

**capital change report  
for 2017**

|   |  |                         |                             |           |           |
|---|--|-------------------------|-----------------------------|-----------|-----------|
|   |  | Codes                   |                             |           |           |
|   |  | <b>0710003</b>          |                             |           |           |
|   |  | Date (year, month, day) | <b>2017</b>                 | <b>12</b> | <b>31</b> |
| Company   | <b>Public joint stock company Mechel</b>     | and organizations       | <b>14582388</b>             |           |           |
| Taxpayer identification number (TIN)              |  | TIN                     | <b>7703370008/997550001</b> |           |           |
| Type of activity                                  | <b>Investments in securities</b>             | economic activities     | <b>64.99.1</b>              |           |           |
| Organizational and legal form / form of ownership |  |                         |                             |           |           |
| <b>Public joint-stock company</b>                 | <b>/ Joint private and foreign ownership</b> | forms of ownership      | <b>12247</b>                | <b>34</b> |           |
| Unit of measurement                               | <b>In thousands of Russian rubles</b>        | measurement units       | <b>384</b>                  |           |           |

**1. Capital flow**

| Indicator name                                   | Code        | Authorized capital | Own shares bought back from shareholders | Additional capital | Резервный капитал | Нераспределенная прибыль (непокрытый убыток) | Итого              |
|--|-------------|--------------------|--|--------------------|-------------------|--|--------------------|
| 1  | 2           | 3                  | 4  | 5                  | 6                 | 7  | 8                  |
| <b>Value of capital as of December 31, 2015</b>  | <b>3100</b> | <b>5 550 277</b>   | <b>-</b>                                 | <b>6 023 340</b>   | <b>277 514</b>    | <b>35 411 420</b>                            | <b>47 262 551</b>  |
| <b>for 2016</b>                                  |             |                    |  |                    |                   |  |                    |
| <b>Capital increase - total</b>                  | <b>3210</b> | <b>-</b>           | <b>-</b>                                 | <b>-</b>           | <b>-</b>          |  |                    |
| including:                                       |             |                    |  |                    |                   |  |                    |
| net profit                                       | 3211        | X                  | X  | X                  | X                 |  |                    |
| revaluation of property                          | 3212        | X                  | X  | -                  | X                 | -  | -                  |
| income associated directly with capital increase | 3213        | X                  | X  | -                  | X                 | -  | -                  |
| additional share issue                           | 3214        | -                  | -  | -                  | X                 | X  | -                  |
| increase in the par value of shares              | 3215        | -                  | -  | -                  | X                 | X  | -                  |
| реорганизация юридического лица                  | 3216        | -                  | -  | -                  | -                 | -  | -                  |
| <b>Capital decrease - total</b>                  | <b>3220</b> | <b>-</b>           | <b>-</b>                                 | <b>-</b>           | <b>-</b>          | <b>(7 879 807)</b>                           | <b>(7 879 807)</b> |
| including:                                       |             |                    |  |                    |                   |  |                    |
| loss   | 3221        | X                  | X  | X                  | X                 | (7 872 869)                                  | (7 872 869)        |
| revaluation of property                          | 3222        | X                  | X  | -                  | X                 | -  | -                  |
| income associated directly with capital decrease | 3223        | X                  | X  | -                  | X                 | -  | -                  |
| decrease in the par value of shares              | 3224        | -                  | -  | -                  | X                 | -  | -                  |
| decrease in the number of shares                 | 3225        | -                  | -  | -                  | X                 | -  | -                  |
| reorganization of a legal entity                 | 3226        | -                  | -  | -                  | -                 | -  | -                  |
| dividends  | 3227        | X                  | X  | X                  | X                 | (6 938)                                      | (6 938)            |
| <b>Change in additional capital</b>              | <b>3230</b> | <b>X</b>           | <b>X</b>                                 | <b>-</b>           | <b>-</b>          | <b>-</b>                                     | <b>X</b>           |
| <b>Change in reserve capital</b>                 | <b>3240</b> | <b>X</b>           | <b>X</b>                                 | <b>X</b>           | <b>-</b>          | <b>-</b>                                     | <b>X</b>           |

| Indicator name                                   | Code        | Authorized capital | Own shares bought back from shareholders | Additional capital | Authorized capital | Undistributed profit (uncovered loss) | Total             |
|--|-------------|--------------------|--|--------------------|--------------------|---------------------------------------|-------------------|
| 1  | 2           | 3                  | 4  | 5                  | 6                  | 7                                     | 8                 |
| <b>Value of capital as of December 31, 2016</b>  | <b>3200</b> | <b>5 550 277</b>   | <b>-</b>                                 | <b>6 023 340</b>   | <b>277 514</b>     | <b>27 531 613</b>                     | <b>39 382 744</b> |
| <b>for 2017</b>                                  |             |                    |  |                    |                    |                                       |                   |
| <b>Capital increase - total</b>                  | <b>3310</b> | <b>-</b>           | <b>-</b>                                 | <b>-</b>           | <b>-</b>           |                                       |                   |
| including:                                       |             |                    |  |                    |                    |                                       |                   |
| net profit                                       | 3311        | X                  | X  | X                  | X                  | -                                     | -                 |
| revaluation of property                          | 3312        | X                  | X  | -                  | X                  | -                                     | -                 |
| income associated directly with capital increase | 3313        | X                  | X  | -                  | X                  | -                                     | -                 |
| additional share issue                           | 3314        | -                  | -  | -                  | X                  | X                                     | -                 |
| increase in the par value of shares              | 3315        | -                  | -  | -                  | X                  | X                                     | -                 |
| reorganization of a legal entity                 | 3316        | -                  | -  | -                  | -                  | -                                     | -                 |

| Indicator name                                   | Code        | Authorized capital | Own shares bought back from shareholders | Additional capital | Authorized capital | Undistributed profit (uncovered loss) | Total               |
|--|-------------|--------------------|--|--------------------|--------------------|---------------------------------------|---------------------|
| 1  | 2           | 3                  | 4  | 5                  | 6                  | 7                                     | 8                   |
| <b>Capital decrease - total</b>                  | <b>3320</b> | -                  | -  | -                  | -                  | <b>(16 630 690)</b>                   | <b>(16 630 690)</b> |
| including:                                       |             |                    |  |                    |                    |                                       |                     |
| loss   | 3321        | X                  | X  | X                  | X                  | (15 204 269)                          | (15 204 269)        |
| revaluation of property                          | 3322        | X                  | X  | -                  | X                  | -                                     | -                   |
| income associated directly with capital decrease | 3323        | X                  | X  | -                  | X                  | -                                     | -                   |
| decrease in the par value of shares              | 3324        | -                  | -  | -                  | X                  | -                                     | -                   |
| decrease in the number of shares                 | 3325        | -                  | -  | -                  | X                  | -                                     | -                   |
| reorganization of a legal entity                 | 3326        | -                  | -  | -                  | -                  | -                                     | -                   |
| dividends  | 3327        | X                  | X  | X                  | X                  | (1 426 421)                           | (1 426 421)         |
| <b>Change in additional capital</b>              | <b>3330</b> | <b>X</b>           | <b>X</b>                                 | -                  | -                  | -                                     | <b>X</b>            |
| <b>Change in reserve capital</b>                 | <b>3340</b> | <b>X</b>           | <b>X</b>                                 | <b>X</b>           | -                  | -                                     | <b>X</b>            |
| <b>Value of capital as of December 31, 2017</b>  | <b>3300</b> | <b>5 550 277</b>   | -  | <b>6 023 340</b>   | <b>277 514</b>     | <b>10 900 923</b>                     | <b>22 752 054</b>   |

## 2. Corrections in connection with changes in accounting policies and correction of errors

|   | Code | as of December 31, 2015 | Change of capital in 2016 |                      | as of December 31, 2016 |
|---|------|-------------------------|---------------------------|----------------------|-------------------------|
|   |      |                         | due of net profit (loss)  | due to other factors |                         |
| Capital - total   |      |                         |                           |                      |                         |
| before correction   | 3400 | -                       | -                         | -                    | -                       |
| Correction in connection with:                            |      |                         |                           |                      |                         |
| Change in accounting policy                               | 3410 | -                       | -                         | -                    | -                       |
| Correction of errors                                      | 3420 | -                       | -                         | -                    | -                       |
| After corrections   |      |                         |                           |                      |                         |
| including:  | 3500 | -                       | -                         | -                    | -                       |
| Undistributed profit (uncovered loss):                    |      |                         |                           |                      |                         |
| before correction   | 3401 | -                       | -                         | -                    | -                       |
| Correction in connection with:                            |      |                         |                           |                      |                         |
| Change in accounting policy                               | 3411 | -                       | -                         | -                    | -                       |
| Correction of errors                                      | 3421 | -                       | -                         | -                    | -                       |
| After corrections   | 3501 | -                       | -                         | -                    | -                       |
| Other corrected items of capital (corrections by items):: |      |                         |                           |                      |                         |
| before correction   | 3402 | -                       | -                         | -                    | -                       |
| Correction in connection with:                            |      |                         |                           |                      |                         |
| Change in accounting policy                               | 3412 | -                       | -                         | -                    | -                       |
| Correction of errors                                      | 3422 | -                       | -                         | -                    | -                       |
| After corrections   | 3502 | -                       | -                         | -                    | -                       |

## 3. Net assets

| Indicator name    | Code        | as of December 31, 2017 | as of December 31, 2016 | as of December 31, 2015 |
|-------------------|-------------|-------------------------|-------------------------|-------------------------|
| 1                 | 2           | 3                       | 4                       | 5                       |
| <b>Net assets</b> | <b>3600</b> | <b>22 752 054</b>       | <b>39 382 744</b>       | <b>47 262 551</b>       |

CEO  
 \_\_\_\_\_  
 (signature) **Oleg Victorovich Korzhov**  
 (printed name)

Head of Accounting Centre  
 \_\_\_\_\_  
 (signature) **Konyukhova Natalya Vladimirovna**  
 (printed name)  
 of the Reporting and Accounting Department  
 Mechel BusinessService LLC  
 PoA No. 099M-17 dated November 24, 2017

February 22, 2018