

PAO TMK

**Unaudited Interim Condensed
Consolidated Financial Statements**

Nine-month period ended September 30, 2021

PAO TMK

Unaudited Interim Condensed Consolidated Financial Statements Nine-month period ended September 30, 2021

Contents

Report on Review of Interim Financial Information.....	3
Unaudited Interim Consolidated Income Statement.....	5
Unaudited Interim Consolidated Statement of Comprehensive Income.....	7
Unaudited Interim Consolidated Statement of Financial Position.....	8
Unaudited Interim Consolidated Statement of Changes in Equity.....	9
Unaudited Interim Consolidated Statement of Cash Flows.....	11
Notes to the Unaudited Interim Condensed Consolidated Financial Statements.....	12
1) Corporate Information.....	12
2) Significant Accounting Policies.....	12
3) Segment Information.....	14
4) Cost of Sales.....	15
5) Selling and Distribution Expenses.....	16
6) General and Administrative Expenses.....	16
7) Other Operating Income and Expenses.....	16
8) Income Tax.....	16
9) Acquisition and Disposal of Subsidiaries.....	17
10) Cash and Cash Equivalents.....	19
11) Inventories.....	20
12) Property, Plant and Equipment.....	20
13) Other Non-Current Assets.....	21
14) Trade and Other Payables.....	21
15) Provisions and Accruals.....	21
16) Interest-Bearing Loans and Borrowings.....	21
17) Fair Value of Financial Instruments.....	22
18) Advances from Customers and Other Liabilities.....	22
19) Related Parties Disclosures.....	23
20) Contingencies and Commitments.....	24
21) Equity.....	25

Report on Review of Interim Financial Information

To the shareholders and Board of Directors of
PAO TMK

Introduction

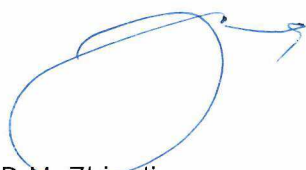
We have reviewed the accompanying interim condensed consolidated financial statements of PAO TMK and its subsidiaries, which comprise the interim consolidated statement of financial position as at 30 September 2021, the interim consolidated income statement and interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the nine-month period then ended, and condensed explanatory notes (interim financial information). Management of PAO TMK is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.



D.M. Zhigulin
Partner
Ernst & Young LLC

30 November 2021

Details of the entity

Name: PAO TMK
Registered on 17 April 2001. Record made in the State Register of Legal Entities on 19 September 2002, State Registration Number 1027739217758.
Address: Russia 101000, Moscow, Basmanny Municipal District, Pokrovka street, 40/2a.

Details of the auditor

Name: Ernst & Young LLC
Record made in the State Register of Legal Entities on 5 December 2002, State Registration Number 1027739707203.
Address: Russia 115035, Moscow, Sadovnicheskaya naberezhnaya, 77, building 1.
Ernst & Young LLC is a member of Self-regulatory organization of auditors Association "Sodruzhestvo".
Ernst & Young LLC is included in the control copy of the register of auditors and audit organizations, main registration number 12006020327.

PAO TMK

Unaudited Interim Consolidated Income Statement
 Nine-month period ended September 30, 2021

(All amounts in millions of Russian roubles, unless specified otherwise)

	NOTES	Nine-month period ended September 30,			
		2021	2020		
		Continuing operations	Continuing operations	Discontinued operations	Total
Revenue	3	291,536	163,146	-	163,146
Cost of sales	4	(232,825)	(126,943)	-	(126,943)
Gross profit		58,711	36,203	-	36,203
Selling and distribution expenses	5	(18,428)	(13,072)	-	(13,072)
Advertising and promotion expenses		(605)	(318)	-	(318)
General and administrative expenses	6	(16,015)	(9,978)	-	(9,978)
Research and development expenses		(124)	(100)	-	(100)
Other operating income/(expenses)	7	(1,376)	(1,081)	-	(1,081)
Operating profit		22,163	11,654	-	11,654
Impairment of property, plant and equipment	12	(1,379)	(4,257)	-	(4,257)
Reversal of impairment/(impairment) of financial investments		3,493	(870)	-	(870)
Foreign exchange gain/(loss)		(2,496)	9,456	-	9,456
Finance costs		(16,582)	(10,060)	-	(10,060)
Finance income		1,819	1,246	-	1,246
Gains/(losses) from associates		101	69	-	69
Gain/(loss) on disposal of subsidiaries	9	-	-	23,870	23,870
Other non-operating income/(expenses)		(1,155)	(162)	-	(162)
Profit/(loss) before tax		5,964	7,076	23,870	30,946
Income tax benefit/(expense)	8,9	(3,065)	(2,478)	(3,407)	(5,885)
Profit/(loss) for the period		2,899	4,598	20,463	25,061
Attributable to:					
Equity holders of the parent entity		2,792	4,649	20,463	25,112
Non-controlling interests		107	(51)	-	(51)
		2,899	4,598	20,463	25,061
Earnings/(loss) per share (in roubles)		2.702	4.701	20.690	25.391

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

PAO TMK

Unaudited Interim Consolidated Income Statement
 Nine-month period ended September 30, 2021 (continued)

(All amounts in millions of Russian roubles, unless specified otherwise)

	NOTES	Three-month period ended September 30,			
		2021	2020		
		Continuing operations	Continuing operations	Discontinued operations	Total
Revenue	3	117,259	51,156	-	51,156
Cost of sales	4	(94,024)	(39,628)	-	(39,628)
Gross profit		23,235	11,528	-	11,528
Selling and distribution expenses	5	(6,449)	(3,906)	-	(3,906)
Advertising and promotion expenses		(173)	(123)	-	(123)
General and administrative expenses	6	(5,900)	(3,162)	-	(3,162)
Research and development expenses		(38)	(37)	-	(37)
Other operating income/(expenses)	7	(193)	(64)	-	(64)
Operating profit		10,482	4,236	-	4,236
Impairment of property, plant and equipment	12	(1,379)	-	-	-
Reversal of impairment/(impairment) of financial investments		2,550	(387)	-	(387)
Foreign exchange gain/(loss)		(1,139)	5,622	-	5,622
Finance costs		(6,708)	(3,255)	-	(3,255)
Finance income		793	409	-	409
Gains/(losses) from associates		35	5	-	5
Gain/(loss) on disposal of subsidiaries	9	-	-	(31)	(31)
Other non-operating income/(expenses)		-	(10)	-	(10)
Profit/(loss) before tax		4,634	6,620	(31)	6,589
Income tax benefit/(expense)	8,9	(1,356)	(1,762)	6	(1,756)
Profit/(loss) for the period		3,278	4,858	(25)	4,833
Attributable to:					
Equity holders of the parent entity		3,206	4,861	(25)	4,836
Non-controlling interests		72	(3)	-	(3)
		3,278	4,858	(25)	4,833
Earnings/(loss) per share (in roubles)		3.103	5.369	(0.028)	5.341

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

PAO TMK

Unaudited Interim Consolidated Statement of Comprehensive Income
 Nine-month period ended September 30, 2021

(All amounts in millions of Russian roubles)

	NOTES	Nine-month period ended September 30,		Three-month period ended September 30,	
		2021	2020	2021	2020
Profit/(loss) for the period		2,899	25,061	3,278	4,833
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange differences on translation of foreign operations to presentation currency ⁽ⁱ⁾		(775)	4,213	(66)	2,375
Reclassification of foreign currency reserves to the income statement, net of tax ⁽ⁱⁱ⁾		-	(6,022)	-	-
Other comprehensive income/(loss) for the period, net of tax		(775)	(1,809)	(66)	2,375
Total comprehensive income/(loss) for the period, net of tax		2,124	23,252	3,212	7,208
Attributable to:					
Equity holders of the parent entity		2,015	23,299	3,140	7,221
Non-controlling interests		109	(47)	72	(13)
		2,124	23,252	3,212	7,208

(i) The amounts were attributable to equity holders of the parent entity and to non-controlling interests as presented in the table below:

	Nine-month period ended September 30,		Three-month period ended September 30,	
	2021	2020	2021	2020
Exchange differences on translation of foreign operations to presentation currency attributable to:				
Equity holders of the parent entity	(777)	4,209	(66)	2,385
Non-controlling interests	2	4	-	(10)
	(775)	4,213	(66)	2,375

(ii) The amount was attributable to equity holders of the parent entity.

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

PAO TMK

Unaudited Interim Consolidated Statement of Financial Position
as at September 30, 2021

(All amounts in millions of Russian roubles)

	NOTES	September 30, 2021		December 31, 2020	
ASSETS					
Current assets					
Cash and cash equivalents	10	57,328		73,036	
Trade and other receivables		92,500		71,857	
Inventories	11	110,654		61,805	
Prepayments and input VAT		21,758		16,860	
Prepaid income taxes		793		826	
Other financial assets		806	283,839	6,768	231,152
Non-current assets					
Investments in associates and joint ventures		373		100	
Property, plant and equipment	12	222,116		132,963	
Goodwill	9	46,797		3,067	
Intangible assets	9	21,235		1,354	
Deferred tax asset		12,703		10,696	
Other non-current assets	13	55,111	358,335	39,834	188,014
TOTAL ASSETS			642,174		419,166
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	14	107,219		51,717	
Advances from customers	18	41,678		17,997	
Provisions and accruals	15	10,138		4,716	
Interest-bearing loans and borrowings	16	112,087		74,315	
Lease liability		962		824	
Income tax payable		726		222	
Other liabilities	18	12,036	284,846	5,000	154,791
Non-current liabilities					
Interest-bearing loans and borrowings	16	230,682		125,962	
Lease liability		4,716		4,844	
Deferred tax liability		20,364		6,217	
Provisions and accruals		40		42	
Employee benefits liability		2,038		1,560	
Other liabilities	18	53,960	311,800	53,993	192,618
Total liabilities			596,646		347,409
Equity					
21					
Parent shareholders' equity					
Share capital		10,331		10,331	
Additional paid-in capital		14,772		14,744	
Reserve capital		517		517	
Retained earnings		10,163		35,661	
Foreign currency translation reserve		7,651		8,428	
Other reserves		33	43,467	33	69,714
Non-controlling interests			2,061		2,043
Total equity			45,528		71,757
TOTAL LIABILITIES AND EQUITY			642,174		419,166

Certain amounts as at December 31, 2020 were adjusted to reflect the finalisation of the purchase price allocation related to the acquired subsidiaries (Note 9).

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

PAO TMK
Unaudited Interim Consolidated Statement of Changes in Equity
Nine-month period ended September 30, 2021

(All amounts in millions of Russian roubles)

	Attributable to equity holders of the parent							Non-controlling interests	TOTAL	
	Share capital	Treasury shares	Additional paid-in capital	Reserve capital	Retained earnings	Foreign currency translation reserve	Other reserves			Total
At January 1, 2021	10,331	-	14,744	517	35,661	8,428	33	69,714	2,043	71,757
Profit/(loss) for the period	-	-	-	-	2,792	-	-	2,792	107	2,899
Other comprehensive income/(loss) for the period, net of tax	-	-	-	-	-	(777)	-	(777)	2	(775)
Total comprehensive income/(loss) for the period, net of tax	-	-	-	-	2,792	(777)	-	2,015	109	2,124
Dividends declared by the Company to its shareholders (Note 21 iii)	-	-	-	-	(28,287)	-	-	(28,287)	-	(28,287)
Dividends declared by subsidiaries of the Group to the non-controlling interest owners (Note 21 iv)	-	-	-	-	-	-	-	-	(31)	(31)
Acquisition of subsidiaries (Note 9)	-	-	-	-	-	-	-	-	14	14
Acquisition of non-controlling interests in subsidiaries (Note 21 ii)	-	-	28	-	(3)	-	-	25	(74)	(49)
At September 30, 2021	10,331	-	14,772	517	10,163	7,651	33	43,467	2,061	45,528

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

PAO TMK

Unaudited Interim Consolidated Statement of Changes in Equity
 Nine-month period ended September 30, 2021 (continued)

(All amounts in millions of Russian roubles)

	Attributable to equity holders of the parent							Non-controlling interests	TOTAL	
	Share capital	Treasury shares	Additional paid-in capital	Reserve capital	Retained earnings	Foreign currency translation reserve	Other reserves			Total
At January 1, 2020	10,331	(109)	14,525	517	14,633	10,706	(56)	50,547	3,048	53,595
Profit/(loss) for the period	-	-	-	-	25,112	-	-	25,112	(51)	25,061
Other comprehensive income/(loss) for the period, net of tax	-	-	-	-	-	(1,813)	-	(1,813)	4	(1,809)
Total comprehensive income/(loss) for the period, net of tax	-	-	-	-	25,112	(1,813)	-	23,299	(47)	23,252
Voluntary tender offer to acquire ordinary shares of PAO TMK	-	-	-	-	-	-	(21,960)	(21,960)	-	(21,960)
Completion of the voluntary tender offer	-	(14,389)	-	-	-	-	21,960	7,571	-	7,571
Purchase of ordinary shares of PAO TMK	-	(1,464)	-	-	-	-	-	(1,464)	-	(1,464)
Dividends declared by subsidiaries of the Group to the non-controlling interest owners	-	-	-	-	-	-	-	-	(107)	(107)
Reclassification of actuarial losses due to disposal of subsidiaries	-	-	-	-	(93)	-	93	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	63	63
Acquisition of non-controlling interests in subsidiaries	-	-	191	-	(51)	-	-	140	(1,046)	(906)
At September 30, 2020	10,331	(15,962)	14,716	517	39,601	8,893	37	58,133	1,911	60,044

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

PAO TMK

Unaudited Interim Consolidated Statement of Cash Flows
Nine-month period ended September 30, 2021

(All amounts in millions of Russian roubles)

	NOTES	Nine-month period ended September 30,	
		2021	2020
Operating activities			
Profit/(loss) before tax		5,964	30,946
Adjustments to reconcile profit/(loss) before tax to operating cash flows:			
Depreciation of property, plant and equipment		12,645	9,101
Amortisation of intangible assets		404	215
(Gain)/loss on disposal of property, plant and equipment	7	214	304
Impairment of property, plant and equipment	12	1,379	4,257
(Reversal of impairment)/impairment of financial investments		(3,493)	870
Foreign exchange (gain)/loss		2,496	(9,456)
Finance costs		16,582	10,060
Finance income		(1,819)	(1,246)
(Gain)/loss on disposal of subsidiaries	9	-	(23,870)
Other non-operating (income)/expenses		1,155	162
(Gains)/losses from associates		(101)	(69)
Movement in allowances and provisions		3,536	3,583
Operating cash flows before working capital changes		38,962	24,857
Working capital changes:			
Decrease/(increase) in inventories		(28,142)	2,354
Decrease/(increase) in trade and other receivables		(4,764)	(10,221)
Decrease/(increase) in prepayments and input VAT		(3,519)	(9,127)
Increase/(decrease) in trade and other payables		15,454	(8,961)
Increase/(decrease) in advances from customers		16,660	27,256
Cash generated from operations		34,651	26,158
Income taxes paid		(3,863)	(6,085)
Net cash flows from operating activities		30,788	20,073
Investing activities			
Purchase of property, plant and equipment		(9,681)	(7,966)
Purchase of intangible assets		(866)	(299)
Acquisition of subsidiaries, net of cash acquired	9	(68,012)	-
Disposal of subsidiaries, net of cash disposed		-	63,226
Issuance of loans		(88)	(1,139)
Proceeds from repayment of loans issued		4,262	1,560
Interest received		1,162	859
Other cash movements		(9,533)	(17,407)
Net cash flows from/(used in) investing activities		(82,756)	38,834
Financing activities			
Purchase of treasury shares		(171)	(15,686)
Proceeds from borrowings		127,035	125,289
Repayment of borrowings		(70,525)	(122,967)
Interest paid		(15,206)	(9,344)
Payment of lease liabilities		(933)	(695)
Acquisition of non-controlling interests		(10)	(886)
Dividends paid by the Company to its shareholders		(9,990)	-
Dividends paid to non-controlling interest shareholders		(71)	(104)
Other cash movements	18	6,940	(9,511)
Net cash flows from/(used in) in financing activities		37,069	(33,904)
Net increase/(decrease) in cash and cash equivalents		(14,899)	25,003
Net foreign exchange difference		(809)	13,695
Cash and cash equivalents at January 1		73,036	22,124
Cash and cash equivalents at September 30		57,328	60,822

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

PAO TMK

Notes to the Unaudited Interim Condensed Consolidated Financial Statements Nine-month period ended September 30, 2021

(All amounts in millions of Russian roubles, unless specified otherwise)

1) Corporate Information

These interim condensed consolidated financial statements of PAO TMK and its subsidiaries (the “Group”) for the nine-month period ended September 30, 2021 were authorised for issue in accordance with a resolution of the CEO on November 30, 2021.

PAO TMK (the “Company”), the parent company of the Group, is a Public Joint-Stock Company. Both registered and principal office of the Company is 40/2a Pokrovka Street, Basmanny Municipal District, Moscow, the Russian Federation.

The Company’s controlling shareholder is TMK Steel Holding Limited (the “Parent”). TMK Steel Holding Limited is ultimately controlled by D.A. Pumpyanskiy.

The Group is one of the world’s leading producers of steel pipes for the oil and gas industry, a global company with extensive network of production facilities and sales companies.

The principal activities of the Group are the production and sales of a wide range of steel pipes used in the oil and gas sector, chemical and petrochemical industries, energy and machine building, construction, agriculture and other economic sectors. The Group delivers its products along with an extensive package of services in heat treatment, protective coating, premium connections threading, pipe storage and repairing.

2) Significant Accounting Policies

i) Basis of Preparation

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*. Accordingly, these interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended December 31, 2020. Operating results for the nine-month period ended September 30, 2021 are not necessarily indicative of the results that may be expected for the year ending December 31, 2021.

ii) Foreign Currency Translation

The presentation currency for the purpose of these interim condensed consolidated financial statements of the Group is the Russian rouble. The Russian rouble is the functional currency of PAO TMK and most of its subsidiaries.

iii) Application of New and Amended IFRSs

In the preparation of these interim condensed consolidated financial statements, the Group followed the same accounting policies and methods of computation as compared with those applied in the annual consolidated financial statements for the year ended December 31, 2020, except for changes resulted from the adoption of new and amended IFRSs.

The nature and the impact of the adoption of new and amended standards, which became effective on January 1, 2021, are described below.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements
Nine-month period ended September 30, 2021

(All amounts in millions of Russian roubles, unless specified otherwise)

2) Significant Accounting Policies (continued)

iii) Application of New and Amended IFRSs (continued)

IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures, IFRS 16 Leases (amendments) – Phase 2 - Interest Rate Benchmark Reform

In August 2020, the IASB completed its work in response to IBOR reform. The Phase 2 amendments address issues that arise during the reform of an interest rate benchmark rate, including the replacement of one benchmark rate with an alternative one. The key reliefs provided by the Phase 2 amendments are as follows: i) when changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes that are required by an interest rate benchmark reform (that is, are necessary as a direct consequence of IBOR reform and are economically equivalent) will not result in an immediate gain or loss in the income statement; ii) the hedge accounting reliefs will allow most IAS 39 or IFRS 9 hedge relationships that are directly affected by IBOR reform to continue (however, additional ineffectiveness might need to be recorded). Moreover the amendments require certain additional disclosures to provide information how an entity is managing the transition to risk-free interest rates (RFR). The amendments did not have a significant impact on the Group's financial position or performance.

IFRS 16 Leases (amendments) – COVID-19 Related Rent Concessions

In May 2020, the IASB amended IFRS 16 Leases to provide relief to lessees from applying IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. Rent concessions might take a variety of forms, including payment holidays and deferral of lease payments. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession in the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendments did not have any impact on the Group's financial position or performance.

PAO TMK

Notes to the Unaudited Interim Condensed Consolidated Financial Statements
 Nine-month period ended September 30, 2021

(All amounts in millions of Russian roubles, unless specified otherwise)

3) Segment Information

Operating segments reflect the Group's management structure and the way financial information is regularly reviewed. The Group has two reportable segments:

- Russia segment represents the results of operations and financial position of plants located in the Russian Federation and the Czech Republic, a finishing facility in Kazakhstan, oilfield service companies in Russia, traders located in Russia, the United Arab Emirates, the USA and Switzerland.
- Europe segment represents the results of operations and financial position of plants located in Romania and traders located in Italy and Germany.

Management monitors the operating results of the segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on Adjusted EBITDA. Adjusted EBITDA is determined as profit/(loss) for the period excluding finance costs and finance income, income tax (benefit)/expense, depreciation and amortisation, foreign exchange (gain)/loss (except for foreign exchange gain or loss arising on accounts receivable and payable, which is considered to be a part of operations), impairment/(reversal of impairment) of non-current assets, movements in allowances and provisions (except for provisions for bonuses), (gain)/loss on disposal of property, plant and equipment, (gain)/loss on changes in fair value of financial instruments, share of (profit)/loss of associates and other non-cash, non-recurring and unusual items. Group financing (including finance costs and finance income) is managed on a group basis and is not allocated to operating segments. Inter-segment revenues are eliminated upon consolidation.

The tables below disclose the information regarding the Group's reportable segments' results. The reconciliation from the operating profit/(loss) to the profit/(loss) before tax is provided in the income statement.

Nine-month period ended September 30, 2021	Russia	Europe	TOTAL
Revenue	276,666	14,870	291,536
Cost of sales	(220,436)	(12,389)	(232,825)
Gross profit	56,230	2,481	58,711
Selling, general and administrative expenses	(32,461)	(2,711)	(35,172)
Other operating income/(expenses)	(1,356)	(20)	(1,376)
Operating profit/(loss)	22,413	(250)	22,163
Add back:			
Depreciation and amortisation	11,979	1,070	13,049
(Gain)/loss on disposal of property, plant and equipment	204	10	214
Movements in allowances and provisions	3,473	27	3,500
Foreign exchange gain/(loss) from operations	(708)	60	(648)
Other expenses	1,130	50	1,180
Adjusted EBITDA	38,491	967	39,458

PAO TMK

Notes to the Unaudited Interim Condensed Consolidated Financial Statements
Nine-month period ended September 30, 2021

(All amounts in millions of Russian roubles, unless specified otherwise)

3) Segment Information (continued)

Nine-month period ended September 30, 2020	Russia	Europe	TOTAL
	Revenue	152,711	10,435
Cost of sales	(117,910)	(9,033)	(126,943)
Gross profit	34,801	1,402	36,203
Selling, general and administrative expenses	(21,157)	(2,311)	(23,468)
Other operating income/(expenses)	(1,236)	155	(1,081)
Operating profit/(loss)	12,408	(754)	11,654
Add back:			
Depreciation and amortisation	8,378	938	9,316
(Gain)/loss on disposal of property, plant and equipment	298	6	304
Movements in allowances and provisions	3,565	239	3,804
Foreign exchange gain/(loss) from operations	8,624	14	8,638
Other expenses	1,033	40	1,073
	21,898	1,237	23,135
Adjusted EBITDA	34,306	483	34,789

Revenue from external customers for each group of products and services is disclosed below:

Sales to external customers	Seamless pipes	Welded pipes	Other operations	TOTAL
Nine-month period ended September 30, 2021	189,569	60,446	41,521	291,536
Nine-month period ended September 30, 2020	127,976	26,620	8,550	163,146

The following table presents the breakdown of revenue by geographical area. The information is disclosed based on the location of the customer.

	Russia	CIS	Other countries	TOTAL
Revenue				
Nine-month period ended September 30, 2021	228,111	22,323	41,102	291,536
Nine-month period ended September 30, 2020	123,167	13,233	26,746	163,146

4) Cost of Sales

	Nine-month period ended September 30,		Three-month period ended September 30,	
	2021	2020	2021	2020
Raw materials and consumables	181,387	80,891	73,628	24,293
Staff costs including social security	25,427	17,524	8,865	5,592
Energy and utilities	17,320	12,112	6,011	3,853
Depreciation and amortisation	11,096	8,381	4,034	2,842
Repairs and maintenance	4,300	2,353	1,852	742
Professional fees and services	2,439	995	1,088	390
Freight	1,784	1,144	655	348
Taxes	786	553	299	188
Import duties	595	321	151	-
Contracted manufacture	565	1,230	251	94
Insurance	265	238	85	81
Other	385	99	175	29
Total production cost	246,349	125,841	97,094	38,452
Change in own finished goods and work in progress	(18,938)	(570)	(6,120)	610
Cost of sales of externally purchased goods	4,332	1,114	2,446	547
Obsolete stock, write-offs/(reversal of allowances)	1,082	558	604	19
Cost of sales	232,825	126,943	94,024	39,628

PAO TMK

Notes to the Unaudited Interim Condensed Consolidated Financial Statements
Nine-month period ended September 30, 2021

(All amounts in millions of Russian roubles, unless specified otherwise)

5) Selling and Distribution Expenses

	Nine-month period ended September 30,		Three-month period ended September 30,	
	2021	2020	2021	2020
Freight	9,778	5,857	3,844	1,427
Staff costs including social security	2,965	1,846	1,094	590
Impairment of receivables, write-offs	2,077	2,921	84	1,207
Consumables	1,669	998	687	269
Professional fees and services	1,307	827	508	253
Import duties	146	238	69	21
Depreciation and amortisation	128	91	43	37
Utilities and maintenance	100	68	40	20
Insurance	78	84	28	26
Other	180	142	52	56
	18,428	13,072	6,449	3,906

6) General and Administrative Expenses

	Nine-month period ended September 30,		Three-month period ended September 30,	
	2021	2020	2021	2020
Staff costs including social security	9,564	5,982	3,445	1,807
Professional fees and services	3,003	1,744	1,165	590
Depreciation and amortisation	1,563	949	544	332
Utilities and maintenance	716	548	244	183
Transportation	272	236	102	79
Consumables	167	119	67	47
Travel	165	80	57	21
Taxes	139	109	38	35
Rent	86	92	32	30
Other	340	119	206	38
	16,015	9,978	5,900	3,162

7) Other Operating Income and Expenses

	Nine-month period ended September 30,		Three-month period ended September 30,	
	2021	2020	2021	2020
Social and social infrastructure maintenance expenses	678	535	239	133
Sponsorship and charitable donations	502	538	200	203
Taxes and penalties	297	398	(85)	235
(Gain)/loss on disposal of property, plant and equipment	214	304	119	85
Other (income)/expenses	(315)	(694)	(280)	(592)
	1,376	1,081	193	64

8) Income Tax

	Nine-month period ended September 30,			
	2021	2020		
	Continuing operations	Continuing operations	Discontinued operations	Total
Current income tax	3,052	4,388	1,955	6,343
Adjustments in respect of income tax of previous periods	18	32	-	32
Deferred tax related to origination and reversal of temporary differences	(5)	(1,942)	1,452	(490)
	3,065	2,478	3,407	5,885

PAO TMK

Notes to the Unaudited Interim Condensed Consolidated Financial Statements
 Nine-month period ended September 30, 2021

(All amounts in millions of Russian roubles, unless specified otherwise)

8) Income Tax (continued)

	Three-month period ended September 30,			
	2021	2020		
	Continuing operations	Continuing operations	Discontinued operations	Total
Current income tax	1,530	2,412	(3)	2,409
Adjustments in respect of income tax of previous periods	(3)	2	-	2
Deferred tax related to origination and reversal of temporary differences	(171)	(652)	(3)	(655)
	1,356	1,762	(6)	1,756

9) Acquisition and Disposal of Subsidiaries

Acquisition of PJSC ChelPipe

On March 15, 2021, the Group acquired 86.54% ownership interest in PJSC ChelPipe and its subsidiaries (“ChelPipe”) for cash consideration of 69,316.

According to the Russian legislation, on April 16, 2021, the Group made a mandatory offer to the non-controlling shareholders of ChelPipe to acquire the remaining 13.46% ownership interest. The offer expired on June 25, 2021. The purchase price of ordinary shares under the offer was 318.26 Russian roubles per ordinary share. The Group recognised the liability under the mandatory tender offer in the amount of 13,091. As a result of the offer, the Group acquired 33,895,791 shares of ChelPipe for 10,788, which represent 11.09%. The payment for the shares was made on July 1, 2021 and the title to the shares was transferred to the Group on July 8, 2021. Following the completion of the mandatory offer, the Group accumulated 97.63% ownership interest in ChelPipe. As a result, according to the corporate law the Group was obliged to acquire the remaining 2.37% shares. On August 12, 2021, the Group made the mandatory offer to the non-controlling shareholders of ChelPipe to acquire 2.37% ownership interest. The purchase price of ordinary shares under the offer was 318.26 Russian roubles per ordinary share. The purchase of the shares of ChelPipe was finalised on October 22, 2021, following which the Group became the owner of 100% ownership interest in ChelPipe.

The results of operations and financial position of ChelPipe were included in the Group’s consolidated financial statements from the acquisition date. The acquired business contributed revenue in the amount of 74,803 to the Group’s results for the period from the acquisition date till September 30, 2021. The after-acquisition profit of ChelPipe, net of tax, amounted to 8,945 (before elimination of intercompany transactions). Acquisition - related costs amounted to 932. The application of the purchase method to business combination requires allocation of fair value of consideration to identifiable assets and liabilities based on their fair values and determination of goodwill. This acquisition was accounted for based on provisional fair values of identifiable assets and liabilities of ChelPipe as the Group has not completed the allocation of the purchase consideration as at the date of the issuance of these consolidated financial statements. Under IFRS 3 “Business Combinations”, the Group has 12 months from the date of acquisition to complete the accounting for the acquisition and make adjustments to the allocation of the purchase consideration, if necessary.

PAO TMK

Notes to the Unaudited Interim Condensed Consolidated Financial Statements
Nine-month period ended September 30, 2021

(All amounts in millions of Russian roubles, unless specified otherwise)

9) Acquisition and Disposal of Subsidiaries (continued)

Acquisition of PJSC ChelPipe (continued)

The provisional fair values of assets and liabilities, purchase consideration and non-controlling interests were preliminary assessed as follows:

	March 15, 2021
Cash and cash equivalents *	12,092
Trade and other receivables	22,235
Inventories	22,419
Property, plant and equipment	95,557
Intangible assets	19,841
Deferred tax assets	2,842
Other assets	3,863
Total assets	178,849
Trade and other payables	22,749
Interest-bearing loans and borrowings	87,528
Provisions and accruals	6,459
Deferred tax liabilities	14,981
Other liabilities	8,441
Total liabilities	140,158
Total identifiable net assets	38,691
Non-controlling interests	14
Goodwill	43,730
Purchase consideration	69,316
Purchase consideration under mandatory offer	13,091
Total purchase consideration	82,407

* Cash and cash equivalents include cash on special accounts in the amount of 2,326 which can be used in operating activities as the Russian Federation legislation conditions are fulfilled (September 30, 2021: 1,970).

The carrying amount of trade and other receivables was 24,467 as at the acquisition date.

The recognized goodwill represents a synergy from the deal which expected to be realised from optimizing capacity utilization and logistics costs, expanding the range of products and increasing the operational efficiency of the Group's business. The goodwill is allocated to the Russia operating segment.

Acquisition of TMK-YMZ (former-Parus, LLC)

In October 2020, as part of its long-term strategy to diversify the product and service portfolio, the Group acquired 100% ownership interest in a casting and rolling complex, located in Yartsevo, Smolensk Region, TMK-YMZ. The complex has a production capacity of more than 300 thousand tonnes of rolled steel per year. As of the date of publication of consolidated financial statements for the year ended December 31, 2020, the purchase price allocation had not been finalised and the fair values of assets and liabilities at the date of acquisition were accounted on provisional basis. The valuation of assets and liabilities was completed in the first quarter of 2021 and the acquisition date fair value of the property, plant and equipment increased by 228 with the corresponding increase of deferred tax liability in the amount of 45 and decrease of goodwill in the amount of 183.

PAO TMK

Notes to the Unaudited Interim Condensed Consolidated Financial Statements Nine-month period ended September 30, 2021

(All amounts in millions of Russian roubles, unless specified otherwise)

9) Acquisition and Disposal of Subsidiaries (continued)

Acquisition of TMK-YMZ (former-Parus, LLC) (continued)

The fair values of assets acquired, liabilities assumed and purchase consideration were as follows at the acquisition date:

	October 8, 2020
Cash and cash equivalents	1,062
Trade and other receivables	26
Inventories	1,357
Prepayments and input VAT	235
Property, plant and equipment	15,533
Total assets	18,213
Trade and other payables	2,295
Deferred tax liability	2,902
Total liabilities	5,197
Total identifiable net assets	13,016
Goodwill	1,984
Purchase consideration	15,000

Goodwill arisen on the acquisition related to the expected synergy from integration of the acquired business into the Russia operating segment of the Group.

Acquisition of Truby 2000, LLC

In October 2020, the Group acquired control in enterprises being a part of Truby 2000, LLC, one of the Russian leading manufacturers of pipeline systems for the nuclear industry, for the purchase price of 400. The acquisition will enable the expansion of the Group's partnership with the state corporation Rosatom and accelerate further development of TMK's expertise in the segment of equipment for nuclear stations. The valuation of assets and liabilities was completed in the first quarter of 2021. The fair value of acquiree's assets and liabilities was 1,414 and 1,014, respectively. The non-controlling interest value amounted to 42 and goodwill from the acquisition amounted to 42.

Sale of IPSCO

On January 2, 2020, the Group completed the sale of its American subsidiary IPSCO to Tenaris for 63,437. The gain on sale of IPSCO amounted to 20,463 (net of income tax in the amount of 3,407).

10) Cash and Cash Equivalents

Cash and cash equivalents were denominated in the following currencies:

	September 30, 2021	December 31, 2020
Russian rouble	39,591	11,274
US dollar	3,242	27,584
Euro	14,378	33,907
Romanian lei	15	107
Other currencies	102	164
	57,328	73,036

The above cash and cash equivalents consisted primarily of cash at banks. As at September 30, 2021, the restricted cash amounted to 326 (December 31, 2020: 176).

PAO TMK

Notes to the Unaudited Interim Condensed Consolidated Financial Statements
Nine-month period ended September 30, 2021

(All amounts in millions of Russian roubles, unless specified otherwise)

11) Inventories

	September 30, 2021	December 31, 2020
Finished goods	30,928	15,527
Work in progress	41,417	23,450
Raw materials and supplies	41,007	24,798
	113,352	63,775
Allowance for net realisable value of inventory	(2,698)	(1,970)
	110,654	61,805

12) Property, Plant and Equipment

Movement in property, plant and equipment in the nine-month period ended September 30, 2021 was as follows:

	Land and buildings	Machinery and equipment	Transport and motor vehicles	Furniture and fixtures	Other	Construction in progress	TOTAL
Cost							
Balance at January 1, 2021	77,037	152,845	5,255	4,297	532	9,128	249,094
Additions	-	-	-	-	-	9,657	9,657
Assets put into operation	1,539	6,613	203	584	115	(9,054)	-
Disposals	(329)	(1,220)	(23)	(35)	(44)	(91)	(1,742)
Increase due to acquisition of subsidiaries	56,399	35,267	6	-	1,867	2,018	95,557
Reclassifications	(45)	33	33	(13)	(8)	-	-
Currency translation adjustments	(686)	(1,798)	(152)	(28)	(2)	(38)	(2,704)
Balance at September 30, 2021	133,915	191,740	5,322	4,805	2,460	11,620	349,862
Accumulated depreciation and impairment							
Balance at January 1, 2021	(17,833)	(93,272)	(2,214)	(2,681)	(131)	-	(116,131)
Depreciation charge	(2,288)	(9,558)	(353)	(343)	(241)	-	(12,783)
Disposals	68	1,033	11	33	24	-	1,169
Impairment	-	(1,379)	-	-	-	-	(1,379)
Reclassifications	1	(11)	-	8	2	-	-
Currency translation adjustments	232	1,052	74	19	1	-	1,378
Balance at September 30, 2021	(19,820)	(102,135)	(2,482)	(2,964)	(345)	-	(127,746)
Net book value at September 30, 2021	114,095	89,605	2,840	1,841	2,115	11,620	222,116
Net book value at January 1, 2021	59,204	59,573	3,041	1,616	401	9,128	132,963

In light of the presence of impairment indicators for the assets of the European division, the Group performed impairment test as at September 30, 2021 and recognised an impairment loss in the amount of 1,379 in respect of machinery and equipment of the division.

PAO TMK

Notes to the Unaudited Interim Condensed Consolidated Financial Statements
Nine-month period ended September 30, 2021

(All amounts in millions of Russian roubles, unless specified otherwise)

13) Other Non-Current Assets

	September 30, 2021	December 31, 2020
Trade and other receivables	38,163	16,800
Promissory notes (Note 17)	2,172	10,821
Equity instruments at FVOCI	667	614
Restricted cash deposits for fulfillment of guaranties	444	480
Loans issued	180	178
Total financial assets	41,626	28,893
Prepayments for acquisition of property, plant and equipment	1,287	737
Other non-current assets	12,428	10,213
Total non-financial assets	13,715	10,950
Allowance for impairment	(230)	(9)
	55,111	39,834

14) Trade and Other Payables

	September 30, 2021	December 31, 2020
Trade payables	66,553	30,059
Dividends payable	18,407	9
Liabilities for VAT	11,502	13,365
Accounts payable for property, plant and equipment	3,152	4,502
Liabilities for acquisition of non-controlling interests in subsidiaries	2,597	476
Payroll liabilities	1,686	1,051
Accrued and withheld taxes on payroll	1,408	922
Liabilities for property tax	272	191
Other payables	1,642	1,142
	107,219	51,717

15) Provisions and Accruals

	September 30, 2021	December 31, 2020
Provision for bonuses	1,810	1,685
Accrual for unused annual leaves	2,079	1,284
Current portion of employee benefits liability	146	118
Provisions for claims, legal costs and taxes	6,103	1,629
	10,138	4,716

16) Interest-Bearing Loans and Borrowings

	September 30, 2021	December 31, 2020
Current		
Bank loans	35,648	31,408
Interest payable	2,163	1,202
Current portion of non-current borrowings	55,151	27,512
Current portion of bearer coupon debt securities	19,212	14,212
Unamortised debt issue costs	(87)	(19)
	112,087	74,315
Non-current		
Bank loans	107,576	74,558
Bearer coupon debt securities	124,122	51,938
Unamortised debt issue costs	(1,016)	(534)
	230,682	125,962

PAO TMK

Notes to the Unaudited Interim Condensed Consolidated Financial Statements Nine-month period ended September 30, 2021

(All amounts in millions of Russian roubles, unless specified otherwise)

16) Interest-Bearing Loans and Borrowings (continued)

Breakdown of the Group's interest-bearing loans and borrowings by currencies was as follows:

	September 30, 2021	December 31, 2020
Russian rouble	271,570	150,319
US dollar	62,290	39,493
Euro	8,909	10,465
	342,769	200,277

Unutilised Borrowing Facilities

As at September 30, 2021, the Group had unutilised borrowing facilities in the amount of 114,375.

17) Fair Value of Financial Instruments

For cash and cash equivalents, trade and other accounts receivable, loans issued, trade and other payables, other similar financial instruments the carrying amounts approximate their fair values.

The following table shows financial instruments which carrying values differ from fair values:

	September 30, 2021		December 31, 2020	
	Nominal value	Fair value	Nominal value	Fair value
Financial liabilities				
Long-term loans	116,187	114,223	76,700	75,853
4.5 per cent loan participation notes	21,828	22,593	-	-
4.3 per cent loan participation notes	36,380	36,961	36,938	36,940
Russian bonds	85,126	84,158	29,212	29,832

For quoted debt instruments (bonds and loan participation notes) the fair values were determined based on quoted market prices. The fair values of unquoted debt instruments were estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

As at September 30, 2021, the bank promissory notes with a maturity of more than 1 year were included as part of other non-current assets in the amount of 2,172. The carrying amount of the promissory notes approximates their fair value.

18) Advances from Customers and Other Liabilities

The Group transferred some of its intercompany debts in exchange for cash under factoring arrangements. In the nine-month period ended September 30, 2021, the net cash inflows from these transactions amounted to 6,739 (nine-month period ended September 30, 2020: net cash outflows of 9,511). As at September 30, 2021, the liability in the amount of 11,739 in respect of these transactions was included in other current liabilities. As at December 31, 2020, the liability amounted to 5,000.

Other non-current liabilities as at September 30, 2021 included long-term advances from customers in the amount of 50,455 (December 31, 2020: 53,846). The current advances from customers amounted to 41,678 as at September 30, 2021 (December 31, 2020: 17,997). The advances are presented with VAT. As at September 30, 2021, VAT included in long-term advances amounted to 8,409 and in current advances amounted to 6,407 (December 31, 2020: 8,975 and 3,005, respectively).

PAO TMK

Notes to the Unaudited Interim Condensed Consolidated Financial Statements
 Nine-month period ended September 30, 2021

(All amounts in millions of Russian roubles, unless specified otherwise)

19) Related Parties Disclosures

Compensation to Key Management Personnel of the Group

The compensation to the Board of Directors and the Management Board includes only short-term benefits. The compensation amounted to 1,001 (including social security) for the nine-month period ended September 30, 2021 and was recorded as part of general and administrative expenses in the income statement (nine-month period ended September 30, 2020: 1,020).

Transactions with the Parent of the Company

In the nine-month period ended September 30, 2021, the amount of dividends attributable to the Parent of the Company was 27,053.

In December 2020, the Group signed the Share purchase agreement with the Parent of the Company for the sale of 261,595,881 treasury shares of PAO TMK for 16,509. The ownership to the shares was transferred to the Buyer on December 2, 2020. Accounts receivable under this agreement amounted to 17,400 as at September 30, 2021. Receivables are due for payment not later than December 30, 2022. Any related outstanding liability bears interest at 6.5%.

Transactions with Associates and Joint Ventures

The following table provides balances with associates and joint ventures:

	September 30, 2021	December 31, 2020
Loans issued	762	1,252
Trade and other receivables	7,911	13,716
Trade and other payables	142	74

The Group guaranteed debts of associates and joint ventures outstanding as at September 30, 2021 in the amount of 4,134 (December 31, 2020: 4,142).

Allowance for expected credit losses in respect of receivables and loans from associates and joint ventures amounted to 582 as at September 30, 2021 (December 31, 2020: 603).

The following table provides the summary of transactions with associates and joint ventures:

	Nine-month period ended September 30,		Three-month period ended September 30,	
	2021	2020	2021	2020
Purchases of other goods and services	8	462	2	126
Sales revenue	265	8,085	226	12
Finance income	57	62	17	21

PAO TMK

Notes to the Unaudited Interim Condensed Consolidated Financial Statements Nine-month period ended September 30, 2021

(All amounts in millions of Russian roubles, unless specified otherwise)

19) Related Parties Disclosures (continued)

Transactions with Other Related Parties

Other related parties mostly include entities under common control with the Company.

The following table provides balances with other related parties:

	September 30, 2021	December 31, 2020
Cash and cash equivalents	3,748	2,507
Loans issued	2,354	2,474
Trade and other receivables	13,457	6,559
Other prepayments	1,510	651
Advances received	22,670	2
Lease liability	718	603
Trade and other payables	680	745

Allowance for expected credit losses in respect of receivables and loans from other related parties amounted to 2,477 as at September 30, 2021 (December 31, 2020: 5,744).

The following table provides the summary of transactions with other related parties:

	Nine-month period ended September 30,		Three-month period ended September 30,	
	2021	2020	2021	2020
Finance costs	40	51	14	16
Purchases of raw materials	1,380	1,703	941	1,652
Purchases of other goods and services	1,316	1,532	438	404
Sales revenue	13,325	3,549	10,295	2,886
Finance income	231	278	114	108
Other income	137	133	36	46

20) Contingencies and Commitments

Russian Business Environment

Since the first quarter 2020, the outbreak of coronavirus infection COVID-19 has been evolving and many countries, including the Russian Federation, have imposed restrictive quarantine measures that have resulted in a significant decline in business activity of market participants. Both the outbreak of coronavirus infection itself and measures taken to minimize its consequences affect the activities of companies in various industries. As the coronavirus outbreak is still evolving, it is difficult for the Group to estimate the duration and magnitude of the negative impact of these circumstances on its financial position and results of operations.

Management closely monitors the development of the situation and takes necessary measures to mitigate negative effects. The future effects of the current economic situation are unpredictable and current management's expectations and estimates could differ from actual results.

Taxation

Tax legislation is subject to varying interpretations and changes, which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activity of the Group may be challenged by the relevant regional and federal authorities. Management believes that it has paid or accrued all taxes that are applicable. Where uncertainty exists, the Group has accrued tax liabilities based on management's best estimate of the probable outflow of resources embodying economic benefits, which will be required to settle these liabilities.

PAO TMK

Notes to the Unaudited Interim Condensed Consolidated Financial Statements Nine-month period ended September 30, 2021

(All amounts in millions of Russian roubles, unless specified otherwise)

20) Contingencies and Commitments (continued)

Contractual Commitments

The Group had contractual commitments for the acquisition of property, plant and equipment from third parties in the amount of 8,419 as at September 30, 2021 (December 31, 2020: 5,520). Contractual commitments were expressed net of VAT.

As at September 30, 2021, the Group had unsecured letters of credit in the amount of 2,705 (December 31, 2020: 1,291) for the acquisition of property, plant and equipment.

Insurance Policies

The Group maintains insurance against losses that may arise in case of property and equipment damage (including insurance against fires and certain other natural disasters), business interruption insurance, insurance for transported goods against theft or damage. The Group also maintains corporate product liability, directors and officers liability insurance policies. Nevertheless, any recoveries under maintained insurance coverage that may be obtained in the future may not offset the lost revenues or increased costs resulting from a disruption of operations.

Legal Claims

During the period, the Group was involved in a number of court proceedings (both as a plaintiff and a defendant) arising in the ordinary course of business. Management believes there are no current legal proceedings or other claims outstanding, which could have a material effect on the results of operations or financial position of the Group.

21) Equity

i) Share Capital

	September 30, 2021	December 31, 2020
Number of shares		
<i>Authorised</i>		
Ordinary shares of 10 Russian roubles each (in thousands)	1,033,135	1,033,135
<i>Issued and fully paid</i>		
Ordinary shares of 10 Russian roubles each (in thousands)	1,033,135	1,033,135

ii) Acquisition of Non-controlling Interests in Subsidiaries

In the nine-month period ended September 30, 2021, the consideration for the acquisition of additional shares of “Sinarsky Pipe Plant”, JSC, “Seversky Pipe Plant”, JSC and “Taganrog Metallurgical Plant”, JSC amounted to 49. The difference between the purchase consideration and the carrying amount of non-controlling interest acquired was recorded in additional paid-in capital (if negative) and in retained earnings (if positive).

iii) Dividends Declared by the Company to its Shareholders

On April 15, 2021, the general shareholders’ meeting approved dividends for 2020 year in the amount of 9,990 or 9.67 Russian roubles per share.

On September 3, 2021, the general shareholders’ meeting approved dividends based on the net profit for the first half of 2021 and retained earnings for prior years in the amount of 18,297 or 17.71 Russian roubles per share.

PAO TMK

**Notes to the Unaudited Interim Condensed Consolidated Financial Statements
Nine-month period ended September 30, 2021**

(All amounts in millions of Russian roubles, unless specified otherwise)

21) Equity (continued)

iv) Dividends Declared by Subsidiaries of the Group to the Non-controlling Interest Owners

During the nine-month period ended September 30, 2021, the Group's subsidiaries declared dividends to the non-controlling interest owners in the amount of 31.