Regarding issue no. 1 on the agenda
of the Annual General Meeting of Shareholders of
PJSC MMK
May 30, 2025

EXPLANATORY NOTE

Approval of the annual report, annual accounting (financial) statements of MMK PJSC based on the results of 2024 reporting year

The Federal Law "On Joint Stock Companies" and MMK's Charter provide that the decision to approve the annual report and annual accounting (financial) statements lies within the competence of the Annual General Meeting of Shareholders.

Approval of the annual report based on the results of 2024 reporting year.

PJSC MMK has prepared a single annual report that combines the Annual Report and the Sustainable Development Report. It contains quantitative and qualitative data on the Company's relationships with stakeholders and on how the Group's strategy, corporate governance and culture act as a single coordinated mechanism for managing sustainable development, risks and changes in the external environment in order to create value for all stakeholders.

The 2024 Annual Report includes a large amount of information on sustainability aspects. The 2024 Annual Report discloses data on PJSC MMK and the Group's subsidiaries.

Quantitative data is presented for 3 reporting years (2022, 2023, 2024).

Standards/Guidelines used:

- GRI 2021 Standards;
- SASB (Iron & Steel producers) standards;
- Key requirements of prioritized ESG ratings;
- TCFD Recommendations;
- Social Charter of the Russian Union of Industrialists and Entrepreneurs.
- Order of the Ministry of Economic Development and Trade "On Approval of Methodological Recommendations on

  Preparation of Sustainable Development Reporting".

The 2024 Report has been audited for selected non-financial indicators according to GRI and SASB standards. In the reporting period, the Company disclosed indicators for the first time in accordance with the Order of the Ministry of Economic Development and Trade No. 764 dated November 1, 2023 "On Approval of Methodological Recommendations on

Preparation of Sustainable Development Reporting".

The report on verification of GHG emission calculations in accordance with the requirements of ISO 14064-1:2018 was received.

ESG Databook was made available in two languages (Russian and English) for more complete disclosure of quantitative data.

When preparing the Annual Report, the requirements set out in Bank of Russia Regulation No. 714-P dated 27.03.2020 "On Disclosure of Information by Issuers of Equity Securities", and also the recommendations of the "Corporate Governance Code" recommended for application by letter of the Bank of Russia No. 06-52/2463 dated 10.04.2014 (applicable to the Company in the current situation) were considered.

The Annual Report has been provisionally approved by the Board of Directors of PJSC MMK and recommended for approval by the Annual General Meeting of Shareholders (Minutes No. 14 dated 23.04.2025).

Approval of the annual accounting (financial) statements of PJSC MMK based on results of 2024 reporting year.

The accuracy of MMK's annual accounting (financial) statements for the 2024 reporting year was confirmed by the opinion of MMK's auditor, Joint Stock Company Business Solutions and Technologies.

The Audit Committee of MMK's Board of Directors evaluated the conclusions of the audit organization based on the results of audits of the accounting (financial) statements of MMK PJSC (under RAS and IFRS) for 2024.

The Board of Directors reviewed MMK's annual accounting (financial) statements for 2024 and resolved to submit them to the Annual General Meeting of Shareholders for approval (Minutes No. 14 dated 23.04.2025).

In accordance with the Russian legislation, the reports are disclosed on the Internet at https://e-disclosure.ru/portal/company.aspx?id=9.

Please note that PJSC MMK, in exercising the right granted by Decree of the Government of the Russian Federation No. 1102 dated 04.07.2023 "On the Specifics of Disclosure and (or) Provision of Information Subject to Disclosure and (or) Provision in Accordance with the Requirements of the Federal Law "On Joint-Stock Companies" and the Federal Law "On the Securities Market", currently does not disclose and does not provide to third parties a part of information, as its disclosure and (or) provision will (may) lead to the introduction of restrictive measures against MMK PJSC and (or) other parties, including the introduction of new restrictive measures against the person on whom PJSC MMK discloses (or) provides information.

Draft resolutions:

1. **To approve the annual report based on results of 2024 reporting year.**
2. **To approve the annual accounting (financial) statements of PJSC MMK based on results of 2024 reporting year.**