

**INDEPENDENT
AUDITOR'S REPORT**

**To the Shareholders of Mechel PJSC
on the accounting statements of Mechel PJSC
for January 1 – December 31, 2021**

**Moscow
2022**

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Mechel Public Joint-Stock Company

Opinion

We have conducted an audit of the attached annual accounting statements of Mechel Public Joint-Stock Company (PSRN 1037703012896), consisting of the balance sheet as of December 31, 2021, the profit and loss statement for 2021, a supplement to the balance sheet and the profit and loss statement, including the capital statement for 2021 and the cash flow statement for 2021, notes to the balance sheet and profit and loss statement for 2021, including the fundamentals of accounting policies.

In our opinion, the attached annual accounting statements represent accurately in all material respects the financial standing of Mechel Public Joint-Stock Company as of December 31, 2021, as well as its financial performance and cash flow for 2021 in accordance with accounting principles established in Russian Federation.

Grounds for the Opinion

We have conducted an audit in accordance with the International Standards on Auditing (ISA). Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of Annual Accounting Statements section of this report. We are independent in respect of the audited entity in accordance with the Rules of Independence of Auditors and Audit Organizations and the Code of Professional Ethics for Auditors, corresponding to the International Code of Ethics for Professional Accountants (including the International Standards of Independence) developed by the International Ethics Standards Board for Professional Accountants, and we have fulfilled other obligations in accordance with these requirements of professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide the grounds for our opinion.

Material Uncertainty Regarding Going Concern

We draw attention to Section 21 of the notes to the balance sheet and profit and loss statement, which reveals that as of December 31, 2021, the audited entity's short-term liabilities exceeded its current assets by RUB 66,383,911 thousand, and the issued collaterals exceeded the balance sheet currency by RUB 272,491,657 thousand. As noted in Section 21 of the Notes to the Balance Sheet and the Profit and Loss Statement, these conditions, along with other matters set out in Section 21 of the Notes, indicate a material uncertainty that may cast significant doubt on the ability of Mechel Public Joint-Stock Company to continue as a going concern. Our opinion has not been modified in connection with this circumstance.

Key audit issues

Key audit issues are the issues that, in our professional judgment, were of the most significance to our audit of the annual accounting statements for the current period. These issues were considered in the context of our audit of the accounting statements as a whole and in forming our opinion on these statements; we do not express a separate opinion on these issues.

- 1. Evaluation of financial investments in shares (stakes) for which their current market value is not determined — Notes 3.1, 10.2 (tabular part), Notes 2.4, 6, 16 (text part) to the balance sheet and the profit and loss statement*

We treat this issue as a key one, considering the materiality of the impact the value of financial investments exerts on the balance sheet structure and on the audited entity's liquidity assessment, as well as in connection with significant transactions with financial investments effected during 2021.

The audited entity's annual accounting statements as of December 31, 2021, present long-term financial investments in the amount of RUB 250,243,313 thousand in the form of contributions to the authorized capital of subsidiaries and other organizations and in the form of loans issued. Therewith, financial investments in the form of contributions to authorized capital (stakes and securities which current market value is not determined), as well as additional investments in subsidiaries, amount to RUB 209,788,436 thousand. Non-publicly traded stakes and securities may be subject to the risk of a considerable drop in value below the value of economic benefits that the audited entity expects to receive from these financial investments in the normal conditions of its activities. Such financial investments are valued based on the management's significant value judgments.

In 2021, the audited entity allocated additional investments in subsidiaries and also depreciated contributions to authorized capital and additional investments — considering the financial standing of subsidiaries based on testing the existence of conditions for a sustainable decrease in the cost of financial investments.

Our audit procedures regarding the presentation in the accounting statements of information on financial investments which current market value is not determined included: assessment of the internal control system and the procedure for making value judgments concerning such financial investments; research and assessment of the legality, economic reasons, and conditions for making additional contributions to subsidiaries, in particular, those with an unsatisfactory assets-to-liabilities ratio; carrying out procedures as to substance regarding the analysis of the audited entity's testing of such financial investments for any conditions for their sustainable impairment; recalculation of the amount of the financial investments impairment provision; verification of the audited entity's compliance with the principle of prudence when forming, accounting, and evaluating the financial investments which current market value is not determined. We have requested and received explanations from the management of the audited entity regarding the nature and economic objectives of transactions to make contributions to the subsidiaries' property, as well as the circumstances and justification for making decisions on the depreciation of financial investments in subsidiaries, and assessed the completeness and correctness of financial investments disclosures in the audited entity's statements.

2. *Dynamics of the amounts of accounts payable and loan liabilities, their classification by maturity* — Note 5.3 (tabular part), Notes 2.5, 8.2, 13.1, 16 (text part) to the balance sheet and the profit and loss statement

We consider this issue as a key one due to the loan liabilities amount materiality, their impact on balance sheet structure and liquidity assessment as well as a significant change in the structure of loan liabilities and accounts payable by maturity during 2021.

The audited entity's annual accounting statements as of December 31, 2021, present liabilities for loans received (hereinafter, the "loan liabilities") in the amount of RUB 180,165,702 thousand, including long-term loans in the amount of RUB 179,216,873 thousand. Compared to the previous reporting period, the amount of long-term loan liabilities decreased by RUB 97,314,379 thousand, however, the amount of short-term accounts payable increased by RUB 70,036,025 thousand, which is a negative change in the audited entity's balance sheet structure.

Our audit procedures included: verification of the correct classification of loans liabilities and accounts payable by maturity in accordance with the terms and conditions of the contracts; assessment of the state and functioning of the audited entity's internal control system in terms of monitoring and ensuring compliance with the liabilities' maturity; study of documentary grounds for the commencement and repayment of loan liabilities, as well as accounts payable to subsidiaries, including in terms of their interrelationship. We have requested, received, and analyzed explanations from the audited entity's management concerning the circumstances associated with the dynamics, structure, and composition of the accounts payable to subsidiaries and the debt liabilities. We have researched and assessed the sufficiency of disclosures regarding the classification and dynamics of loan liabilities and accounts payable by maturity in the accounting statements.

3. *Evaluation of the transaction to receive financial assistance from a subsidiary* — Note 10.1 (tabular part) Notes 7.1, 9, 16 (text part) to the balance sheet and the profit and loss statement

We consider this issue as a key one due to the transaction amount materiality and its impact on the classification of income and the financial performance indicator in the accounting statements.

In 2021, the audited entity received financial assistance from a subsidiary in the amount of RUB 29,731,802 thousand, which does not affect the authorized capital of the audited entity and is not a dividend. The financial assistance received is classified in the audited entity's annual accounting statements as other income.

Our audit procedures regarding the presentation of information on financial assistance received in the accounting statements included: assessment of the legal qualification and admissibility of the transaction under the current legislation; verification of the validity of the payment based on the executed legal documents; testing of cash proceeds and analysis of the correctness of the received income classification in the audited entity's accounting statements. We have also checked whether disclosures in the audited entity's accounting statements on the income received and the related-party transactions are appropriate and complete.

Information other than the annual accounting statements and the auditor's report thereon

The Management is responsible for other information. The other information comprises the information included in the audited entity's annual report but does not include the accounting statements and our audit report thereon. Our opinion on the annual accounting statements does not apply to other information, nor do we provide a conclusion ensuring any form of confidence regarding this information.

In connection with our audit of the annual accounting statements, our responsibility is to review the other information when provided to us and, in doing so, consider whether the other information is materially inconsistent with the annual accounting statements or our knowledge obtained in the audit and whether it otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact to the management and the Chairman of the Audit Committee of the Board of Directors of the audited entity and demand that the annual report be amended.

Responsibility of the management and the Chairman of the Audit Committee of the Board of Directors of the audited entity for the annual accounting statements

The management shall be responsible for the preparation and accurate presentation of the specified annual accounting statements in accordance with the accounting principles established in the Russian Federation, and for such internal control the management deems is appropriate to enable the preparation of annual accounting statements free from material misstatement due to fraud or error.

When preparing the annual accounting statements, the management shall be responsible for assessing the audited entity's ability to continue as a going concern, disclosing, as applicable, the data relating to the going concern, and for drafting the statements based on the going concern assumptions, unless the management intends to liquidate the audited entity, to cease its operations, or has no other viable alternative but to liquidate the company or cease its operations.

The Chairman of the Audit Committee of the Board of Directors shall be responsible for supervising the preparation of the audited entity's annual accounting statements.

Auditor's Responsibilities for the Audit of Annual Accounting Statements

Our objective is to obtain reasonable assurance that the annual accounting statements are free from material misstatement, due to fraud or error, and to issue an auditor's report that represents our opinion. Reasonable assurance is a high degree of assurance, but it is not a guarantee that an audit conducted in accordance with International Standards on Auditing always reveals material misstatements, if any. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to affect the users' economic decisions made on the grounds of these accounting statements

As part of an audit conducted in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. Besides, we perform the following:

- a) Identify and assess the risks of material misstatement of the annual accounting statements due to fraud or errors; design and perform audit procedures to respond to those risks; obtain audit evidence that is sufficient and appropriate to serve as the grounds for our opinion. The risk of failure to detect a material misstatement resulting from fraud is higher than the risk of failure to detect a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or circumventing the internal control system;
- b) Obtain an insight into the internal control system relevant to the audit to develop audit procedures appropriate to the circumstances but not for the purpose of expressing an opinion on the effectiveness of the audited entity's internal control system;
- c) Estimate the appropriateness of accounting policies applied and the reasonableness of accounting estimates and relevant disclosures made by the audited entity's management;
- d) Conclude on the appropriateness of the application by the management of the going concern assumption and, on the grounds of the audit evidence obtained, on the existence of a material uncertainty related to events or conditions that may cast significant doubt on the audited entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we must draw attention in our auditor's report to the related disclosures in the annual accounting statements or, if such disclosures are inadequate, modify our opinion. Our conclusions are based on the audit evidence obtained prior to the date of our audit report. However, future events or conditions may result in the audited entity being unable to continue as a going concern;
- e) Evaluate the overall presentation, structure, and content of the annual accounting statements, including disclosures, and whether the annual accounting statements present the underlying transactions and events in a manner ensuring their accurate presentation.

We communicate with the Chairman of the Audit Committee of the Board of Directors of the audited entity and, inter alia, inform them regarding the planned scope and timing of the audit as well as provide major comments on the audit results, including on significant deficiencies in the internal control system identified by us in the course of the audit.

We also stated to the Chairman of the Audit Committee of the Board of Directors that we have complied with all the relevant ethical requirements concerning independence and informed them of all of the relations and other issues that may reasonably be deemed of any influence on the auditor's independence and, if necessary, on the relevant precautions.

From those issues we have communicated to the Chairman of the Audit Committee of the Board of Directors of the audited entity, we identified the issues that were most significant to the audit of the annual accounting statements for the current period and, therefore, are the key audit issues. We describe those issues in our audit report, except in cases where the public disclosure of information on such issues is prohibited by law or a regulation or where, in rare cases, we conclude that the information on any issue should not be included in our report since the adverse effects of such information disclosure are reasonably expected to exceed the socially significant advantages resulting from its disclosure.

**INDEPENDENT AUDITOR'S REPORT
ON ANNUAL ACCOUNTING STATEMENTS
of Mechel PJSC
for January 1 – December 31, 2021**

Elena Ivanovna Potrusova
Director General of the Auditing Organization (PRNE 22006022804)

_____ (signature)

Alla Ivanovna Pershina
Head of the audit following which the auditor's report was drawn up (PRNE 21206046396)

_____ (signature)

Auditing organization:

Energy Consulting Joint-Stock Company
23 Obrucheva Str., Office 3, Premises XXII, Room 9b, 117630 Moscow
PRNE 11906106131
March 3, 2022

Balance Sheet
as of December 31, 2021

Company: Mechel Public Joint Stock Company
 Taxpayer's ID: _____
 Line of business: Investments into securities
 Organizational legal form / form of ownership _____

Public joint stock company / Joint private and foreign property
 Measurement unit: in '000 RUB
 Location (address)
1, Krasnoarmeiskaya Street, Moscow 125167

Codes			
OKUD form 0710001			
Date (dd/mm/yyyy)	31	12	2021
OKPO 14582388			
INN 7703370008			
OKVED 2 64.99.1			
OKOPF/OKFS	12247	34	
OKEI	384		

Accounting statements shall be audited YES NO

Name of the audit company/last,first,middle (if any) name of the auditor
ENERGY CONSULTING Joint Stock Company

taxpayer identification number of the audit company/auditor

INN	7717149511
OGRN/OGRNIP	1047717034640

Primary state registration number of the audit company/auditor

Note	Asset Indicator	Code	As of December 31, 2021	As of December 31, 2020	As of December 31, 2019
1	2	3	4	5	6
I. NON-CURRENT ASSETS					
1.1.	Intangibles including:	1110	3 648	5 151	2 962
	rights to intellectual deliverables	1111	175	233	292
	computer software	1112	496	793	71
	other intangibles	1113	2 977	4 125	2 299
	company's goodwill	1114	-	-	-
	in-progress investments to intangibles	1115	-	-	300
1.4.	Research and development deliverables including:	1120	-	-	-
	R&D deliverables in use	1121	-	-	-
1.5	in-process R&D	1122	-	-	-
	Intangible development assets	1130	-	-	-
	Tangible development assets including:	1140	-	-	-
	costs related to the creation (acquisition) of tangible development assets		-	-	-
2.1.	Fixed assets including:	1150	54	168	485
	land plots and natural use facilities	1151	-	-	-
	buildings and structures	1152	-	-	-
	machinery and equipment	1153	53	136	283
	transportation vehicles	1154	-	-	-
2.2.	in-progress capital investments including:	1155	-	-	-
	construction in progress		-	-	-
	equipment to be installed		-	-	-
	purchase of fixed assets		-	-	-
	prepayments related to fixed assets purchase and construction		-	-	-
	long-term expenses for fixed assets repair and technical inspection		-	-	-
2.1.	Income yielding investments into tangible assets	1160	-	-	-
3.1.	Financial investments including:	1170	250 243 313	273 093 552	261 609 784
	contributions to authorized capital of other companies	1171	34 040	34 040	34 040
	contributions to authorized capital of subsidiaries	1172	237 775 684	265 389 877	261 575 744
	contributions to authorized capital of affiliates	1173	-	-	-
	Long-term provided loans	1174	12 433 589	7 669 635	-
	other long-term financial investments	1175	-	-	-
	Deferred tax assets	1180	3 296 580	9 045 276	9 311 102
	Other non-current assets including:	1190	-	16 242	65 545
	Property placed under operational management	1191	-	-	-
	Total by section I	1100	253 543 595	282 160 389	270 989 878

Note	Asset		Code	As of December 31, 2021	As of December 31, 2020	As of December 31, 2019
	Indicator					
1	2		3	4	5	6
II. CURRENT ASSETS						
4.1.	Reserves including:	1210	4	7	9	
	raw materials, materials, other similar valuables	1211	4	7	9	
	rearers and fatteners	1212	-	-	-	
	costs in production in progress	1213	-	-	-	
	finished goods and goods for resale	1214	-	-	-	
	shipped goods	1215	-	-	-	
	low-value capital goods	1216	-	-	-	
	prepaid expenses related to the acquisition, creation and processing of stock		-	-	-	
	other reserves and expenses	1219	-	-	-	
	Input VAT	1220	1	72	1	
5.1.	Receivables including:	1230	3 647 198	13 343 920	7 996 092	
5.1.	long-term receivables to be repaid later than in 12 months, including:	1231	267	2 244 890	108	
	trade receivables		-	-	-	
	non-interest-bearing loans		-	-	-	
	other receivables		267	2 244 890	108	
	short-term receivables to be repaid within 12 months including:	1232	3 646 931	11 099 030	7 995 984	
	trade receivables		1 342 696	436 669	109 032	
	promissory notes receivables		-	-	-	
	receivables from subsidiaries		1 499 557	10 260 725	7 716 039	
	receivables from affiliates		-	-	-	
	receivable contributions to the authorized capital from participants		-	-	-	
	prepayments paid		159 047	42 483	129 783	
	settlements with the budget		105	16 067	10 970	
	non-interest-bearing loans		-	-	-	
	other receivables		645 526	343 086	30 160	
3.1.	Financial investments (except for cash equivalents) including:	1240			6 541 029	
	short-term loans provided	1241	-	-	6 541 029	
	other financial investments	1242			-	
	Cash and cash equivalents including:	1250	2 743 274	631	289	
	settlement accounts	1251	261	478	201	
	currency accounts	1252	-	5	88	
	L/Cs and other funds of limited use	1253	513	148	-	
	cash	1254	-	-	-	
	other cash	1255	2 742 500	-	-	
	Other current assets, including:	1260	4 201	242 106	349 033	
	accrued coupon yield on issued bonds		-	239 239	348 446	
	other		4 201	2 867	587	
	underbillings under construction contract agreements					
	Total by section II	1200	6 394 678	13 586 736	14 886 453	
	BALANCE	1600	259 938 273	295 747 125	285 876 331	

Note	Liabilities	Code	As of December	As of December	As of December
	Indicator		31, 2021	31, 2020	31, 2019
1	2	3	4	5	6
III. EQUITY AND PROVISIONS					
	Authorized capital	1310	5 550 277	5 550 277	5 550 277
	Treasury shares	1320	-	-	-
	Revaluation of non-current assets	1340	-	-	-
	Share premium (w/o revaluation)	1350	6 023 340	6 023 340	6 023 340
	Surplus:				
	including:	1360	277 514	277 514	277 514
	statutory provisions	1361	-	-	-
	provisions created according to constituent documents	1362	277 514	277 514	277 514
	Retained profit (uncovered loss)				
	including:	1370	(3 923 868)	(4 228 348)	(2 240 710)
	loss of past years	1371	(11 799 171)	(11 799 171)	(10 294 407)
	profit of past years	1372	7 408 477	7 570 823	8 053 697
	profit (loss) of the current period	1373	466 826	-	-
	Total by section III	1300	7 927 263	7 622 783	9 610 421
IV. LONG-TERM LIABILITIES					
	Borrowings				
	including:	1410	179 216 873	276 531 252	219 290 221
	long-term credits	1411	-	-	21 100 292
	long-term loans	1412	179 216 873	276 531 252	198 189 929
	bonded loans				9 099 788
	Deferred tax liabilities	1420	15 548	66 269	95 362
6.	Contingencies	1430	-	-	-
	Other liabilities	1450	-	-	-
	Total by section IV	1400	179 232 421	276 597 521	219 385 583
V. SHORT-TERM LIABILITIES					
	Borrowings				
	including:	1510	948 829	9 738 590	56 124 592
	short-term credits	1511	-	-	10 888 170
	short-term loans	1512	948 829	9 738 590	45 236 422
	bonded loans			9 738 590	5 707 314
5.3.	Payables				
	including:	1520	71 724 290	1 688 265	687 749
	payables to suppliers and contractors	1521	41 982	114 207	121 940
	promissory notes payable	1522	-	-	-
	payables to subsidiaries	1523	69 612 962	8 849	175 186
	payables to affiliates	1524	-	-	-
	payables to corporate personnel	1525	22 666	19 862	20 583
	payables to state off-budget funds	1526	20 631	116 932	47 906
	taxes and charges payable	1527	2 018 898	1 391 730	314 454
	prepayments received	1528	1 548	13	13
	sundry payables, including:	1529	5 603	36 672	7 667
	settlements for purchased shares				
	other		5 603	36 672	7 667
	Deferred income				
	including:	1530	-	-	-
	target financing	1531	-	-	-
	Contingencies	1540	105 470	99 146	67 986
	Other liabilities	1550	-	820	-
	Total by section V	1500	72 778 589	11 526 821	56 880 327
	BALANCE	1700	259 938 273	295 747 125	285 876 331

CEO

Oleg Victorovich
Korzhov

(signature)

(print name)

Head of Department for
Financial and HR Services of
Mechel BusinessService
OOOPower of Attorney
No.004M-22dd.

February 01, 2022

(signature)

Volkova Alla
Alexandrovna

(print name)

March 03, 2022

**Cash Flow Statement
for January - December 2021**

Company **Mechel Public Joint Stock Company**
 Taxpayer's ID: _____
 Taxpayer's ID: **Investments into securities**
 Organizational legal form / form of ownership _____
Public joint stock company / **Joint private and foreign property**
 Measurement unit: **in '000 RUB**

	Codes		
OKUD form	0710005		
Date (dd/mm/yyyy)	2021	12	31
OKPO	14 582 388		
INN	7 703 370 008		
OKVED 2			
OKOPF/OKFS	12 247	34	
OKEI	384		

Indicator	Code	For the accounting period	For the same period of the previous year
1	2	3	4
Cash flows			
From current operations			
Income - total	4110	47 346 884	10 911 486
including:			
from the sale of products, goods, works and services	4111	17 412 934	9 962 567
lease payments, license payments, royalty, fees and other similar payments	4112	703	621
from sales of financial investments purchased to be resold in the short-run (usually within three months).	4113		
interest on financial investments purchased to be resold in the short-run (usually within three months)			
other income	4119	29 933 247	948 298
incomings from affiliated and dependent companies			
incomings from parent company		40 811 537	8 156 294
Payments - total			
Payments - total	4120	(14 421 644)	(7 129 842)
including:			
contractors (suppliers) of raw material, services and works	4121	(479 910)	(397 464)
salaries	4122	(1 720 724)	(1 288 115)
interest on liabilities except for the interest included into the cost of investment assets	4123	(11 818 069)	(5 230 088)
in form of additional expenses under debt liabilities save for the costs of investment assets			
profit tax (save for cases when profit tax is directly related to cash flows from investment or financial operations)	4124		(57 684)
purchase of financial investments to be resold in the short-run (usually within three months).			
works related to geological prospecting and survey			
other payments	4129	(402 941)	(156 491)
For reference: incl.			
payments to affiliated and dependant companies		(11 358 347)	(2 448 315)
Payments to the parent company			
Cash flow balances from current operations	4100	32 925 240	3 781 644
For reference: incl.			
by affiliated and dependent companies		29 453 190	5 707 979
by parent company			

Cash flows from investment operations			
Income - total	4210	30 404 184	195 261
including:			
sales of fixed assets (save for financial investments); incl.	4211		
- sales of fixed assets			
- sales of other property			
sales of shares (participation interest) in other companies	4212	144 300	
repayment of granted loans, sales of debt securities (money claims to other persons), including	4213	11 205 713	195 079
from repayment of loans granted to other persons		11 205 713	195 079
from sales of debt securities (money claims to other persons) save for financial investments purchased to be resold in the short-run			
dividends, interest on debt financial investments and similar incomings from participation interest in other companies, including	4214	19 054 171	182
interest on debt financial investments but for those purchased to be resold in the short-run		3 026 942	182
dividends and similar incomings from participation interest in other companies		6 200 120	195 079
other incomings	4219		
For reference: incl.			
incomings from affiliated and dependent companies		6 960 724	4 303 979
incomings from parent company			
Payments-total	4220	(15 121 745)	(10 796)
including:			
due to purchase, creation, modernization, reconstruction and preparation of fixed assets for usage, including design, survey and technological operations	4221		
due to purchase of shares (participation interest) in other companies	4222	(15 121 745)	(10 796)
due to purchase of debt securities (money claims to other persons), granting loans to other persons, including:	4223		
purchase of debt securities (money claims to other persons) save for financial investments, purchased to be resold in the short-run			
granting loans to other persons			
interest on debt securities covered by investment assets costs	4224		
additional costs under debt securities covered by investment assets costs			
geological survey and prospecting works to reveal and assess the deposits of mineral resources			
other payments	4229		
For reference: incl.			
payments to affiliated and dependent companies		(15 126 245)	(10 796)
payments to parent company			
Cash flow balances from investment operations	4200	15 282 439	184 465
For reference: incl.			
by affiliated and dependent companies		(8 165 521)	184 283
by parent company			

Indicator	Code	For the accounting period	For the same period of the previous year
1	2	3	4
Cash flow from financial operations			
Income - total	4310	32 020 437	52 375 572
including:			
credits and loans from other persons	4311	32 020 437	51 505 089
money deposits from the owners (members)	4312		
issue of shares, increase of the participation interests	4313		
issue of bonds, promissory notes and other debentures and debt securities, etc.	4314		
budgetary allocations and other target financing			
other incomings	4319		870 483
For reference: incl.			
incomings from affiliated and dependent companies		15 344 337	42 526 589
incomings from parent company			
Payments - total	4320	(77 484 136)	(56 341 390)
including:			
payments to owners (members) due to buying from them of their shares (participation shares) in the company or cessation of their membership	4321		
due to repayment (buy-back) of promissory notes and other debt securities, repayment of credits and loans, including:	4322	(162 204)	(482 293)
due to repayment (buy-back) of promissory notes and other debt securities, repayment of credits and loans, including:	4323	(73 497 715)	(54 977 438)
due to repayment (buy-back) of promissory notes and other debt securities		(9 039 380)	(5 358 803)
repayment of credits and loans granted by other persons		(64 458 335)	(49 618 635)
Other payments	4329	(3 824 217)	(881 659)
For reference: incl.			
Payments to affiliated and dependent companies		(44 632 549)	(5 712 900)
Payments to parent company			
Cash flow balances from financial operations	4300	(45 463 699)	(3 965 818)
For reference: incl.			
by affiliated and dependent companies		(29 288 212)	36 813 689
by parent company			
Cash flow balances for the accounting period	4400	2 743 980	291
For reference: incl.			
by affiliated and dependent companies		(8 000 541)	42 705 951
by parent company			
Cash flow balance and balance of cash equivalents at the beginning of the accounting period	4450	630	289
including cash equivalents			
Cash flow balance and balance of cash equivalents at the end of the accounting period	4500	2 743 274	631
including cash equivalents			
effect of exchange rate changes towards RF rouble	4490	(1 336)	51

CEO

(signature)

**Korzhov Oleg
Victorovich**

(printed name)

Head of Department for
Financial and HR
Services of Mechel
BusinessService OOO
Power of Attorney No.004M-
22 dd. February 01, 2022

**Volkova Alla
Alexandrovna**

(signature)

(printed name)

March 03, 2022

**Income statement
for January - December 2021**

Company: **Mechel Public Joint Stock Company**
 Taxpayer's ID:
 Line of business: **Investments into securities**
 Organizational legal form / form of ownership

Public joint stock company / **Joint private and foreign property**
 Unit of measurement **in '000 RUB**

CODES		
0710002		
Date (dd/mm/yyyy)	31	12 2021
OKUD form	14582388	
OKPO	7703370008	
INN	64.99.1	
OKVED 2	12247	
OKOPF/OKFS	34	34
OKEI	384	

Note	Indicator	Code	As of December 31, 2021	As of January - December, 2020
1	2	3	4	5
	Revenues including:	2110	28 158 293	14 307 723
	(net) revenues from export sales of goods/ product/ work/ services (minus VAT, excises, similar statutory payments)	2111	2 418	4
	own products		-	-
	purchased goods		-	-
	performed work		-	-
	provided services		2 418	4
	other sale		-	-
	(net) revenues from domestic sales of goods/ product/ work/ services (minus VAT, excises, similar statutory payments)	2112	28 155 875	14 307 719
	own products		-	-
	purchased goods		-	651
	performed work		-	-
	provided services		18 521 675	6 438 168
	other sale		9 634 200	7 868 900
	Cost of sale including:	2120	(112 053)	(314 416)
	cost of exported goods, products, work, services	2121	(1 457)	-
	own products		-	-
	purchased goods		-	-
	performed work		-	-
	provided services		(1 457)	-
	other cost		-	-
	cost of domestically sold products, goods, work, services	2122	(110 596)	(314 416)
	own products		-	-
	purchased goods		-	(645)
	performed work		-	-
	provided services		(110 596)	(65 335)
	other cost		-	(248 436)
	Gross profit (loss)	2100	28 046 240	13 993 307
	Selling expenses	2210	-	-
	Administrative expenses	2220	(2 049 726)	(1 837 130)
	Profit (loss) from sales	2200	25 996 514	12 156 177
	Income from participation in other companies	2310	-	-
	Interest receivable	2320	1 579 431	352 088
	Interest payable	2330	(15 395 674)	(18 263 660)
10.1.	Other income	2340	44 310 976	6 828 558
10.2.	Other expenses	2350	(50 110 327)	(2 326 981)
	Income (loss) before taxes	2300	6 380 920	(1 253 818)
	Income tax	2410	(7 630 072)	2 291 565
	including current income tax	2411	(1 932 098)	2 528 298
	deferred income tax	2412	(5 697 974)	(236 733)

10.3.	Other including:	2460	1 715 978	(2 542 511)
	additional payments (excessive payments) of income tax caused by identified errors (deviations) in the previous accounting (tax) periods that do not affect the current income tax	2461	-	(8 091)
	unified tax on imputed income	2462	-	-
	tax deducted and paid by tax agent in respect of received dividends	2463	-	-
	Other similar payments from profit	2464	(23 934)	(14 214)
	Re-allocation of income tax within the taxpayer's consolidated group	2465	1 739 912	(2 520 206)
	Net profit (loss)	2400	466 826	(1 504 764)

Notes	Indicator	Code	For January - December 2021	For January - December 2020
1	2	3	4	5
	FOR REFERENCE			
	Result of revaluation of non-current assets, not included into the net profit (loss) for the period	2510	-	-
	Result of other transactions, not included into the net profit (loss) for the period	2520	-	-
	Income tax in respect of the income gained from the operations the result of which is not included into the net profit (loss) for the period	2530	-	-
	Cumulative financial result for the period	2500	466 826	(1 504 764)
	provisional profits tax expense		-	-
	provisional profits tax income		650 656	1 770 984
	Basic earnings (loss) per share	2900	-	-
	Diluted profit (loss) per share	2910	-	-

CEO

(signature)

**Oleg Victorovich
Korzhov**

(print name)

**Head of Department
for Financial and HR
Services of Mechel
BusinessService
OOO**

Power of Attorney No.004M-
22dd. February 01, 2022

(signature)

**Volkova Alla
Alexandrovna**

(print name)

March 03, 2022

**Statement of Changes in Equity
for 2021**

Company: Mechel Public Joint Stock Company
 Taxpayer's ID: _____
 Line of business: Investments into securities
 Organizational legal form / form of ownership
Public joint stock company / Joint private and foreign property
 Measurement unit: in '000 RUB

Codes		
OKUD form 0710004		
Date (dd/mm/yyyy)	2021	12 31
OKPO	14582388	
INN	7703370008	
OKVED 2	64.99.1	
OKOPF/OKFS	12247	34
OKEI	384	

1. Capital flow

Indicator	Code	Authorized capital	Own shares repurchased from shareholders	Add-on capital	Capital reserves	Retained profit (uncovered loss)	Total
1	2	3	4	5	6	7	8
Value of capital as of December 31, 2019	3100	5 550 277	-	6 023 340	277 514	(2 240 710)	9 610 421
for 2020							
Capital increase - total	3210	-	-	-	-	-	-
including:							
net profit	3211	X	X	X	X	-	-
revaluation of property	3212	X	X	-	X	-	-
income attributed directly to capital increase	3213	X	X	-	X	-	-
additional issue of shares	3214	-	-	-	X	X	-
increase in the par value of shares	3215	-	-	-	X	X	-
legal entity reorganization	3216	-	-	-	-	-	-
Capital decrease - total	3220	-	-	-	-	(1 987 638)	(1 987 638)
including:							
loss	3221	X	X	X	X	(1 504 764)	(1 504 764)
revaluation of property	3222	X	X	-	X	-	-
income attributed directly to capital decrease	3223	X	X	-	X	-	-
decrease in the par value of shares	3224	-	-	-	X	-	-
decrease in the quantity of shares	3225	-	-	-	X	-	-
legal entity reorganization	3226	-	-	-	-	-	-
dividends	3227	X	X	X	X	(482 874)	(482 874)
Change in additional capital	3230	X	X	-	-	-	X
Change in reserve capital	3240	X	X	X	-	-	X

Indicator	Code	Authorized capital	Own shares repurchased from shareholders	Add-on capital	Capital reserves	Retained profit (uncovered loss)	Total
1	2	3	4	5	6	7	8
Value of capital as of December 31, 2020	3200	5 550 277	-	6 023 340	277 514	(4 228 348)	7 622 783
for 2021							
Capital increase - total	3310	-	-	-	-	466 826	466 826
including:							
net profit	3311	X	X	X	X	466 826	466 826
revaluation of property	3312	X	X	-	X	-	-
income attributed directly to capital increase	3313	X	X	-	X	-	-
additional issue of shares	3314	-	-	-	X	X	-
increase in the par value of shares	3315	-	-	-	X	X	-
legal entity reorganization	3316	-	-	-	-	-	-
Capital decrease - total	3320	-	-	-	-	(162 346)	(162 346)
including:							
loss	3321	X	X	X	X	-	-
revaluation of property	3322	X	X	-	X	-	-
income attributed directly to capital decrease	3323	X	X	-	X	-	-
decrease in the par value of shares	3324	-	-	-	X	-	-
decrease in the quantity of shares	3325	-	-	-	X	-	-
legal entity reorganization	3326	-	-	-	-	-	-
dividends	3327	X	X	X	X	(162 346)	(162 346)
Change in additional capital	3330	X	X	-	-	-	X
Change in reserve capital	3340	X	X	X	-	-	X
Capital value as of December 31, 2021	3300	5 550 277	-	6 023 340	277 514	(3 923 867)	7 927 263

2. Adjustments related to changes in the accounting policy and errors correction

	Code	As of December 31, 2020	Changes in equity in 2021		as of December 31, 2021
			due to net profit (loss)	due to other factors	
Capital - total					
before adjustments	3400	-	-	-	-
adjustment due to					
changes in the accounting policy	3410	-	-	-	-
correction of errors	3420	-	-	-	-
after adjustments including:	3500	-	-	-	-
retained earnings (uncovered loss):					
before adjustments	3401	-	-	-	-
adjustment due to					
changes in the accounting policy	3411	-	-	-	-
correction of errors	3421	-	-	-	-
after adjustments	3501	-	-	-	-
other items of section "Capital" by which adjustments were performed (by items):					
before adjustments	3402	-	-	-	-
adjustment due to					
changes in the accounting policy	3412	-	-	-	-
correction of errors	3422	-	-	-	-
after adjustments	3502	-	-	-	-

3. Net assets

Indicator	Code	As of December 31, 2021	As of December 31, 2020	As of December 31, 2019
1	2	3	4	5
Net assets	3600	7 927 263	7 622 783	9 610 421

CEO

(signature) **Oleg Victorovich Korzhov**
(print name)

**Head of Department
for Financial and HR
Services of Mechel
Business Service
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Power of Attorney
No.004M-22 dd. February

(signature) **Volkova Alla Alexandrovna**
(print name)

March 03, 2022

15. Government assistance

Indicator		Code	For 2021		For 2020	
			Opening for the year	Received for the year	Returned during the year	Closing for the year
Received budgetary funds, total		5900	-	-	-	-
including						
for current expenses			-	-	-	-
for investments in capital assets		5905	-	-	-	-
Public budget credits, total	2021	5910	-	-	-	-
	2020	5920	-	-	-	-
including	2021	5911	-	-	-	-
	2020	5921	-	-	-	-

Head _____ **Oleg Viktorovich Korzhov**
 (signature) (print name)

**Head of Financial and Human
 Resources Services Department of
 Mechel-BusinessService LLC**
 Power of Attorney No. 004M-22
 dated February 1, 2022

_____ **Alla Aleksandrovna Volkova**
 (signature) (print name)

March 3, 2022