

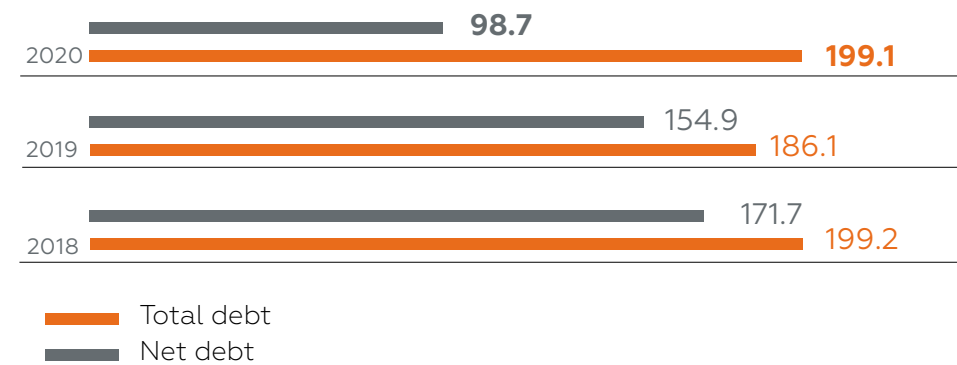
# LIQUIDITY MANAGEMENT

One of TMK’s top priorities is to improve its balance sheet by maintaining sufficient liquidity and improving the structure of its debt portfolio.

Our total debt<sup>1</sup> increased from RUB 186.1 billion as at December 31, 2019 to RUB 199.1 billion as at December 31, 2020. This was due to the ruble depreciation against the U.S. dollar, which affected the translation of foreign currency debt into rubles. Net repayment of borrowings in 2020 amounted to RUB 1.4 billion.

The share of our short-term debt as at the end of 2020 was 37% compared to 45% as at December 31, 2019. Net debt<sup>2</sup> amounted to RUB 98.7 billion in cash and short-term financial investments of RUB 100.4 billion, which included euro-denominated bank promissory notes (for more details see page 165).

TOTAL DEBT<sup>1</sup> AND NET DEBT<sup>2</sup>, RUB BLN



During the reporting year, TMK Group improved its liquidity profile, including by extending maturity dates, mitigating the foreign exchange risk, and decreasing debt financing costs. Most of the cash proceeds from the sale of IPSCO Tubulars Inc. were used to reduce the foreign currency denominated portion of the Company’s debt portfolio in the first half of 2020. As at the end of 2020, the ruble-denominated portion of our debt represented 75%, the U.S. dollar-denominated portion 20%, and the euro-denominated portion 5% of our total debt. As at December 31, 2020, our weighted average nominal interest rate was 6.07%, i.e. an 88 bps decrease year-on-year.

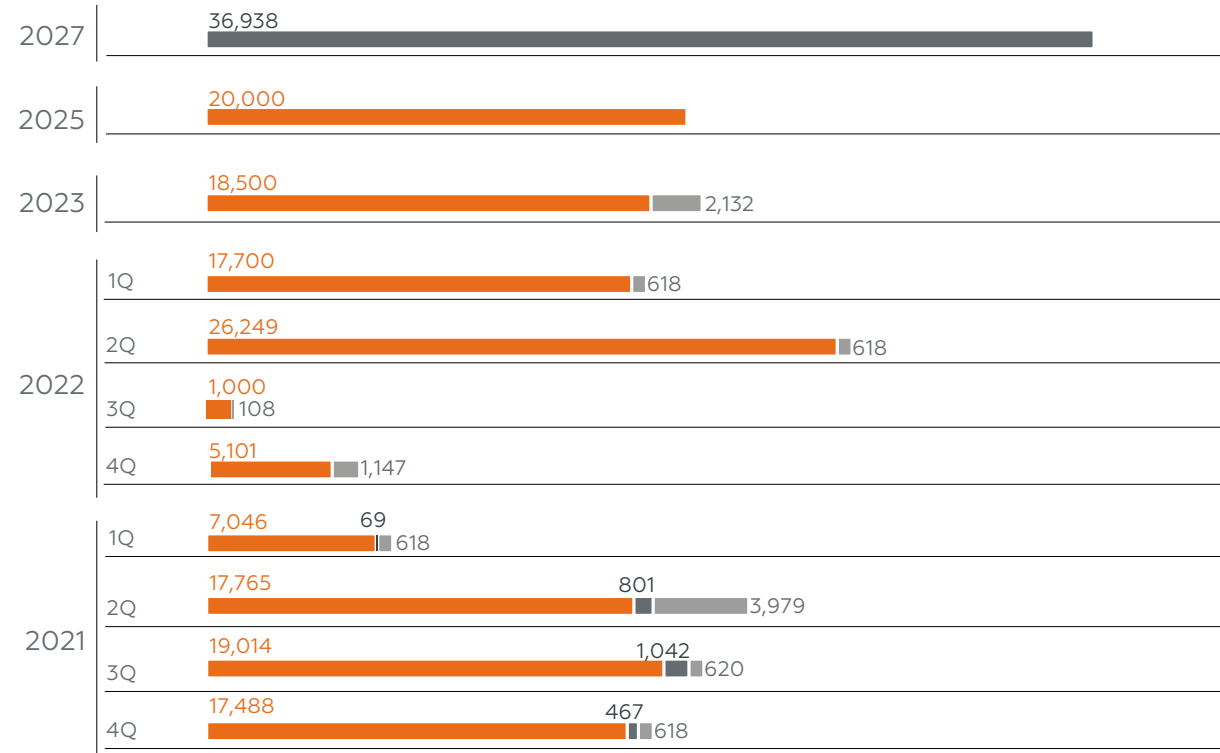
<sup>1</sup> Total debt is calculated as loans and borrowings less interest payable.

<sup>2</sup> Net debt is calculated as total debt less cash and short-term financial investments.

In February 2020, TMK completed a \$500 million seven-year Eurobond issue with a coupon of 4.3%. The proceeds were used to refinance TMK's \$500 million Eurobond maturing in April 2020.

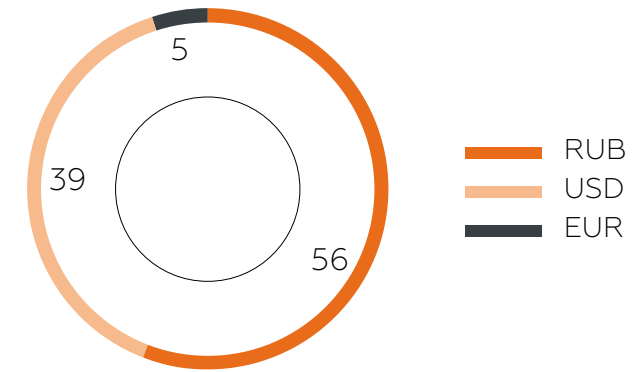
In April 2020 TMK issued 001P-01 series bonds in the amount of RUB 10 billion with a maturity period of two years on the Moscow Exchange. The coupon rate was set at 8.35%, and the coupons will be paid semi-annually.

DEBT REPAYMENT SCHEDULE AS AT DECEMBER 31, 2020



█ RUB mln  
█ USD mln  
█ EUR mln

DEBT BY CURRENCY AS AT DECEMBER 31, 2020, %



DEBT BY CURRENCY AS AT DECEMBER 31, 2019, %

