and directions to the venue is set out on the back cover. Please go to the registration desk in the foyer of Linklaters LLP, One Silk Street, London EC2Y 8HQ when you arrive.

If you hold your shares in a nominee, you will need to ask your broker or nominee to appoint you as either a proxy or as a corporate representative. If they appoint you as a proxy, the appointment must be notified by them to the Company's Registrar, Computershare, by the appropriate deadline (11:00 a.m. on 7 January 2022). If they appoint you as a corporate representative, they will need to provide you with a letter setting out the details of the appointment and of your shareholding, which you will need to bring with you to the meeting along with photographic proof of identity. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of the same powers as the corporation could exercise if it were an individual member.

2. Accessibility

Special arrangements have been made to help shareholders with additional needs. An audio induction loop will be provided at the venue for people with hearing difficulties. Please let us know in advance if you will need a wheelchair or any other special assistance to ensure appropriate arrangements are in place. Anyone accompanying a shareholder in need of assistance will be admitted to the meeting. Other guests will only be admitted at the discretion of the Company.

3. Asking Questions

Shareholders and their proxies will have the opportunity to ask questions at the General Meeting. When invited by the Chairman, if you wish to ask a question, please wait for a Company representative to bring you a microphone. It would be helpful if you could state your name before you ask your question. Questions may not be answered at the General Meeting if they are deemed not to be in the interests of the Company, or the good order of the General Meeting; or would interfere unduly with the preparation for the General Meeting; or involve the disclosure of confidential information; or if the answer has already been given on a website. The Chairman may also nominate a Company representative to answer a specific question after the General Meeting or refer the response to the Company's website.

4. Voting

Voting on all Resolutions at the meeting will be by way of a poll. Your vote counts whether you are able to attend the meeting or not. The results of the poll will be announced through a Regulatory Information Service and will be published on our website (www.evraz.com) on 11 January 2022 or as soon as reasonably practicable thereafter. Even if you cannot attend the General Meeting, you can still make your vote count by voting by proxy. You can register your proxy vote electronically by logging on to www.investorcentre.co.uk/eproxy; or you can use the CREST electronic proxy instruction service; or you can download (or request a copy from the Company's Registrar, Computershare), complete and return a paper Form of Proxy.

5. Proxies

A member of the Company is entitled to appoint a proxy to exercise all or any of his or her rights to attend, speak and vote at a general meeting of the Company. A member may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attaching to different shares. A proxy need not be a member. The appointment of a proxy will not prevent a member from subsequently attending, voting and speaking at the General Meeting in person, in which case any votes of the proxy will be superseded.

You may appoint your proxy online by accessing the Investor Centre at www.investorcentre.co.uk/eproxy, logging in and selecting the "Proxy Voting" link. To appoint more than one proxy, use the free text field and insert the names of each proxy and the number of shares in relation to which they are authorised to act. If you have not previously registered for the Investor Centre, you will first be asked to register as a new user, for which you will require your investor code (which can be found on your share certificate, a dividend confirmation, or by contacting our Registrar, Computershare), family name and postcode (if resident in the UK). Alternatively, you may download, complete and return a paper Form of Proxy from the Company's website (or request a copy from the Company's Registrar, Computershare) and return a hard copy. To be effective, the instrument appointing a proxy and any authority under which it is signed (or a notorially certified copy of such authority) for the General Meeting to be held at Linklaters LLP, One Silk Street, London EC2Y 8HQ, at 11:00 a.m. on 11 January 2022 and any adjournment(s) thereof must be submitted online or returned to Computershare at The Pavilions, Bridgwater Road, Bristol BS99 6ZY, by 11:00 a.m. on 7 January 2022.

If you have requested and received a paper proxy and wish to appoint more than one proxy, you will need one paper Form of Proxy per proxy to be appointed. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. If left blank, your proxy will be deemed to be authorised in respect of your full voting entitlement. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.

The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communication from the Company in accordance with section 146 of the Companies Act 2006 ("**nominated persons**"). Nominated persons may have a right under an agreement with the registered shareholder who holds shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

6. Appointment of Proxies through CREST

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s specifications and must contain the information required for such instructions, as described in the CREST Manual (available via www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by EVRAZ’s agent (ID 3RA50) by the latest time(s) for receipt of proxy appointments (11:00 a.m. on 7 January 2022).

For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors and voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The CREST Manual can be reviewed at www.euroclear.com/CREST. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

7. Total Voting Rights

At 10 December 2021 (being the latest practicable date before publication of this Notice), the issued share capital of the Company consisted of 1,506,527,294 ordinary shares, carrying one vote each. As at the Latest Practicable Date, EVRAZ held 47,837,582 EVRAZ Shares in treasury. Therefore, the total voting rights in the Company as at 10 December 2021 were 1,458,689,712.

8. Requisition Rights

Members meeting the threshold requirements set out in section 527 of the Companies Act 2006 have the right to require the Company to publish a statement on its website in relation to the audit of the Company’s accounts that are to be laid before the meeting or any circumstances connected with an auditor of the Company ceasing to hold office since the previous General Meeting. The Company may not charge the requesting shareholders for website publication of such a statement. The Company must also forward the statement to the Company’s auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any website statement relating to audit concerns.

Under sections 338 and 338A of the Companies Act 2006, members meeting the threshold requirements in those sections have the right to require the Company: (i) to give, to members of the Company entitled to receive notice of the General Meeting, notice of a resolution which those members intend to move (and which may properly be moved) at the General Meeting; and (ii) to include in the business to be dealt with at the General Meeting any matter (other than a proposed resolution) which may properly be included in the business at the General Meeting, provided in each case that the requirements of those sections are met and that the request is received by the Company not later than six clear weeks before the General Meeting or if later, the time at which notice is given of the General Meeting.

9. Electronic Addresses

You may not use any electronic address provided in this document to communicate with the Company for any purpose other than that expressly stated.

10. Shareholder Fraud

Some shareholders are targeted by “investment specialists” concerning investment matters. EVRAZ does not endorse any services offered by these companies. Please note that the only share dealing services that we endorse are included in our shareholder mailings. If you receive any unsolicited communications, we recommend that you record the name of the person and organisation, their telephone number, any email or website address given, details of the proposed transaction and any other information they give you.

You should check that they are properly authorised by the Financial Conduct Authority (FCA) by visiting www.register.fca.org.uk. Please report all unsolicited communications by using the share fraud reporting form at www.fca.org.uk/consumers/report-scam-unauthorised-firm or by calling the FCA Consumer Helpline on 0800 111 6768.

A copy of this Notice of General Meeting, and other information required by section 311A of the Companies Act 2006, may be found at www.evraz.com.

A member may not use any electronic address provided either in this Notice or in any related documents to communicate with the Company for any purpose other than those expressly stated in this Notice or in such other related documents.

