

## STRATEGIC PRIORITIES

# DEVELOPMENT OF PRODUCT PORTFOLIO AND CUSTOMER BASE

### SECURING THE POSITION OF A MAJOR COKING COAL SUPPLIER IN RUSSIA

#### Key developments in 2018

Expanded the product portfolio and learned to make concentrate mixes to suit the request of certain clients.

Improved the reliability of deliveries by putting into operation new warehouses for concentrate and raw coal at all washing plants (with the capacity of 15-200 thousand tonnes).

Increased the production volumes of premium low-vol. hard coking coal at the new open pit on the Raspadskaya-Koksovaya mine site.

Boosted raw coking coal production volumes by 4% year-on-year and coal product sales volumes by 5% year-on-year.

Improved EVRAZ self-sufficiency in coal to 69% by increasing production of OS-grade coal in the the Raspadskaya-Koksovaya open pit.

Increased the output of semi-hard GZh-grade concentrate at the Raspadskaya washing plant by reducing the ash content in the coal mined at Raspadsky Open Pit.

#### Outlook for 2019

Maintain leading positions on the Russian market by keeping product quality consistent.

Boost production volume by 3% year-on-year to 25 million tonnes and saleable product volumes to 19.5 million tonnes by increasing mining efficiency.

Focus on degassing and ventilating goafs due to increasing gas-content of seams.

Improve efficiency and yield at washing plants.

Increase premium low-vol. hard coking coal production volumes by launching longwall mining in the Raspadskaya-Koksovaya mine.

### EXPANSION OF THE EXPORT PORTFOLIO

#### Key developments in 2018

EVRAZ achieved its targets for 2018 export sales by:

- Maintaining a flexible sales geography
- Export priorities: Japan, South Korea, Vietnam, Indonesia and countries in Eastern Europe

- Entering new markets, like India
- Conducting site visits for new clients and regular audits at the request of key customers from Japan, Brazil and Slovakia

#### Outlook for 2019

- Ensure a diverse sales geography by seeking new supply routes from Baltic Sea ports
- Increase export sales to South-East Asia and European countries

