

JOINT DECLARATION

March 9, 2021, Ekaterinburg

PJSC “TMK” signs acquisition deal with PJSC “ChelPipe” controlling shareholder Andrey Komarov

By this joint statement, PJSC “TMK” and the controlling shareholder of PJSC “ChelPipe”, Andrey Komarov, announce the deal for the acquisition of 86.54% of shares in PJSC “ChelPipe” by PJSC “TMK”. All necessary approvals, including the approval of Russia’s Federal Antimonopoly Service, have been received.

“Today’s event is another step in the implementation of TMK’s long-term strategy aimed at expanding its production base and sales markets, diversifying its product portfolio and developing the scientific, technical and innovative components of its business. The current situation requires us to accelerate the introduction of new technologies for the extraction and transportation of raw materials, arrangement and service of wells and infrastructure. The acquired company is a strong, recognized player in the pipe market with modern production facilities, a highly professional team, its own scientific developments and its own established sales channels. Combining these advantages with all TMK competencies will give a powerful synergistic effect both for our business and for the industry as a whole, ensure Russia’s energy security and solve strategic problems of import substitution. It will completely cover the needs of domestic fuel and energy companies in special types of pipes and end Russia’s technological dependence on foreign developments and suppliers for complex oil and gas projects in this regard. We believe that, taking into account the new capacities, we will be able to fully meet the needs of Russian oil and gas companies in high-tech products,” said Dmitry Pumpyanskiy, Chairman of TMK’s Board of Directors.

“In over 25 years of my participation in ChelPipe’s business, a lot has been achieved: the fundamental value of the company has been clearly established. This includes completion of a large-scale investment cycle, building new high-tech production facilities (which gave the world the concept of METAllurgy), a chain of vertical integration in the production of seamless pipes, a developed regional metal trading network within the framework of a client-centric strategy and a pipe services business specialization. The company now has a balanced portfolio of orders and operates in all key market segments (including exports). In recent years, ChelPipe has confidently taken a leading position in terms of efficiency in the world. A unique system of training of highly qualified workers in the regions where ChelPipe operates has been built on the basis of a dual education model, including the country’s best training methodology for the Future of METAllurgy program. Most importantly, the company has a professional team capable of solving its most ambitious tasks. I am deeply satisfied with this deal. I am confident that the company’s consolidation with TMK, a successful global company that has a great reputation and develops its business on the principles of sustainable development and social responsibility, will allow ChelPipe and its team to continue moving forward, thereby

contributing to the social and economic wellbeing of the country,” – noted Andrey Komarov, Chairman of ChelPipe’s Board of Directors.

TMK (www.tmk-group.com) is a leading global supplier of steel pipes, pipe solutions and related services for the oil and gas industry. The Company operates production sites in Russia, Romania and Kazakhstan. The largest share of TMK’s sales belongs to high margin oil country tubular goods (OCTG), shipped to customers in over 80 countries. TMK delivers its products along with an extensive package of services in heat treating, protective coating, premium connections threading, warehousing, and pipe repairing. TMK enhances its research and technical capabilities and develops innovative pipe products at the R&D facility in Skolkovo and the Russian Research Institute for the Tube and Pipe Industries (RusNITI) in Chelyabinsk. TMK shares are listed on the Moscow Exchange.

PJSC “ChelPipe” (<https://chelpipegroup.com/>) is one of the leading industrial companies in the Russian metallurgical complex with a highly diversified client portfolio, and is one of the five largest pipe manufacturers in the world. At the end of 2020, the company’s share in the total shipments of Russian pipe manufacturers amounted to 13%. The share in the total shipments of Russian manufacturers of stamp-welded parts for pipelines was 23%, for hot-bending bends – 10%.

The company has its own developed regional sales network, Uraltrubostal, represented by 13 branches throughout the country from Moscow to Krasnoyarsk and an annual turnover of about 300,000 tons of pipe products.

Vertical integration in the production of seamless pipes is provided by the company’s subsidiary, META, which specializes in the procurement, processing and sale of scrap metal in the domestic and foreign markets. At the end of 2020, its share in the Russian market amounted to 6.16% with a sales volume of more than 1.34 million tons of scrap metal. Service centers of the ChelPipe Pipe Service company are located in the key oil-producing regions of Russia and occupy 14% of the independent market for repairing tubing in the Khanty-Mansiysk and Yamalo-Nenets Autonomous Districts.

Key production assets are located in the Chelyabinsk and Sverdlovsk regions, as well as in Benesov, Czech Republic.

Adherence to the corporate philosophy of METAllurgy, based on the principles of sustainable development, ensures the company’s contribution to the socio-economic development and environmental wellbeing of the regions where it operates, a high level of industrial safety and labor protection, as well as the qualitative development of employees.