

Moscow, 19 May 2020

**TMK'S BOARD OF DIRECTORS RECOMMENDS THE VOLUNTARY
TENDER OFFER BY ITS SUBSIDIARY FOR TMK ORDINARY SHARES
RECEIVED ON 18 MAY 2020**

PAO “TMK” (LSE: TMKS; MOEX: TRMK), one of the world’s leading producers of tubular products for the oil and gas industry (“**TMK**” or the “**Company**”), announces that the Board of Directors of TMK has recommended today that its shareholders accept the voluntary tender offer (the “**Voluntary Tender Offer**”) made by “Volzhsky Pipe Plant”, Joint stock company (“**VTZ**”), a wholly-owned subsidiary of TMK, to acquire up to 358,758,064, or 34.7%, of the ordinary shares of TMK at a cash price of RUB 61 per ordinary share (the “**Purchase Price**”).

As previously announced in the Company’s press release dated 8 April 2020, the Voluntary Tender Offer was made further to the approval by the Board of Directors on 8 April 2020 of a programme to purchase ordinary shares of TMK to be carried out by way of the Voluntary Tender Offer by VTZ. The Voluntary Tender Offer was first submitted by VTZ to the Central Bank of Russia (the “**CBR**”) on 8 April 2020 and was resubmitted by VTZ to the CBR on 30 April 2020 following receipt by VTZ on 23 April 2020 of a CBR order to amend the Voluntary Tender Offer. The Voluntary Tender Offer was received by TMK on 18 May 2020 following the expiration of the period of statutory review of the resubmitted Voluntary Tender Offer by the CBR.

The Voluntary Tender Offer is being made for 358,758,064¹ of the issued and outstanding ordinary shares of the Company, which represent all of the issued and outstanding ordinary shares of the Company other than the ordinary shares held by VTZ and its affiliates, including certain other subsidiaries of TMK, the controlling shareholder of TMK (TMK Steel Holding Limited) and certain members of the boards of directors and management of VTZ, TMK and the TMK group. The Voluntary Tender Offer is being made by VTZ to all holders of ordinary shares, other than these individuals and entities. Holders of the Company’s depositary receipts may participate in the Voluntary Tender Offer provided that they cancel the depositary receipts held by them and receive the underlying ordinary shares, as outlined below.

The Purchase Price represents (*i*) a cash premium of RUB 14.34 and 30.7% with respect to the closing price per ordinary share of the Company on the Moscow Exchange on 7 April 2020, the last trading day prior to the public announcement of the approval of the

¹ The number of shares for which the Voluntary Tender Offer is being made has been amended from the maximum of 358,826,299 shares initially approved by the Board of Directors of TMK on 8 April 2020 to comply with the CBR order issued on 23 April 2020.

repurchase programme by the Board of Directors of TMK, (ii) a cash premium of RUB 4 and 7.0% with respect to the closing price per ordinary share of the Company on the Moscow Exchange on 29 April 2020, the last trading day before the Voluntary Tender Offer was resubmitted to the CBR, and (iii) a cash premium of RUB 2.18 and 3.7% with respect to the closing price per ordinary share of the Company on the Moscow Exchange on 18 May 2020, the day the Company received the Voluntary Tender Offer. The Purchase Price also represents (i) a cash premium of RUB 9.14 and 17.6% per ordinary share of the Company to the 6-month volume weighted average price of RUB 51.86 for the period ending on 7 April 2020, (ii) a cash premium of RUB 7.78 and 14.6% per ordinary share of the Company to the 6-month volume weighted average price of RUB 53.22 for the period ending on 29 April 2020, and (iii) a cash premium of RUB 7.51 and 14.0% per ordinary share of the Company to the 6-month volume weighted average price of RUB 53.49 for the period ending on 18 May 2020.

The text of the Voluntary Tender Offer document, together with the recommendations of the Board of Directors with respect to the Voluntary Tender Offer, the information letter for the shareholders setting out the procedure for the acceptance of the Voluntary Tender Offer (the “**Information Letter**”), this press release and other required information have been published on the Company’s website at: www.tmk-group.ru, https://www.tmk-group.ru/voluntary_tender_offer, https://www.tmk-group.com/voluntary_tender_offer.

EXPECTED TIMETABLE OF EVENTS

The times, dates and events shown in the below table may be subject to change if the Voluntary Tender Offer is extended by VTZ, if and to the extent allowed pursuant to the Russian Joint-Stock Companies Law (the “**JSC Law**”).

DAY	EVENT
18 May 2020	The Voluntary Tender Offer received by the Company
19 May 2020	Board of Directors recommends the Voluntary Tender Offer to the shareholders, and the Voluntary Tender Offer is published on the Company’s website
27 July 2020	Expiration date of the Voluntary Tender Offer period (the “ Expiration Date ”)
13 August 2020	Deadline for payment for the ordinary shares which were tendered into the Voluntary Tender Offer prior to the Expiration Date <i>Please note that VTZ may pay for the ordinary shares at any time within the 17-day period between the Expiration Date and 13 August 2020</i>

On or about 30 July 2020	Submission of the initial report on the results of the Voluntary Tender Offer to TMK and the CBR
On or about 3-5 August 2020	Transfer of the ordinary shares purchased in the Voluntary Tender Offer to VTZ
On or about 7 August 2020	Submission of the final report on the results of the Voluntary Tender Offer to TMK and the CBR
On or about 7 August 2020	Announcement of the results of the Voluntary Tender Offer and related disclosures

In accordance with the JSC Law, holders of the ordinary shares of the Company participating in the Voluntary Tender Offer may withdraw their applications to sell the shares at any time until the Expiration Date.

PURPOSE OF THE VOLUNTARY TENDER OFFER AND RECOMMENDATIONS OF THE BOARD OF DIRECTORS OF TMK

As announced by the Company on 8 April 2020, the Board of Directors, at its meeting on 8 April 2020, approved a programme to purchase ordinary shares of the Company to be carried out by way of the Voluntary Tender Offer by VTZ. In addition, the Board of Directors of TMK evaluated the benefits of the Company retaining a listing of its global depositary receipts on the London Stock Exchange and determined that it was no longer a strategic priority for the Company. The Board of Directors approved the cancellation of the listing of the global depositary receipts on the London Stock Exchange, to be carried out following the completion of the Voluntary Tender Offer. Following the completion of the Voluntary Tender Offer, it is expected that the listing of the ordinary shares on the Moscow Exchange will be downgraded from its current premium listing to a lower listing level, and the liquidity in the trading of the ordinary shares may substantially decrease. Although the Board of Directors of TMK has not decided to pursue a delisting of the ordinary shares on the Moscow Exchange at the present time, it is possible that the Board of Directors may in the future decide to recommend that shareholders approve such delisting. TMK may also consider a termination of its depositary receipt programmes following the cancellation of the listing of the global depositary receipts on the London Stock Exchange.

The initial review of the strategic priorities of the Company and the evaluation of the programme to purchase its ordinary shares and the cancellation of the listing of the global depositary receipts on the London Stock Exchange was conducted by a special committee of the Board of Directors, consisting solely of the independent non-executive directors (the “**Special Committee**”) led by its Chairman Sergey Kravchenko and which included Natalya Chervonenko, Yaroslav Kuzminov and Frank-Detlef Wende. To assist the Special Committee and the Board of Directors of the Company in their review, the

Company engaged UBS AG London Branch (“**UBS**”) as financial adviser and Debevoise & Plimpton LLP as legal counsel.

On 8 April 2020, the Special Committee, having considered the advice of its financial adviser and other matters it deemed relevant, unanimously recommended to the Board of Directors that they approve the principal terms of the repurchase programme by way of the Voluntary Tender Offer and the cancellation of the listing of the global depositary receipts on the London Stock Exchange, and the Board of Directors took into account these recommendations in reaching its decision to approve the principal terms of the repurchase programme to be carried out through the Voluntary Tender Offer and the cancellation of the listing of the global depositary receipts.

In arriving at these recommendations and decisions, the Special Committee and the Board of Directors considered, among other things, that:

- The Company’s capitalisation continues to face pressure due to various market factors and low liquidity of the Company’s equity securities. The trading of the Company’s ordinary shares and global depositary receipts has been severely hampered primarily due to various external market factors, including an unfavourable economic environment and significant volatility of global currency markets, as well as current pricing conditions in the markets generally.
- Due to the imposition of sanctions against, among others, the companies operating in the Russian oil and gas industry, as well as the recent sale by the Company of IPSCO Tubulars Inc., a U.S. manufacturer of steel pipe, the Company has significantly lowered its international presence and expects to primarily focus on its operations in the Russian market in the upcoming years.
- Taking into account its earnings profile and future projections, the Company expects that the dividends it pays in the foreseeable future, if any, will be at a level lower than it has paid in the past, and lower than the level expected by investors.
- The Company believes that the above factors hinder any favourable prospects for the Company in the equity markets, which are expected to remain volatile in the near future.
- The tender offer to purchase ordinary shares of the Company provides an exit opportunity for the holders of the Company’s ordinary shares (and indirectly depositary receipt holders, provided that they cancel the depositary receipts held by them and receive the underlying ordinary shares) at a premium of 30.7% with respect to the closing price per ordinary share trading on the Moscow Exchange on 7 April 2020, before a possible downgrade of the ordinary shares from the current premium listing to a lower listing level on the Moscow Exchange and a further possible termination of the Company’s depositary receipt programmes, while

allowing each holder of the Company's ordinary shares and depositary receipts to consider its own specific circumstances, given high volatility in the securities markets.

In making the decisions and the other determinations described above, the Special Committee and the Board of Directors also considered TMK's business, operations, financial condition, performance, development prospects and strategy, as well as the risks and challenges inherent in executing its strategy in the current environment, and the potential effects of the Voluntary Tender Offer, including those discussed below.

On 19 May 2020, the Board of Directors of TMK unanimously recommended that the shareholders of the Company accept the Voluntary Tender Offer on the terms and conditions set forth in the Voluntary Tender Offer document, taking into account, among other things, that:

- The Purchase Price of RUB 61 proposed in the Voluntary Tender Offer complies with the requirements of the JSC Law. In particular, the Purchase Price exceeds the 6-month volume weighted average price of RUB 53.22 per one TMK's ordinary share traded on the Moscow Exchange for the period ending on 29 April 2020, the last trading day before the Voluntary Tender Offer was resubmitted to the CBR, and, save for the cancellation of the global depositary receipts held by VTZ and receipt of the underlying ordinary shares, VTZ and its affiliates did not acquire, or undertake any obligation to acquire, any shares of the Company within the six months prior to the date of submission of the Voluntary Tender Offer to the Company.
- The Purchase Price represents (i) a cash premium of RUB 14.34 and 30.7% with respect to the closing price per ordinary share of the Company on the Moscow Exchange on 7 April 2020, the last trading day prior to the public announcement of the approval of the repurchase programme by the Board of Directors of TMK, (ii) a cash premium of RUB 4 and 7.0% with respect to the closing price per ordinary share of the Company on the Moscow Exchange on 29 April 2020, and (iii) a cash premium of RUB 2.18 and 3.7% with respect to the closing price per ordinary share of the Company on the Moscow Exchange on 18 May 2020, the day the Company received the Voluntary Tender Offer.
- The Purchase Price also represents (i) a cash premium of RUB 9.14 and 17.6% per ordinary share of the Company to the 6-month volume weighted average price of RUB 51.86 for the period ending on 7 April 2020, (ii) a cash premium of RUB 7.78 and 14.6% per ordinary share of the Company to the 6-month volume weighted average price of RUB 53.22 for the period ending on 29 April 2020, and (iii) a cash premium of RUB 7.51 and 14.0% per ordinary share of the Company to the 6-month volume weighted average price of RUB 53.49 for the period ending on 18 May 2020.

- The market price of TMK's shares, following the completion of the Voluntary Tender Offer, may be subject to wide fluctuations due to a number of factors beyond the control of the Company or the Board of Directors, including micro- and macro-economic conditions, changes in the prices of the Company's products and services provided by the Company, changes in the profitability of the Company's business, estimates of analysts, amendments to applicable legislation, general economic conditions or other events or circumstances.
- Following the completion of the Voluntary Tender Offer, the Company's free float could significantly decrease, which could lead to a downgrade of TMK's shares from the current premium listing to a lower listing level on the Moscow Exchange and affect the market price and liquidity of TMK's shares.

Securityholders are urged to evaluate carefully all information in the Voluntary Tender Offer document and related documentation, consult their own investment and tax advisers and make their own decisions whether to tender or refrain from tendering their ordinary shares into the Voluntary Tender Offer.

UBS and BCS Global Markets are acting as dealer managers with respect to the Voluntary Tender Offer.

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On 23 April 2020, the Company announced the TMK group's operational results for the first quarter of 2020, available at: <https://www.tmk-group.com/PressReleases/show/1148> and https://www.tmk-group.com/Operational_results.

The Company is expected to announce the TMK group's interim consolidated IFRS financial results for the three months ended 31 March 2020 on or about 21 May 2020, which will be available at: https://www.tmk-group.com/Financial_results.

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CERTAIN EFFECTS OF THE VOLUNTARY TENDER OFFER AND POTENTIAL RISKS FOR THE COMPANY'S SECURITYHOLDERS

In deciding whether or not to tender their shares in the Voluntary Tender Offer, shareholders are urged to consider the following information, together with the other information contained in the Voluntary Tender Offer document, the recommendations of the Board of Directors of TMK, the Information Letter and other materials regarding the Voluntary Tender Offer available at: www.tmk-group.ru, https://www.tmk-group.ru/voluntary_tender_offer, https://www.tmk-group.com/voluntary_tender_offer.

The Voluntary Tender Offer is addressed to, and may only be accepted by, the Company's shareholders.

In accordance with the provisions of the JSC Law, the Voluntary Tender Offer is made only to the holders of ordinary shares of the Company. Holders of Regulation S global depositary receipts ("**Regulation S GDRs**"), Rule 144A global depositary receipts ("**Rule 144A GDRs**" and, together with Regulation S GDRs, "**GDRs**") and Level 1 American depositary shares ("**Level 1 ADSs**" and, together with the GDRs, the "**DRs**"), representing rights to the Company's ordinary shares, may participate in the Voluntary Tender Offer provided that they cancel the DRs held by them, receive the respective underlying ordinary shares and submit an application to sell such ordinary shares pursuant to the terms of the Voluntary Tender Offer. Detailed instructions for cancelling DRs are contained in Annex I "*Information for DR holders*" to this announcement. Please refer to the Information Letter for a description of the procedure for participating in the Voluntary Tender Offer available at: www.tmk-group.ru, https://www.tmk-group.ru/voluntary_tender_offer, https://www.tmk-group.com/voluntary_tender_offer.

Surrender of the DRs will be subject to the payment by DR holders of the relevant fees to The Bank of New York Mellon (the "**DR Depository**") and to satisfaction of the other provisions of the respective deposit agreements for the DRs. DR holders are urged to consult with their tax advisers as to the tax consequences of the surrender of DRs and receipt of shares, including whether any transfer taxes may apply.

Shareholders who accept the Voluntary Tender Offer and sell their ordinary shares into the Voluntary Tender Offer will forego any potential increase in the value of the ordinary shares following the completion of the Voluntary Tender Offer.

While the Purchase Price represents (i) a cash premium of RUB 14.34 and 30.7% with respect to the closing price per ordinary share of the Company on the Moscow Exchange on 7 April 2020, the last trading day prior to the public announcement of the approval of the repurchase programme by the Board of Directors of TMK, (ii) a cash premium of RUB 4 and 7.0% with respect to the closing price per ordinary share of the Company on the Moscow Exchange on 29 April 2020, the last trading day before the Voluntary Tender Offer was resubmitted to the CBR, (iii) a cash premium of RUB 2.18 and 3.7% with respect to the closing price per ordinary share of the Company on the Moscow Exchange on 18 May 2020, the day the Company received the Voluntary Tender Offer, (iv) a cash premium of RUB 9.14 and 17.6% per ordinary share of the Company to the 6-month volume weighted average price of RUB 51.86 for the period ending on 7 April 2020, (v) a cash premium of RUB 7.78 and 14.6% per ordinary share of the Company to the 6-month volume weighted average price of RUB 53.22 for the period ending on 29 April 2020, and (vi) a cash premium of RUB 7.51 and 14.0% per ordinary share of the Company to the 6-month volume weighted average price of RUB 53.49 for the period ending on 18 May 2020, shareholders, by accepting the Voluntary Tender Offer and selling their ordinary shares into the Voluntary Tender Offer, will forego any potential increase in the value of

the ordinary shares following the completion of the Voluntary Tender Offer. There can be no assurance as to the market value of ordinary shares or DRs in the future.

Shareholders who do not sell their ordinary shares in the Voluntary Tender Offer and DR holders who do not cancel their DRs and sell the underlying ordinary shares in the Voluntary Tender Offer will remain securityholders of TMK and bear the attendant risks associated with owning the respective securities.

To the extent holders of ordinary shares or DRs retain an equity interest in TMK, either because they did not participate in the Voluntary Tender Offer or sold only part of their holdings, they will continue to be securityholders of the Company. As a result, those securityholders will bear certain risks associated with holding securities of TMK. Securities held following the completion of the Voluntary Tender Offer may in the future be sold at a price significantly higher or lower than the Purchase Price, and no assurance can be given as to the price at which a securityholder may be able to sell his or her securities in the future. In addition, the Voluntary Tender Offer is likely to result in a reduction of the overall liquidity of the Company's securities, which could affect the ability of securityholders to freely trade their securities and have an effect on the price and liquidity of the securities. Furthermore, taking into account its earnings profile and future projections, the Company expects that the dividends it pays in the foreseeable future, if any, will be at a level lower than it has paid in the past, and lower than the level expected by investors.

TMK intends to cancel the listing of GDRs on the London Stock Exchange and may terminate its DR programmes.

As discussed in “*Purpose of the Voluntary Tender Offer*”, at its meeting on 8 April 2020, the Board of Directors of TMK determined that retaining the Company's listing of its GDRs on the London Stock Exchange is not a strategic priority for the Company and resolved to proceed with cancelling the GDR listing on the London Stock Exchange following the completion of the Voluntary Tender Offer. It is not expected that the delisting of the GDRs from the London Stock Exchange will be accompanied by further repurchases of ordinary shares or GDRs. Under the UK Listing Rules, the listing may be cancelled by giving at least 20 business days' notice of the intended cancellation through an announcement published through a Regulated Information Service, but does not require approval of GDR holders or any purchase of the outstanding GDRs. Following cancellation of the listing of the GDRs on the London Stock Exchange, the GDRs will no longer trade on the London Stock Exchange and it is unlikely that a liquid trading market for the GDRs will develop. As a result, the price of GDRs may become more volatile and it may be more difficult to complete a buy or sell order for the GDRs.

Furthermore, following the delisting from the London Stock Exchange, TMK will no longer be subject to the disclosure and other obligations under the UK Listing, Disclosure and Transparency Rules and EU Market Abuse Regulation, and the level and type of

disclosures provided to holders of the ordinary shares following the cancellation of the GDR listing may be different from that provided to GDR holders.

TMK may review whether or not to maintain the DR programmes, including its GDR and Level 1 ADS programmes, following the cancellation of the listing, taking into consideration, among other things, the number of DRs outstanding following the completion of the Voluntary Tender Offer. Any termination of the DR programmes may be effected upon giving a 90-day prior notice in the case of the GDR programmes and a 30-day prior notice in the case of the Level 1 ADS programme to The Bank of New York Mellon, as depositary for the DR programmes, which will then notify the DR holders. Upon receipt of notice of the termination, any DR holder who wishes to receive the underlying ordinary shares in exchange for their DRs will need to comply with the procedures under the relevant deposit agreement (including payment of applicable fees) for receiving the ordinary shares underlying the DRs they hold. With respect to any DR holders who do not elect to exchange their DRs for the underlying ordinary shares, or are not permitted to hold ordinary shares, the DR Depositary in consultation with TMK will sell the ordinary shares underlying the DRs remaining outstanding after the termination date and distribute the net proceeds to the former DR holders. No decision has yet been made whether or not to terminate the DR programmes, and there can be no assurance that the DR programmes will be maintained following the completion of the Voluntary Tender Offer.

The listing of the ordinary shares on the Moscow Exchange may be downgraded to a lower listing level following the completion of the Voluntary Tender Offer and such listing may be cancelled in the future.

Following the completion of the Voluntary Tender Offer, the Company expects that it will not qualify for a premium listing due to the free float requirements of the Moscow Exchange, and the listing will be transferred to a lower category, which may affect the trading price and liquidity of the Company's ordinary shares.

Although the Board of Directors of TMK has not decided to pursue a delisting of the ordinary shares at the present time, it is possible that the Board of Directors may in the future decide to recommend that shareholders approve a delisting of the ordinary shares. A delisting of the ordinary shares from the Moscow Exchange must be approved together with the resolution on making the Company non-public and is subject to shareholders' approval by a 95% majority vote of all holders of the voting shares. Shareholders voting against or not participating in the voting on the delisting may request that the Company redeem their ordinary shares. The purchase price for such ordinary shares must be determined by the Board of Directors and cannot be lower than the fair market value of the ordinary shares, which is to be determined by an appraiser, and the volume weighted average price of the ordinary shares over a period of six months preceding the date of the Board of Directors' meeting. The resolution on the delisting will become effective if the amount of funds required to buy out all ordinary shares submitted for redemption does not

exceed 10% of TMK's net assets calculated under the Russian Accounting Standards (as of 31 March 2020, TMK's net assets were equal to RUB 49,844,556,000 or approximately U.S.\$682,991,129 using the exchange rate of the CBR as of 19 May 2020).

If any such delisting were to occur, holders of the ordinary shares would not be entitled to the benefit of the listing of the ordinary shares on the Moscow Exchange, the ordinary shares would no longer trade on the Moscow Exchange, and it is unlikely that a liquid trading market for the ordinary shares would develop. As a result, the price of ordinary shares would become more volatile and it would be more difficult to complete a buy or sell order for the ordinary shares.

The Voluntary Tender Offer may lead one or more index providers to exclude TMK's securities from their index or cut its weight, which may materially affect the price and liquidity of the securities.

TMK's securities are currently included in a wide range of different emerging markets and Russia-dedicated indices. These indices are used as a benchmark for investments by a number of institutional investors, including those who use a passive investment approach, such as ETFs. While the criteria for including or excluding a particular security from an index, or for changing the weight given to it in the index, vary from one index provider to another, one of the key elements taken into account by many of the indices is the size of the security's free float (the amount held by public shareholders). TMK believes that the Voluntary Tender Offer is likely to cause TMK's free float to fall below some of the thresholds which are used by the index providers as a minimum level for inclusion. As a result, it is likely that the Voluntary Tender Offer will lead one or more of these index providers to exclude TMK's ordinary shares from the index or cut its weight given in the index after the completion of the Voluntary Tender Offer. Any such action could cause investors who use these indices as a benchmark to sell TMK's securities they hold, which may have a material effect on the price and liquidity of TMK's ordinary shares.

Shares acquired by VTZ will be held by VTZ or another member of the TMK group. Under Russian law, VTZ will retain all rights in the ordinary shares acquired in the Voluntary Tender Offer.

Following the completion of the Voluntary Tender Offer, VTZ may hold the ordinary shares acquired in the Voluntary Tender Offer or transfer them to another member of the TMK group. While held by a member of the TMK group, the securities will not be considered outstanding for purposes of determining TMK's earnings per share. However, unlike the laws of the United Kingdom and many other jurisdictions, under Russian law a direct or indirect subsidiary of the issuer retains all rights in the ordinary shares, in particular rights to dividends and other distributions, as well as voting rights available to shareholders generally. Therefore, VTZ, as well as any other subsidiary of TMK holding such securities, will be entitled to receive any accrued or future dividend payments with respect to the securities, or any other distribution paid on the securities, and to vote the

securities until such securities are cancelled. Any cancellation of securities acquired in the Voluntary Tender Offer, if contemplated, is subject to a number of corporate approvals and accounting requirements and may take several years to complete. In particular, depending on the structure of the cancellation, a cancellation is likely to require a merger of VTZ into TMK.

The Voluntary Tender Offer may lead one or more credit rating agencies to review and downgrade TMK's credit rating for a period following the completion of the Voluntary Tender Offer and may lead to a breach of TMK's financial covenants.

TMK has credit ratings of B1 (Positive) (Moody's), BB- (Negative) (S&P Global) and ruA (Stable) (Expert RA). While the determination of a credit rating is based on many factors, TMK believes that the Voluntary Tender Offer may cause TMK to fall below some of the financial assumptions made by one or more of the credit rating agencies in determining its ratings. As a result, it is possible that the Voluntary Tender Offer will lead one or more of such credit rating agencies to review and downgrade TMK's credit rating for a period following the completion of the Voluntary Tender Offer. Any such downgrade could lead to an increase in interest expense for the Company and impact the Company's ability to raise financing on favourable terms, and accordingly could have a material adverse effect on the Company's financial position. Furthermore, although TMK believes, based on its current estimates, that the Voluntary Tender Offer is not likely to cause it to breach any financial covenants in any of its debt instruments, TMK's compliance with such financial covenants depends on several factors, including its financial performance, and there can be no assurance that TMK will not breach any such financial covenants in the future. A breach of the financial or other covenants contained in one or more debt instruments may lead to a default under those debt instruments, which could have a material adverse effect on its business, financial condition, results of operations or prospects or the future trading price of its DRs and ordinary shares.

If VTZ, together with its affiliates, acquires more than 95% of TMK's ordinary shares as a result of the Voluntary Tender Offer, it may elect to proceed with a squeeze-out of the remaining minority shareholders of TMK.

The Voluntary Tender Offer complies with the requirements of the JSC Law applicable to mandatory tender offers. Accordingly, if as a result of the Voluntary Tender Offer, VTZ, together with ordinary shares held by its affiliates, including TMK's majority shareholder, TMK Steel Holding Limited, acquires more than 75% of the Company's ordinary shares, it will not be required to launch a further mandatory tender offer. In the event that VTZ, together with its affiliates, acquires more than 95% of the total number of issued and outstanding ordinary shares as a result of the Voluntary Tender Offer, it will be required to offer to the remaining shareholders to purchase ordinary shares held by them or may elect to proceed with a squeeze-out notice to all of the then existing shareholders of the Company to consolidate up to 100% of the remaining ordinary shares of TMK. There can be no assurance that the relevant number of shares will be acquired or that the squeeze-out will

be carried out. In addition, the increase in the number of the Company's shares held by VTZ as a result of the Voluntary Tender Offer would result in an increase in the proportion of shares held by the Company's majority shareholder, TMK Steel Holding Limited, which is not participating in the Voluntary Tender Offer.

COVID-19 may have an impact on the procedures required to implement the Voluntary Tender Offer.

The onset of COVID-19, and the actions of governments to limit its spread, has had an unprecedented impact on business activity around the world. There can be no assurance that the disruptions caused by COVID-19 will not have an impact on the timing and processes required to implement the Voluntary Tender Offer, including the ability of DR holders to cancel their DRs and receive underlying ordinary shares on a timely basis to participate in the Voluntary Tender Offer, as well as the procedures for acceptance and settlement of the Voluntary Tender Offer by holders of the Company's ordinary shares.

VTZ, acting as a tax agent under Russian law with respect to the payment of the purchase price in relation to shares sold by TMK's shareholders who are individuals, will be obliged to withhold the applicable tax from the full amount of the purchase price if such shareholders fail to provide documents confirming the costs at which they acquired the shares sold in the Voluntary Tender Offer or that they are eligible for an available exemption.

As required by Russian law, VTZ will, subject to limited exceptions, act as a tax agent with respect to the payment of the purchase price in relation to shares sold by TMK's shareholders who are individuals (the "**individual shareholders**"). Please see "*Certain Russian Tax Considerations for Shareholders Selling Shares Pursuant to the Voluntary Tender Offer*" below. The applicable tax rate will depend on whether an individual shareholder is resident or non-resident in Russia and the applicable tax base will depend on whether there are any exemptions available or whether the relevant shareholder can confirm the costs at which it acquired the shares that are sold in the Voluntary Tender Offer. Please refer to the information letter on certain tax matters (the "**Tax Information Letter**") attached to the Information Letter and available at: www.tmk-group.ru, https://www.tmk-group.ru/voluntary_tender_offer, https://www.tmk-group.com/voluntary_tender_offer for more information as to applicable procedures, including the indicative list of required documents, and consult with your professional tax advisers as to the amount and the procedure for any tax payment, including with respect to the applicable tax consequences of any other jurisdiction.

If individual shareholders do not provide the documents confirming the acquisition costs of the shares or the applicability of an available tax exemption, or provide an incomplete set of documents or documents that are not properly certified, in each case prior to the Expiration Date, VTZ will be obliged to withhold the amount of the applicable tax (which is 13% for Russian residents and 30% for non-residents or individuals who do not confirm

that they are Russian tax residents) from the full amount of the purchase price payable to such shareholders.

OVERVIEW OF THE VOLUNTARY TENDER OFFER; PURCHASE PRICE

The Voluntary Tender Offer is a voluntary tender offer pursuant to the JSC Law, which complies with the requirements applicable to mandatory tender offers under Russian law. The Voluntary Tender Offer was subject to prior review by the CBR, was first submitted by VTZ to the CBR on 8 April 2020 and was resubmitted by VTZ to the CBR on 30 April 2020 following receipt by VTZ on 23 April 2020 of the CBR order to amend the Voluntary Tender Offer. The Voluntary Tender Offer was submitted to the Company on 18 May 2020 upon the expiry of the 15-day statutory review period of the resubmitted Voluntary Tender Offer by the CBR. The Voluntary Tender Offer is being made for 358,758,064 of the issued and outstanding ordinary shares of the Company.

The period for acceptance of the Voluntary Tender Offer is 70 days from the date the Voluntary Tender Offer was received by the Company (*i.e.* the period for acceptance is from 19 May 2020 to 27 July 2020, inclusive). The Expiration Date of the Voluntary Tender Offer is 27 July 2020.

The Purchase Price for the ordinary shares to be paid in the Voluntary Tender Offer is RUB 61 for each ordinary share and shall be paid in cash. The Purchase Price complies with the requirements of the JSC Law applicable to mandatory tender offers.

The Purchase Price represents (*i*) a cash premium of RUB 14.34 and 30.7% with respect to the closing price per ordinary share of the Company on the Moscow Exchange on 7 April 2020, the last trading day prior to the public announcement of the approval of the repurchase programme by the Board of Directors of TMK, (*ii*) a cash premium of RUB 4 and 7.0% with respect to the closing price per ordinary share of the Company on the Moscow Exchange on 29 April 2020, the last trading day before the Voluntary Tender Offer was resubmitted to the CBR, and (*iii*) a cash premium of RUB 2.18 and 3.7% with respect to the closing price per ordinary share of the Company on the Moscow Exchange on 18 May 2020, the day the Company received the Voluntary Tender Offer. The Purchase Price also represents (*i*) a cash premium of RUB 9.14 and 17.6% per ordinary share of the Company to the 6-month volume weighted average price of RUB 51.86 for the period ending on 7 April 2020, (*ii*) a cash premium of RUB 7.78 and 14.6% per ordinary share of the Company to the 6-month volume weighted average price of RUB 53.22 for the period ending on 29 April 2020, and (*iii*) a cash premium of RUB 7.51 and 14.0% per ordinary share of the Company to the 6-month volume weighted average price of RUB 53.49 for the period ending on 18 May 2020.

The Purchase Price for the Shares to be acquired by VTZ will be paid for within 17 (seventeen) days from the Expiration Date, *i.e.* no later than by 13 August 2020.

In compliance with the JSC Law, the payment of the Purchase Price by VTZ to shareholders who will accept the Voluntary Tender Offer pursuant to the terms of the Voluntary Tender Offer and the requirements of the JSC Law is guaranteed by a bank guarantee issued by Gazprombank (Joint Stock Company). The principal terms and conditions of the bank guarantee are set forth in the Voluntary Tender Offer document.

The procedure and period for acceptance of the Voluntary Tender Offer and for the transfer and payment for the purchased ordinary shares is set forth in the Voluntary Tender Offer document. A copy of the Voluntary Tender Offer document, together with the recommendations of the Board of Directors in respect of the Voluntary Tender Offer and the Information Letter, is available on the Company's website at: www.tmk-group.ru, https://www.tmk-group.ru/voluntary_tender_offer, https://www.tmk-group.com/voluntary_tender_offer. Neither this announcement nor the Information Letter replace the Voluntary Tender Offer document or any terms and conditions of the Voluntary Tender Offer, and are provided purely for the convenience of shareholders of the Company.

Please note that pursuant to the JSC Law, a shareholder has a right, but not an obligation, to accept the Voluntary Tender Offer. Shareholders should make their own decision as to whether to sell their ordinary shares pursuant to the Voluntary Tender Offer and, if so, how many ordinary shares to sell. Prior to making any decision to sell their ordinary shares pursuant to the Voluntary Tender Offer, shareholders should carefully read and consider the terms and conditions of the Voluntary Tender Offer and Articles 84.1, 84.2 and 84.3 of the JSC Law as well as other information in respect of the Voluntary Tender Offer, which is available on the Company's website.

Shareholders should note that the sale of shares and receipt of the Purchase Price pursuant to the Voluntary Tender Offer may have certain tax consequences and should carefully review section "*Certain Russian Tax Considerations for Shareholders Selling Shares Pursuant to the Voluntary Tender Offer*" of this announcement below. Shareholders are urged to consult with their tax advisers (including with respect to the applicable tax consequences of any other jurisdiction), as well as their financial and legal counsel, before accepting the Voluntary Tender Offer.

CERTAIN RUSSIAN TAX CONSIDERATIONS FOR SHAREHOLDERS SELLING SHARES PURSUANT TO THE VOLUNTARY TENDER OFFER

From 1 January 2020, pursuant to the provisions of Article 226, para. 1 of the Tax Code of the Russian Federation, Russian entities and entrepreneurs making payments under securities sale and purchase agreements entered into with individual shareholders will be recognised as tax agents of such individual taxpayers, unless otherwise provided by Article 226.1, para. 2 of the Tax Code of the Russian Federation.

Therefore, in accordance with the provisions of the Tax Code of the Russian Federation, VTZ, acting as a tax agent, is required to calculate, withhold and pay to the state budget

the personal income tax in connection with the sale of the shares pursuant to the Voluntary Tender Offer by the individual shareholders provided that such individual shareholders do not sell their shares through a broker or trustee which is a Russian entity or a Russian separate subdivision of a foreign broker or trustee selling the shares for the benefit of individual shareholders pursuant to a trust management agreement, brokerage agreement, agency or commission agreement. If the individual shareholders sell their shares through a broker or trustee which is a Russian entity or a Russian separate subdivision of a foreign broker or trustee, pursuant to Article 226.1, para. 2 of the Tax Code of the Russian Federation, such trustee or broker will be recognised as a tax agent with respect to the proceeds from the sale of the shares.

VTZ will comply with the requirements of the Tax Code of the Russian Federation when acting as a tax agent in calculating and paying the personal income tax in connection with the sale of the shares by the individual shareholders pursuant to the Voluntary Tender Offer, including, if applicable, taking into account any actually incurred and documented costs and expenses related to the acquisition and custody of the respective shares incurred by the individual shareholder without the engagement of the tax agent (VTZ) if the application and the supporting documents are provided prior to any payments in connection with the sale of the shares. Joint Stock Company “Independent Registrar Company R.O.S.T.” is authorised by VTZ to accept such applications and supporting documents from the shareholders. The applicable tax rate will be determined on the basis of applicable requirements of Russian law. **In the event of failure to submit such supporting documents, submission of incomplete documents or late submission of the documents, the personal income tax will be withheld from the entire amount of proceeds from the sale of the shares.**

Please refer to the Tax Information Letter attached to the Information Letter and available at: www.tmk-group.ru, https://www.tmk-group.ru/voluntary_tender_offer, https://www.tmk-group.com/voluntary_tender_offer for more information and consult with your professional tax advisers as to the amount and the procedure for any tax payment, including with respect to the applicable tax consequences of any other jurisdiction.

Any income from the sale of the shares earned by the shareholders that are Russian entities or foreign entities carrying on business in the Russian Federation through a permanent representative office, to which such income is attributable, will not result in any obligation for VTZ, acting as a tax agent, to withhold or transfer to the budget any income taxes on the proceeds from the sale of the shares derived by such entities. Such entities that are holders (sellers) of the shares will be required to calculate and pay their taxes on their own.

In addition, in accordance with Russian law, neither VTZ nor its agents acting in connection with the Voluntary Tender Offer will be required to withhold the Russian income tax on the proceeds from the sale of the shares paid to foreign entities that do not carry on their business in the Russian Federation through a permanent representative office.

CERTAIN LEGAL MATTERS

The Voluntary Tender Offer has not been and will not be registered under the securities laws of the United States or in any other jurisdiction. Neither the U.S. Securities and Exchange Commission (the “SEC”) nor any other authority or securities exchange in the United States has approved or disapproved of the Voluntary Tender Offer, passed upon the fairness or merits of the Voluntary Tender Offer or determined whether the Voluntary Tender Offer is accurate or complete. Securityholders are urged to consult their own legal and tax advisers regarding possible legal requirements, as well as possible tax consequences of participating in the Voluntary Tender Offer in their particular circumstances.

The Voluntary Tender Offer complies with the requirements of the JSC Law applicable to mandatory tender offers. Accordingly, if as a result of the Voluntary Tender Offer, VTZ, together with ordinary shares held by its affiliates, acquires more than 75% of the Company’s ordinary shares, it will not be required to launch a further mandatory tender offer. In the event that VTZ, together with its affiliates, consolidates more than 95% of the total number of issued and outstanding ordinary shares as a result of the Voluntary Tender Offer, it will be required to offer to the remaining shareholders to purchase ordinary shares held by them or may elect to proceed with a squeeze-out notice to all of the then existing shareholders of the Company to consolidate up to 100% of the remaining ordinary shares of TMK. There can be no assurance that the relevant number of shares will be acquired or that the squeeze-out will be carried out.

On 9 April 2020, VTZ filed an application with the Federal Antimonopoly Service of the Russian Federation (the “FAS”) seeking the preliminary consent to acquire up to 100% of the issued and outstanding ordinary shares of the Company (together with ordinary shares held by VTZ’s group entities). On 14 May 2020, VTZ received a letter from the FAS, dated as of 20 April 2020, clarifying that, in the opinion of the FAS, the transaction does not require the FAS consent.

As required by the Russian Securities Market Law, VTZ will notify TMK and the CBR of any acquisition of ordinary shares pursuant to the Voluntary Tender Offer as well as of any acquisition of ordinary shares that entitle VTZ to exercise more than 5%, 10%, 15% or 20% of the total voting rights attaching to ordinary shares.

The enforcement by securityholders of civil liabilities under U.S. securities laws may be adversely affected by the fact that VTZ and TMK are Russian joint-stock companies, and that the directors of VTZ and all of the directors and senior management of TMK are residents of countries other than the United Kingdom and the United States and substantially all of the assets of each company are located outside of the United Kingdom and the United States, principally in Russia. As a result, it may not be possible for securityholders:

- to effect service of process within the United Kingdom or the United States upon any of the directors of VTZ or the directors or members of senior management of TMK; or
- to enforce in the United Kingdom or the United States court judgments against VTZ or TMK, or any of VTZ's directors or TMK's directors or members of senior management, in any action, including actions under the civil liability provisions of federal securities laws of the United Kingdom or the United States, obtained in courts of the United Kingdom or the United States.

In addition, it may be difficult for securityholders to enforce, in original actions brought in courts in jurisdictions located outside the United Kingdom or the United States, liabilities predicated upon UK or U.S. securities laws.

Judgments rendered by a court in any jurisdiction outside of Russia will generally be recognised by courts in Russia only if an international treaty providing for the recognition and enforcement of judgments in civil cases exists between Russia and the country where the judgment is rendered and/or a federal law is adopted in Russia providing for the recognition and enforcement of foreign court judgments. There is no treaty between the United States and Russia and between the United Kingdom and Russia providing for the reciprocal recognition and enforcement of foreign court judgments in civil and commercial matters, and no relevant federal law on enforcement of foreign court judgments has been adopted in Russia.

The Voluntary Tender Offer, once made, is irrevocable. Pursuant to the JSC Law, the Voluntary Tender Offer may be amended only in limited circumstances, namely if VTZ decides to increase the Purchase Price or decrease the term of payment for the ordinary shares set forth in the Voluntary Tender Offer. If any such amendments are introduced less than 25 days prior to the Expiration Date, the term of the Voluntary Tender Offer will, as required by Russian law, be extended by an additional 25 days.

* * *

Questions and requests for assistance in connection with the procedures for submitting applications to sell the ordinary shares pursuant to the Voluntary Tender Offer should be directed to the Company's registrar, Joint Stock Company "Independent Registrar Company R.O.S.T." during business hours at:

- address: 18 Ul. Stromynka, Bldg. 5B, Office IX, 107076 Moscow;
- email: tmk@rrost.ru; or
- telephone: 8-800-200-81-60.

For more information:

TMK IR Department:
Irina Yarotskaya
Tel: +7 (495) 775-7600
IR@tmk-group.com

TMK PR Department:
Fedor Klimkin
Tel: +7 (495) 775-7600
PR@tmk-group.com

Cautionary Statement Regarding Forward-Looking Statements

Some of the information in this document may contain or refer to projections or other forward-looking statements regarding future events or the future financial performance of the Company. You can identify forward-looking statements by terms such as “expect”, “believe”, “anticipate”, “estimate”, “forecast”, “intend”, “will”, “could”, “may”, or “might” the negative of such terms or other similar expressions. These statements are only predictions and are based upon various assumptions which are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond the Company’s control. The Company may not achieve or accomplish these plans or predictions. The Company does not necessarily intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in projections or forward-looking statements of the Company, including, among others, general economic conditions, the competitive environment, risks associated with operating in Russia, rapid technological and market change in the industries in which the Company operates, the impact of various external market factors, regulatory developments, as well as many other risks specifically related to the Company and its business and operations.

Statement Regarding Inside Information

This announcement contains inside information. The subject matter, the identity of the issuer, the identity of the persons making the notification and their titles, and the date and time of the notification are all as set forth above.

Important Notice

THIS PRESS RELEASE IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF THAT JURISDICTION.

THIS PRESS RELEASE IS FOR INFORMATIONAL PURPOSES AND DOES NOT CONSTITUTE OR FORM PART OF ANY OFFER OR ADVERTISEMENT OR INVITATION TO SELL OR ISSUE, OR ANY SOLICITATION OF ANY OFFER TO PURCHASE OR SUBSCRIBE FOR, ANY SHARES OR OTHER SECURITIES OF THE COMPANY, NOR SHALL ANY PART OF IT NOR THE FACT OF ITS DISTRIBUTIONS FORM PART OR BE RELIED ON IN CONNECTION WITH ANY CONTRACT OR INVESTMENT DECISION RELATING THERETO, NOR DOES IT CONSTITUTE A RECOMMENDATION REGARDING SHARES OR SECURITIES OF THE COMPANY. ANY SUCH OFFER OR SOLICITATION IS MADE ONLY BY MEANS OF THE VOLUNTARY TENDER OFFER DOCUMENT RECEIVED BY THE COMPANY.

THE TERMS OF THE VOLUNTARY TENDER OFFER ARE CONTAINED IN THE VOLUNTARY TENDER OFFER DOCUMENT. INVESTORS AND SHAREHOLDERS IN TMK ARE STRONGLY ADVISED TO READ THE VOLUNTARY TENDER OFFER DOCUMENT AND RELATED MATERIALS, AS THESE CONTAIN IMPORTANT INFORMATION. IN CONSIDERING THE VOLUNTARY TENDER OFFER, TMK SECURITYHOLDERS SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THE VOLUNTARY TENDER OFFER DOCUMENT.

THE VOLUNTARY TENDER OFFER IS BEING MADE TO SHAREHOLDERS OF TMK RESIDENT IN THE UNITED STATES IN RELIANCE ON, AND COMPLIANCE WITH, SECTION 14(E) OF THE U.S. SECURITIES EXCHANGE ACT OF 1934 (THE “**EXCHANGE ACT**”) AND REGULATION 14E THEREUNDER TO THE EXTENT APPLICABLE. THE VOLUNTARY TENDER OFFER IS BEING MADE BY VTZ AND NO ONE ELSE. NEITHER THE SEC NOR ANY U.S. STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED OF THE VOLUNTARY TENDER OFFER, PASSED UPON THE FAIRNESS OR MERITS OF THE VOLUNTARY TENDER OFFER OR DETERMINED WHETHER THE VOLUNTARY TENDER OFFER IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

TO THE EXTENT PERMISSIBLE UNDER APPLICABLE SECURITIES LAWS, THE DEALER MANAGERS WITH RESPECT TO THE VOLUNTARY TENDER OFFER AND THEIR AFFILIATES MAY FROM TIME TO TIME PURCHASE, OR ENTER

INTO ARRANGEMENTS TO PURCHASE, TMK'S ORDINARY SHARES OR DRS EITHER AS PRINCIPAL OR AGENT BEFORE AND DURING THE PERIOD OF THE VOLUNTARY TENDER OFFER. NEITHER VTZ NOR ANY OF ITS AFFILIATES EXPECTS TO PURCHASE TMK'S ORDINARY SHARES OR DRS, OTHER THAN PURSUANT TO THE VOLUNTARY TENDER OFFER. IN ADDITION, IN ACCORDANCE WITH RUSSIAN LAW AND PURSUANT TO RULE 14E-5(B)(10) UNDER THE EXCHANGE ACT, AFFILIATES OF TMK THAT ARE NEITHER AFFILIATES OF VTZ NOR MEMBERS OF THE TMK CONSOLIDATED GROUP AND OVER WHICH TMK DOES NOT EXERCISE CONTROL AND THEIR RESPECTIVE NOMINEES OR BROKERS (ACTING AS AGENTS), AND ANY ADVISER TO TMK OR ANY OF ITS AFFILIATES AND THE DEALER MANAGERS WITH RESPECT TO THE VOLUNTARY TENDER OFFER OR ANY OF THEIR AFFILIATES, AND ANY PERSON ACTING, DIRECTLY OR INDIRECTLY, IN CONCERT WITH ANY SUCH PERSONS, MAY FROM TIME TO TIME MAKE PURCHASES OF, OR ARRANGEMENTS TO PURCHASE, TMK'S ORDINARY SHARES OR DRS OTHER THAN PURSUANT TO THE VOLUNTARY TENDER OFFER, BEFORE OR DURING THE PERIOD OF THE VOLUNTARY TENDER OFFER, SO LONG AS THOSE ACQUISITIONS OR ARRANGEMENTS COMPLY WITH APPLICABLE RUSSIAN LAW AND THE PROVISIONS OF THE EXEMPTION PROVIDED UNDER RULE 14E-5 UNDER THE EXCHANGE ACT. ANY OF THE PURCHASES REFERRED TO IN THIS PARAGRAPH MAY OCCUR EITHER IN THE OPEN MARKET AT PREVAILING PRICES OR IN PRIVATE TRANSACTIONS AT NEGOTIATED PRICES. INFORMATION ABOUT SUCH PURCHASES WILL BE DISCLOSED AS AND IF REQUIRED BY APPLICABLE SECURITIES LAWS.

THE INFORMATION CONTAINED IN THIS ANNOUNCEMENT IS ADDRESSED EXCLUSIVELY TO THE HOLDERS OF ORDINARY SHARES AND, TO THE EXTENT APPLICABLE, DRS OF TMK. DRS, TO WHICH THIS ANNOUNCEMENT RELATES, ARE NEITHER REGISTERED IN THE RUSSIAN FEDERATION NOR ADMITTED TO PLACEMENT, PUBLIC PLACEMENT OR PUBLIC CIRCULATION IN THE RUSSIAN FEDERATION IN ACCORDANCE WITH ARTICLE 51.1 OF RUSSIAN FEDERAL LAW DATED 22 APRIL 1996 NO. 39-FZ "ON THE SECURITIES MARKET", AS AMENDED (THE "**RUSSIAN SECURITIES MARKET LAW**"). ANY INFORMATION IN THIS ANNOUNCEMENT AND RELATED DOCUMENTS IN RESPECT OF DRS OF TMK IS ADDRESSED IN THE RUSSIAN FEDERATION SOLELY TO PERSONS WHO ARE "QUALIFIED INVESTORS" AS DEFINED IN THE RUSSIAN SECURITIES MARKET LAW.

THE RELEASE, PUBLICATION OR DISTRIBUTION OF THIS ANNOUNCEMENT IN JURISDICTIONS MAY BE RESTRICTED BY LAW AND THEREFORE PERSONS SHOULD INFORM THEMSELVES ABOUT THE LAWS OF THEIR JURISDICTION, AND OBSERVE ANY APPLICABLE REQUIREMENTS.

THIS ANNOUNCEMENT, AND ANY INVESTMENT ACTIVITY TO WHICH IT RELATES, IS AVAILABLE ONLY TO (I) PERSONS WHO ARE OUTSIDE THE UNITED KINGDOM, (II) INVESTMENT PROFESSIONALS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE “**ORDER**”), (III) HIGH NET WORTH COMPANIES FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE ORDER, (IV) PERSONS WITHIN THE SCOPE OF ARTICLE 43 OF THE ORDER, OR (V) ANY OTHER PERSONS TO WHOM IT MAY OTHERWISE LAWFULLY BE MADE UNDER THE ORDER (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “**RELEVANT PERSONS**”). THIS ANNOUNCEMENT MAY NOT BE ACTED OR RELIED ON IN THE UNITED KINGDOM BY ANYONE WHO IS NOT A RELEVANT PERSON.

UBS IS AUTHORISED AND REGULATED BY THE FINANCIAL MARKET SUPERVISORY AUTHORITY IN SWITZERLAND. IT IS AUTHORISED BY THE PRUDENTIAL REGULATION AUTHORITY AND SUBJECT TO REGULATION BY THE FINANCIAL CONDUCT AUTHORITY AND LIMITED REGULATION BY THE PRUDENTIAL REGULATION AUTHORITY IN THE UNITED KINGDOM. UBS IS ACTING EXCLUSIVELY AS FINANCIAL ADVISER TO THE COMPANY AND AS DEALER MANAGER TO VTZ WITH RESPECT TO THE VOLUNTARY TENDER OFFER. IN CONNECTION WITH SUCH MATTERS, UBS WILL NOT REGARD ANY OTHER PERSON AS ITS CLIENT, NOR WILL IT BE RESPONSIBLE TO ANY OTHER PERSON FOR PROVIDING THE PROTECTIONS AFFORDED TO ITS CLIENTS OR FOR PROVIDING ADVICE IN RELATION TO THE VOLUNTARY TENDER OFFER, THE CONTENTS OF THIS ANNOUNCEMENT OR ANY OTHER MATTER REFERRED TO HEREIN.

BCS GLOBAL MARKETS IS AUTHORISED AND REGULATED BY THE CENTRAL BANK OF RUSSIA. BCS GLOBAL MARKETS IS ACTING EXCLUSIVELY AS DEALER MANAGER TO VTZ WITH RESPECT TO THE VOLUNTARY TENDER OFFER. IN CONNECTION WITH SUCH MATTERS, BCS GLOBAL MARKETS WILL NOT REGARD ANY OTHER PERSON AS ITS CLIENT, NOR WILL IT BE RESPONSIBLE TO ANY OTHER PERSON FOR PROVIDING THE PROTECTIONS AFFORDED TO ITS CLIENTS OR FOR PROVIDING ADVICE IN RELATION TO THE VOLUNTARY TENDER OFFER, THE CONTENTS OF THIS ANNOUNCEMENT OR ANY OTHER MATTER REFERRED TO HEREIN.

TMK IS A COMPANY ORGANISED UNDER THE LAWS OF THE RUSSIAN FEDERATION. THE VOLUNTARY TENDER OFFER IS MADE SOLELY PURSUANT TO RUSSIAN LAW AND, IN THE CASE OF SHAREHOLDERS OF TMK RESIDENT IN THE UNITED STATES, SECTION 14(E) OF THE EXCHANGE ACT AND REGULATION 14E THEREUNDER TO THE EXTENT APPLICABLE. THE VOLUNTARY TENDER OFFER IS NOT MADE OR INTENDED TO BE MADE

PURSUANT TO THE PROVISIONS OF ANY OTHER LAW. THE VOLUNTARY TENDER OFFER IS SUBJECT TO DISCLOSURE AND PROCEDURE REQUIREMENTS OF RUSSIA WHICH ARE DIFFERENT FROM THOSE OF THE UNITED KINGDOM OR THE UNITED STATES. IN ADDITION, U.S. INVESTORS SHOULD BE AWARE THAT THE VOLUNTARY TENDER OFFER DOCUMENT HAS BEEN PREPARED IN A FORMAT AND STYLE, WHICH DIFFER FROM THE U.S. FORMAT AND STYLE. FURTHERMORE, THE PAYMENT AND SETTLEMENT PROCEDURE WITH RESPECT TO THE VOLUNTARY TENDER OFFER FOR ORDINARY SHARES DIFFERS FROM U.S. PAYMENT AND SETTLEMENT PROCEDURES, PARTICULARLY WITH REGARD TO THE DATE OF PAYMENT OF CONSIDERATION.

INFORMATION FOR DR HOLDERS

In accordance with the provisions of the JSC Law, the Voluntary Tender Offer is made only to the holders of ordinary shares of the Company. Holders of the DRs will be able to participate in the Voluntary Tender Offer provided that they cancel the DRs held by them, receive the respective underlying ordinary shares prior to the Expiration Date and submit an application to sell such ordinary shares pursuant to the terms of the Voluntary Tender Offer. Detailed instructions for such cancellation are provided below and will be made available on the Company's website at: [https://www.tmk-group.com/Shares and GDRs](https://www.tmk-group.com/Shares_and_GDRs). DR holders should be aware that the Purchase Price will be paid in Russian roubles, and accordingly changes in the rouble-dollar exchange rate will affect the amount of the proceeds received by them from the Voluntary Tender Offer in U.S. dollar terms.

Surrender of the DRs will be subject to the payment by DR holders of the relevant fees to the DR Depository and to satisfaction of the other provisions of the relevant deposit agreement.

DR holders should be aware that the cancellation of the DRs, the receipt of the underlying ordinary shares, the sale of such ordinary shares pursuant to the Voluntary Tender Offer and receipt of the Purchase Price pursuant to the Voluntary Tender Offer may have certain tax consequences, and are urged to consult their tax advisers before cancelling the DRs and participating in the Voluntary Tender Offer.

DR holders should note that the delivery of the Company's ordinary shares represented by the DRs upon the surrender and cancellation of the DRs may take approximately ten Russian business days. This period does not include the time necessary for the opening of a securities account for the receipt of the ordinary shares represented by the DRs. DR holders wishing to cancel their DRs and sell the ordinary shares represented by the DRs held by them into the Voluntary Tender Offer are advised to notify their broker immediately of the deadline by which they need to receive the ordinary shares represented by the DRs and inform them of the instructions set forth below. Once the broker submits the DR cancellation instruction, the broker can contact drsettlements@bnymellon.com or +353-1-900-34-66 / +353-1-900-34-67 / +1-315-414-44-75 / +1-315-414-35-59 for status updates.

The specific steps and instructions to be followed by DR holders and/or their brokers are as follows:

For Regulation S GDRs:

- 1) Process a type 40 instruction in Euroclear Bank SA/NV ("**Euroclear**") or an instruction to Clearstream Banking, société anonyme ("**Clearstream**") for the withdrawal of the Regulation S GDRs. Regulation S GDR holders or their brokers may contact the Euroclear Customer Service Team at: +32-2326-3814 or

eb.ca@euroclear.com or the Clearstream Settlement Team at: CA_Luxembourg@clearstream.com for further assistance. The instruction must include the following information:

- a. Security Name
 - b. CUSIP Number
 - c. Settlement Date
 - d. Number of Regulation S GDRs
 - e. Institution where the ordinary shares will be delivered to in the local market (name and BIC of bank, beneficiary name and beneficiary account number).
- 2) After the DR Depository receives a valid swift instruction from Euroclear or Clearstream for the withdrawal of the Regulation S GDRs, the DR Depository will bill Euroclear/Clearstream U.S.\$0.05 per Regulation S GDR (rounded up to the nearest 100 Regulation S GDRs) and any other applicable fees.
- 3) After the DR Depository receives the valid instructions, the certification required for the withdrawal of the Regulation S GDRs under the GDR deposit agreement and payment of applicable fees, it will instruct its custodian (*i.e.* Sberbank of Russia) to deliver the ordinary shares to the account specified in the instruction. Regulation S GDR holders should ensure that their custodian has all the necessary information, instructions and confirmations to accept delivery of the ordinary shares.

Details of the custodian of the DR Depository:

Full name of the custodian: Sberbank of Russia
BIC: SABRRUMM
PSET: NADCRUMMXXX
Depositor's code: MC0002500000
Depositor's account: ML9403170499
Depositor's sub-account: DR0000000000000000

For Rule 144A GDRs:

- 1) Deliver free the Rule 144A GDRs via The Depository Trust Company (“DTC”) to The Bank of New York Mellon, DTC account 2504. Indicate in the comment field, “See email instructions”. The DR Depository will then charge a fee of U.S.\$0.05 per Rule 144A GDR (rounded up to the nearest 100 Rule 144A GDRs) and other applicable fees.

- 2) Create a non-editable delivery instructions on company letterhead for fax submissions or send from an email address where at least one other person is copied on the email and include the following information:
 - a. Security Name
 - b. CUSIP Number
 - c. Settlement Date
 - d. Number of Rule 144A GDRs
 - e. Institution where the ordinary shares will be delivered to in the local market (name and BIC of bank, beneficiary name and beneficiary account number).
- 3) Email the instructions on company letterhead to: DRinstructions@bnymellon.com.
- 4) After the DR Depository receives the valid instructions, the certification required for the withdrawal of the Rule 144A GDRs under the GDR deposit agreement and payment of applicable fees, it will instruct its custodian (*i.e.* Sberbank of Russia) to deliver the ordinary shares. Rule 144A GDR holders should ensure that their custodian has all the necessary information, instructions and confirmations to accept delivery of the ordinary shares.

Details of the custodian of the DR Depository:

Full name of the custodian: Sberbank of Russia
BIC: SABRRUMM
PSET: NADCRUMMXXX
Depositor's code: MC0002500000
Depositor's account: ML9403170499
Depositor's sub-account: DR0000000000000000

For Level 1 ADSs:

- 1) Deliver free the Level 1 ADSs via The Depository Trust Company (“**DTC**”) to The Bank of New York Mellon, DTC account 2504. Indicate in the comment field, “See email instructions”. The DR Depository will then charge a fee of U.S.\$0.05 per Level 1 ADS (rounded up to the nearest 100 Level 1 ADSs) and other applicable fees.
- 2) Create a non-editable delivery instructions on company letterhead for fax submissions or send from an email address where at least one other person is copied on the email and include the following information:
 - a. Security Name
 - b. CUSIP Number
 - c. Settlement Date
 - d. Number of Level 1 ADSs

- e. Institution where the ordinary shares will be delivered to in the local market (name and BIC of bank, beneficiary name and beneficiary account number).
- 3) Email the instructions on company letterhead to: DRinstructions@bnymellon.com.
- 4) After the DR Depository receives the valid instructions, the certification required for the withdrawal of the Level 1 ADSs under the Level 1 ADS deposit agreement and payment of applicable fees, it will instruct its custodian (*i.e.* Sberbank of Russia) to deliver the ordinary shares. Level 1 ADS holders should ensure that their custodian has all the necessary information, instructions and confirmations to accept delivery of the ordinary shares.

Details of the custodian of the DR Depository:

Full name of the custodian: Sberbank of Russia
BIC: SABRRUMM
PSET: NADCRUMMXXX
Depositor's code: MC0002500000
Depositor's account: ML9403170499
Depositor's sub-account: DR0000000000000000

Additional information can be found at:

<https://www.adrbnymellon.com/resources/dr-tools/custodian-network>.

Any further clarifications related to the cancellation of the DRs can be obtained from: drsettlements@bnymellon.com.

All steps required for the cancellation of DRs and the receipt of ordinary shares represented by the DRs must be completed so that the ordinary shares are delivered to the DR holder's ordinary share account sufficiently in advance of the Expiration Date to allow for sufficient time for the acceptance of the Voluntary Tender Offer.