



Independent Auditor's Report

on Financial statements
International Public Joint Stock Company “En+ Group”
for the 2020



Independent auditor's report

To the Shareholders of EN+ GROUP IPJSC

Opinion

We have audited the financial statements of EN+ Group IPJSC (the "Company"), which comprise Balance sheet as of 31 December 2020, Statements of financial results, changes in equity and cash flows for the year then ended, and Notes to Balance sheet and Statement of financial results, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with Russian Accounting Standards (RAS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the independence requirements that are relevant to our audit of the financial statements in the Russian Federation and with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the requirements in the Russian Federation and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Audited entity: EN+ GROUP IPJSC

Registration number in the Unified State Register of Legal Entities:
No. 1193926010398.

Kaliningrad, Russian Federation.

Independent auditor: JSC "KPMG", a company incorporated under the Laws of the Russian Federation, a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Registration number in the Unified State Register of Legal Entities:
No. 1027700125628.

Member of the Self-regulatory Organization of Auditors Association "Sodruzhestvo" (SRO AAS). Principal registration number of the entry in the Register of Auditors and Audit Organizations: No. 12006020351.



Valuation of investments in subsidiaries	
Please refer to the Note 2.5 Notes to Balance sheet and Statement of financial results	
The key audit matter	How the matter was addressed in our audit
<p>The Company has a significant balance of investments in subsidiaries as at 31 December 2020, which is material to the financial statements. These investments are accounted for at cost less impairment.</p> <p>Current global market conditions, including fluctuations in LME aluminium prices, market premiums and alumina purchase prices together with their long-term forecasts may indicate that investment in UC Rusal IPJSC may be subject to impairment loss.</p> <p>As at the reporting date management performs valuation of the recoverable amount of the Company's investments as their value in use.</p> <p>Due to the inherent uncertainty involved in forecasting and discounting future cash flows, which are the basis of the assessment of recoverability, this is one of the key judgmental areas that our audit is concentrated on.</p>	<p>We evaluated the reasonableness of the expected cash flow forecasts by comparing them with the latest budgets approved by the Board of Directors, externally derived data as well as our own assessments in relation to key inputs such as production levels, forecasted aluminium sales prices, forecasted alumina and bauxite purchase prices, costs inflation, foreign currency exchange rates, discount rates and terminal growth rate. We also considered the historic accuracy of management's forecasts by comparing prior year forecasts to actual results.</p> <p>We used our own valuation specialists to assist us in evaluating the assumptions and methodology used by the Company.</p> <p>In particular, we challenged:</p> <ul style="list-style-type: none"> - aluminium and alumina smelters and bauxite mines costs projections by comparing them with historical results and industry peers; - the key assumptions for long term revenue and costs growth rates in the forecasts by comparing them with historical results, economic and industry forecasts; and - the discount rates used. Specifically, we recalculated the subsidiaries' weighted average cost of capital using market comparable information. <p>We also performed sensitivity analysis on the discounted cash flow forecasts and assessed whether the Company's disclosures about the sensitivity of the outcome of the impairment assessment to changes in key assumptions reflected the risks inherent in the valuation of investments in subsidiaries.</p>



Other Information

Management is responsible for the other information. The other information comprises the information included in the Issuer's Quarterly Report for the first quarter of 2021, but does not include the financial statements and our auditors' report thereon. The Issuer's Quarterly Report for the first quarter of 2021 is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with RAS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is



- higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is:

Ryazantsev A.V.
JSC "KPMG"
Moscow, Russia
30 March 2021

Balance Sheet
As of 31 December 2020

Organization	EN+ GROUP INTERNATIONAL PUBLIC JOINT-STOCK COMPANY	Form on OKUD	0710001		
Taxpayer identification number		Date (day, month, year)	31	12	2020
Type of activity	Activities of holding companies	OKPO	40562096		
Form of incorporation/form of ownership	Public Joint-Stock Company / Private ownership	INN	3906382033		
Measurement unit:	RUB `000	OKVED 2	64.20		
Location (address)		OKOPF / OKFS	12247	16	
		OKEI	384		

Russian Federation, 236006, Kaliningrad Region, Kaliningrad, 8 Oktyabrskaya Str., Office 34

Financial statements are subject to mandatory audit YES NO

Name of audit organization / Last name, name, patronymic (if any) of individual auditor

JSC KPMG

Taxpayer Identification Number of audit organization / individual auditor

INN **7702019950**

Registration number of auditor's organization in the Unified State Register of Legal Entities / individual auditor

OGRN/
OGRNIP **1027700125628**

Notes	Caption	Code	As at 31 December 2020	As at 31 December 2019	As at 31 December 2018
	ASSET				
	I. NON-CURRENT ASSETS				
	Intangible assets	1110	3 499	608	-
	Research and development results	1120	-	-	-
	Intangible mining assets	1130	-	-	-
	Tangible mining assets	1140	-	-	-
	Fixed assets	1150	920	744	-
	Income-bearing investments in tangible assets	1160	-	-	-
2.5	Financial Investments	1170	313 734 439	313 267 433	-
	Deferred tax assets	1180	249	8	-
	Other non-current assets	1190	-	404 658	-
	Total Section I	1100	313 739 107	313 673 451	-
	II. CURRENT ASSETS				
	Inventory	1210	-	-	-
	Value added tax on assets purchased	1220	-	-	-
	Accounts receivable	1230	77 922	118 426	-
2.5	Financial investments (except cash equivalents)	1240	376 365	31 537	-
	Cash and cash equivalents	1250	39 733	247 111	-
	Other current assets	1260	2 975	26 620	-
	Total Section II	1200	496 995	423 694	-
	BALANCE SHEET	1600	314 236 102	314 097 145	-

Notes	Caption	Code	As at 31 December 2020	As at 31 December 2019	As at 31 December 2018
	LIABILITIES				
	III. CAPITAL AND RESERVES				
2.6	Charter capital (pooled capital, authorized fund, contributions of partners)	1310	3 001	3 001	-
	Treasury shares	1320	-	-	-
	Revaluation of non-current assets	1340	-	-	-
2.6	Additional capital (excl. revaluation)	1350	96 780 190	96 780 190	-
	Reserve capital	1360	-	-	-
2.6	Retained earnings (accumulated loss)	1370	156 315 519	159 621 915	-
	Total Section III	1300	253 098 710	256 405 106	-
	IV. LONG-TERM LIABILITIES				
2.7	Borrowings	1410	46 348 107	42 423 017	-
	including:				
	Long-term borrowings		44 252 364	40 836 576	-
	Interest on long-term borrowings		2 095 743	1 586 441	-
	Deferred tax liabilities	1420	40	-	-
	Provisions	1430	-	-	-
	Other liabilities	1450	-	-	-
	Total Section IV	1400	46 348 147	42 423 017	-
	V. SHORT-TERM LIABILITIES				
2.7	Borrowings	1510	14 342 533	15 166 638	-
	including:				
	Short-term borrowings		12 794 525	13 002 691	-
	Interest on short-term borrowings		1 548 008	2 163 947	-
	Accounts payable	1520	227 969	102 361	-
	Income of future periods	1530	-	-	-
2.8	Provisions	1540	218 743	23	-
	Other liabilities	1550	-	-	-
	Total Section V	1500	14 789 245	15 269 022	-
	BALANCE SHEET	1700	314 236 102	314 097 145	-

Director _____
(signature)

Vladimir Alekseyevich
Kiriukhin

(print name)

March 30, 2021

Statement of financial results
for 2020

Organization	EN+ GROUP INTERNATIONAL PUBLIC JOINT-STOCK COMPANY	Form on OKUD	0710002		
Taxpayer identification number		Date (day, month, year)	31	12	2020
Type of activity	Activities of holding companies	OKPO	40562096		
Form of incorporation/form of ownership		INN	3906382033		
		OKVED 2	64.20		
Public Joint-Stock Company / Private ownership		OKOPF / OKFS	12247	16	
Measurement unit: RUB '000		OKEI	384		

Notes	Caption	Code	For 2020	For the period from July 09 to December 31, 2019
2.9	Revenue	2110	1 637 100	2 832 000
	Cost of sales	2120	-	-
	Gross profit/(loss)	2100	1 637 100	2 832 000
	Distribution expenses	2210	-	-
2.9	Administrative expenses	2220	(1 387 273)	(791 514)
	Sales profit/(loss)	2200	249 827	2 040 486
	Equity income	2310	-	-
	Interest income	2320	1 677	303
	Interest expenses	2330	(2 353 761)	(12 416)
2.9	Other income	2340	257 467	114
2.9	Other expenses	2350	(1 461 569)	(897 736)
	Profit (loss) before taxation	2300	(3 306 359)	1 130 751
	Income tax	2410	(37)	(72)
	including:			
	current income tax	2411	(238)	(80)
	deferred tax	2412	201	8
	Misc.	2460	-	-
	including:			
	Net profit/(loss)	2400	(3 306 396)	1 130 679

Notes	Caption	Code	For 2020	For the period from July 09 to December 31, 2019
	Effect of revaluation of non-current assets, not included in Net Profit (Loss) for the period	2510	-	-
	Effect of other transactions, not included in Net Profit (Loss) for the period	2520	-	-
	Tax on profit from transactions which result is not included in the net profit (loss) for the period	2530	-	-
	Aggregate financial result for the period	2500	(3 306 396)	1 130 679
	FOR REFERENCE			
2.10	Basic earnings (loss) per share	2900	-	-
	Diluted earnings (loss) per share	2910	-	-

Director _____
(signature)

Vladimir Alekseyevich
Kiriukhin

(print name)

March 30, 2021

**Cash flow statement
for 2020**

Organization **EN+ GROUP INTERNATIONAL PUBLIC JOINT-STOCK COMPANY**
 Taxpayer identification number _____
 Type of activity **Activities of holding companies**
 Form of incorporation/form of ownership _____
Public Joint-Stock Company / Private ownership _____
 Measurement unit: RUB `000

Form on OKUD _____
 Date (day, month, year) _____
 OKPO _____
 INN _____
 OKVED 2 _____
 OKOPF / OKFS _____
 OKEI _____

Codes		
0710005		
31	12	2020
40562096		
3906382033		
64.20		
12247	16	
384		

Caption	Code	For 2020	For the period from July 09 to December 31, 2019
Cash flows from operating activities			
Receipts - total	4110	1 797 877	2 832 114
including:			
sales of products, goods, work and services	4111	-	-
lease payments, license payments, royalties, commissions and other payments	4112	-	-
resale of financial investments	4113	-	-
dividends	4114	1 637 100	2 832 000
other receipts	4119	160 777	114
Payments - total	4120	(1 458 439)	(1 385 414)
including:			
to suppliers (contractors) – raw materials, works and services	4121	(461 534)	(982 916)
wages and salaries	4122	(589 932)	(167 982)
interest on debt liabilities	4123	(35 360)	(153 263)
corporate income tax	4124	(234)	-
other payments	4129	(371 379)	(81 253)
Net cash flows from operating activities	4100	339 438	1 446 700
Cash flows from investing activities			
Receipts - total	4210	1 557	-
including:			
sale of non-current assets (except for financial investments)	4211	-	-
sale of shares of other organizations (ownership interest)	4212	-	-
from return of loans, sales of debt securities (chase of possession of cash from third parties)	4213	482	-
dividends, interests from long term financial investments and similar receipts from participation in other entities	4214	1 075	-
other receipts	4219	-	-
Payments - total	4220	(1 286 145)	(2 902)
including:			
in connection with purchase, construction, modernization, reconstruction and preparation for the use of non-current assets	4221	(2 554)	(288)
in connection with purchase of shares of other organizations (ownership interest)	4222	(1 000 091)	(2 614)
in connection with purchase of debt securities (rights of claim on financial assets from third parties), loans issued	4223	(283 500)	-
interest on debt liabilities included in the cost of the investment assets	4224	-	-
other payments	4229	-	-
Net cash flows from investing activities	4200	(1 284 588)	(2 902)

Caption	Code	For 2020	For the period from July 09 to December 31, 2019
Cash flows from financing activities			
Receipts - total	4310	1 512 498	1 744 375
including:			
loans and borrowings	4311	1 512 498	1 744 100
money contributions of owners (members)	4312	-	-
issue of shares, increase in ownership interest	4313	-	-
issue of bonds, notes and other debt securities, etc.	4314	-	-
other receipts	4319	-	275
Payments - total	4320	(778 811)	(2 940 672)
including:			
to owners (members) in connection with buyback of shares (ownership interests) or cessation of membership	4321	-	-
for payment of dividends and other distributions to owners (members)	4322	-	-
redemption (buyback) of promissory notes and other debt securities, credit and loan repayment	4323	(778 811)	(2 940 672)
other payments	4329	-	-
Net cash flows from financing activities	4300	733 687	(1 196 297)
Net cash flows for the reporting period	4400	(211 463)	247 501
Balance of cash and cash equivalents at the beginning of the reporting period	4450	247 111	2 745
Balance of cash and cash equivalents at the end of the reporting period	4500	39 733	247 111
Foreign exchange rate (ruble) difference	4490	4 085	(3 135)

Director _____
(signature)

Vladimir Alekseyevich
Kiriukhin

(print name)

March 30, 2021

**Statement of changes in equity
for 2020**

Organization	EN+ GROUP INTERNATIONAL PUBLIC JOINT-STOCK COMPANY	Form on OKUD	0710004		
Taxpayer identification number		Date (day, month, year)	31	12	2020
Type of activity	Activities of holding companies	OKPO	40562096		
Form of incorporation/form of ownership	Public Joint-Stock Company / Private ownership	INN	3906382033		
Measurement unit:	RUB `000	OKVED 2	64.20		
		OKOPF / OKFS	12247	16	
		OKEI	384		

1. Statements of equity

Caption	Code	Charter Capital	Treasury shares	Additional capital	Reserve capital	Retained earnings (accumulated loss)	Total
Equity as of December 31, 2018	3100	-	-	-	-	-	-
<u>For the period from July 09, 2019 to December</u>							
Total increase of equity	3210	3 001	-	96 780 190	-	159 621 915	256 405 106
including:							
net profit	3211	X	X	X	X	1 130 679	1 130 679
revaluation of property	3212	X	X	-	X	-	-
profits directly attributable to increase of equity	3213	X	X	-	X	-	-
additional issue of shares	3214	-	-	-	X	X	-
increase of nominal value of shares	3215	-	-	-	X	-	X
reorganization of legal entity	3216	3 001	-	96 780 190	-	158 491 236	255 274 427

Caption	Code	Charter Capital	Treasury shares	Additional capital	Reserve capital	Retained earnings (accumulated loss)	Total
Total decrease of equity:	3220	-	-	-	-	-	-
including:							
loss	3221	X	X	X	X	-	-
revaluation of property	3222	X	X	-	X	-	-
costs directly attributable to decrease of equity	3223	X	X	-	X	-	-
decrease in par value of shares	3224	-	-	-	X	-	-
decrease in shares number	3225	-	-	-	X	-	-
reorganization of legal entity	3226	-	-	-	-	-	-
dividends	3227	X	X	X	X	-	-
Additional capital change	3230	X	X	-	-	-	X
Reserve capital change	3240	X	X	X	-	-	X
Equity as of December 31, 2019	3200	3 001	-	96 780 190	-	159 621 915	256 405 106
<u>2020</u>							
Total increase of equity	3310	-	-	-	-	-	-
including:							
net profit	3311	X	X	X	X	-	-
revaluation of property	3312	X	X	-	X	-	-
profits directly attributable to increase of equity	3313	X	X	-	X	-	-
additional issue of shares	3314	-	-	-	X	X	-
increase of nominal value of shares	3315	-	-	-	X	-	X
reorganization of legal entity	3316	-	-	-	-	-	-
Total decrease of equity:	3320	-	-	-	-	(3 306 396)	(3 306 396)
including:							
loss	3321	X	X	X	X	(3 306 396)	(3 306 396)
revaluation of property	3322	X	X	-	X	-	-
costs directly attributable to decrease of equity	3323	X	X	-	X	-	-
decrease in par value of shares	3324	-	-	-	X	-	-
decrease in shares number	3325	-	-	-	X	-	-
reorganization of legal entity	3326	-	-	-	-	-	-
dividends	3327	X	X	X	X	-	-
Additional capital change	3330	X	X	-	-	-	X
Reserve capital change	3340	X	X	X	-	-	X
Capital value as December 31, 2020	3300	3 001	-	96 780 190	-	156 315 519	253 098 710

2. Adjustments due to changes in accounting policy and correction of errors

Caption	Code	As at 31 December 2018	Changes of equity in 2019:		As at 31 December 2019
			due to net profit (loss)		
Total Equity					
before adjustments	3400	-	-		-
adjustment due to:					
change in accounting policy	3410	-	-	-	-
correction of errors	3420	-	-	-	-
after adjustments	3500	-	-		-
including:					
retained earnings (accumulated loss):					
before adjustments	3401	-	-	-	-
adjustment due to:					
change in accounting policy	3411	-	-	-	-
correction of errors	3421	-	-	-	-
after adjustments	3501	-	-		-
other equity items					
before adjustments	3402	-	-		-
adjustment due to:					
change in accounting policy	3412	-	-		-
correction of errors	3422	-	-		-
after adjustments	3502	-	-		-

3. Net assets

Caption	Code	As at 31 December 2020	As at 31 December 2019	As at 31 December 2018
Net assets	3600	253 098 710	256 405 106	-

Director _____
(signature)**Vladimir Alekseyevich**
Kiriukhin

(print name)_____
March 30, 2021

**Notes to Balance Sheet
and
Statement of Financial Results
EN+ GROUP IPJSC
for 2020**

Translation from Russian

1. General information

EN+ GROUP International public joint-stock company (hereinafter referred to as EN+ GROUP IPJSC or Company) was registered as an international public joint-stock company in the Unified State Register of Legal Entities of the Russian Federation on 9 July 2019. The company was incorporated under main state registration number (OGRN) 1193926010398.

In connection with the redomiciliation in July 2019, the Company was registered at (its location) the Interregional Inspectorate No 9 of the Federal Tax Service for the city of Kaliningrad; Taxpayer Identification Number (INN) 3906382033, Registration Reason Code (KPP) 390601001.

Registered address and location: office 34, 8 Oktyabrskaya st., Kaliningrad, Kaliningrad Region, 236006, Russia.

As at 31 December 2019, the average staff number of the Company was 5 persons, as at 31 December 2020 - 12 persons.

Principal type of Company's activity is the activities of holding companies (64.20)

As at 31.12.2020 and 31.12.2019, the Company has three separate structural units:

Name	Location
Limassol Branch Office	Krinou 3, The OVAL, Office 204, 2nd floor, 4103, Limassol, Cyprus
London Branch	8 Cleveland Row, London SW1A 1DH, UK
Moscow branch (KPP 773043001)	121096, Moscow, Vasilisy Kozhinoy str., 1

Management bodies

The Company has the following management bodies:

- General Meeting of Shareholders;
- Board of Directors:
 - Lord Gregory Barker – Executive Chairman of the Board of Directors
 - Christopher Bancroft Burnham – Independent Non-executive Director
 - Vadim (Viktorovich) Geraskin – Non-executive Director
 - Anastasia (Vladimirovna) Gorbatova – Non-executive Director
 - Nicholas Jordan – Independent Non-executive Director
 - Joan MacNaughton – Independent Non-executive Director
 - Elena (Valerievna) Nesvetaeva – Non-executive Director
 - Ekaterina (Vyacheslavovna) Tomilina – Non-executive Director
 - Carl Hughes – Independent Non-executive Director
 - Alexander (Valentinovich) Chmel – Independent Non-executive Director
 - Andrey (Vladimirovich) Sharonov – Independent Non-executive Director
 - Andrey (Vladimirovich) Yanovsky – Independent Non-executive Director from 25 September 2020
 - Igor (Arnoldovich) Lojevsky - Independent Non-executive Director till 12 April 2020
- Sole Executive Body – General Director Vladimir (Alekseyevich) Kiriukhin.

The Company established an Audit and Risk Committee of the Board of Directors to exercise control over consistency, completeness, accuracy and reliability of information including accounting (financial) statements prepared in accordance with the Russian Accounting Standards (RAS). Internal audit is provided in the Company by Directorate for Internal Audit.

Auditor

Joint Stock Company KPMG is the auditor of accounting (financial) statements for the year 2020 prepared in accordance with the RAS. JSC KPMG is a member of the Self-regulatory

Organization of Auditors Association “Sodruzhestvo” (SRO AAS). Principal entry in the register of auditors and audit organizations: 12006020351.

2. Applicable methods of accounting and material items in financial statements

The statements were prepared in accordance with the Accounting Policy adopted by the Company for 2020 as approved by the Order UP/2020-BU dd 27/12/2019 issued by Director General; the Accounting Policy is prepared in accordance with the provisions of the Federal Law №402-FZ “On Accounting” dd. 06/12/2011, the Regulation on Accounting and Accounting Statements in the Russian Federation, other regulations relevant to accounting.

Indicators of separate assets, liabilities, income, expenses and business transactions are reflected in the statements and disclosed separately, if they are material, and if interested parties need to be aware of them in order to be able to estimate the current financial position of the Company or financial results of its activities. Indicators are deemed material, if they contribute more than 5% to the totals of any assets, liabilities, income and expense.

The statements were prepared on a Company's going concern basis.

The accounting policy of the Company supposes compliance with the requirements of completeness, prudence, substance over form, consistency and rationality.

In exceptional circumstances, when the preparation of an accounting policy leads to an unreliable representation of the entity's financial situation, the financial results of its activities and its cash flows in the accounting (financial) statements, the Company has the right to deviate from the rules, in accordance with clause 7.3. Russian Accounting Standard (RAS) 1/2008 "Accounting policy of the organization".

The Company has the right not to apply the accounting method prescribed by a federal accounting standard where such method results in a non-compliance of an organization's accounting policy with the requirements of International Financial Reporting Standards, pursuant to paragraph 2 of clause 7 Russian Accounting Standard (RAS) 1/2008 "Accounting policy of the organization", as the Company discloses consolidated financial statements prepared in accordance with International Financial Reporting Standards.

Assessment of property, liabilities and assets, economic events is performed in the currency of the Russian Federation.

In these notes to the balance sheet and statement of financial results, unless otherwise stated, the cost indicators are expressed in thousands of rubles (thousand rubles).

2.1 Basis of preparation of accounting (financial) statements

The accounting statements are prepared in accordance with the accounting and reporting rules currently effective in the Russian Federation provided by the Federal Law "On Accounting" and "Regulation on Accounting and Reporting in the Russian Federation" as well as other accounting regulations approved by the Russian Ministry of Finance. Other accounting methods used by the Company are described in paragraph 2.5 of these Notes.

Assets and liabilities are valued at actual costs, excluding assets for which impairment provisions were formed as prescribed, and also estimated liabilities.

2.2 Foreign currency transactions

Assets and liabilities denominated in foreign currency and the procedure for conversion of these assets and liabilities into the currency of the Russian Federation, i.e. roubles, are accounted for in accordance with the Russian Accounting Standard (RAS) 3/2006 ‘Accounting for assets and liabilities denominated in foreign currency’ (as approved by the Ministry of Finance of the Russian Federation Order No. 154n dated November 27, 2006).

Transactions denominated in foreign currency are accounted for in Russian roubles. The value of assets and liabilities in foreign currency is converted into Russian roubles at the exchange rate set by the Central Bank of the Russian Federation for the relevant foreign currency to the Russian rouble as of the date of execution of the transaction in foreign currency and as of the date of preparation of the accounting statements. In the financial results statement and the cash flow statement the said transactions are recorded according to the exchange rate as of the date of the transaction.

Foreign exchange differences generated during a year from transactions for converting into roubles (including as of the reporting date) of the value of assets and liabilities denominated in foreign currency, which are payable in foreign currency or roubles, are recognized in financial results as other expenses or income.

2.3 Changes to accounting policy

No decision to change the accounting policy were taken that could have a material effect on the indicators in the 2020 statements.

There were no any significant changes made to the accounting policy for 2021.

2.4. Opening balances at the date of redomiciliation

As at 1 January 2019, there were no opening balances on all items of the balance sheet of the Company. The date of recognition of balances on the balance sheet items of the redomiciled company is 09.07.2019, which is reflected among other items in the turnovers for the period from 09.07.2019 to 31.12.2019.

The value of assets, liabilities, capital and reserves, except Charter capital, denominated in a foreign currency are recalculated into the Russian ruble at the rate set by the Central Bank of Russia for such foreign currency versus the Russian ruble on 09 July 2019.

The Charter capital is recalculated in Russian rubles at the rate set by the Central Bank of Russia on the date of the decision on redomiciliation - December 20, 2018 (according to clause 3 of article 7 of the Federal Law N 290-FZ dated March 08, 2018 “On International Companies”).

Opening balances as at July 09, 2019

RUB thousand		
Caption	Line Code	As at July 9, 2019
ASSET		
I. NON-CURRENT ASSETS		314 496 231
This includes:		
Financial Investments	1170	314 086 613
II. CURRENT ASSETS		
Accounts receivable	1230	126 670
Financial Investments	1240	31 478
Cash and cash equivalents	1250	2 745
TOTAL ASSETS	1600	314 657 124
LIABILITIES		
III. CAPITAL AND RESERVES		
Charter capital (pooled capital, authorized fund, contributions of partners)	1310	3 001
Additional capital (excl. revaluation)	1350	96 780 190
Retained earnings (accumulated loss)	1370	158 491 236
IV. LONG-TERM LIABILITIES		
		22 375 002

Caption	Line Code	As at July 9, 2019
Loans and borrowings	1410	22 375 002
This includes:		
Long-term borrowings	14101	21 480 332
Interest on long-term borrowings	14102	894 670
V. SHORT-TERM LIABILITIES		37 007 695
This includes:		
Loans and borrowings	1510	36 556 939
This includes:		
Short-term loans	15101	32 104 736
Interest on short-term loans	15102	4 452 203
TOTAL LIABILITIES	1700	314 657 124

2.5. Financial Investments

Financial investments (except for financial investments in subsidiaries) are accounted for by the Company in accordance with RAS 19/02 'Financial Investment Accounting' approved by Order No 126n of the Ministry of Finance of the Russian Federation dated December 10, 2002 (as amended on 6 April 2015).

For purposes of fair presentation, financial investments in subsidiaries are accounted for in accordance with IFRS 27 'Separate Financial Statements'.

This deviation from the method of accounting established by the Federal accounting standard was made as the Company discloses its consolidated financial statements prepared in accordance with the International Financial Reporting Standards (with consideration of paragraph 2 of clause 7 of RAS 1/2008 "Accounting policy of the organization"). And with consideration of the fact that investments in subsidiaries constitute a significant share in the total balance of the Company's balance sheet in terms of value, application of the rules of International Financial Reporting Standards will allow to prepare accounting statements that provides a reliable and complete presentation of the Company's financial situation, financial results of its activities and changes in its financial position.

In the event that the accounting of investments in subsidiaries under IFRS 27 'Separate Financial Statements', requires the application of other related International Financial Reporting Standards, particularly, IFRS 36, 'Impairment of Assets', as discussed below, the Company shall apply those standards instead of the relevant federal accounting standards.

Financial investments in subsidiaries are recorded at cost less the provision for impairment, which is recognized as an expense for the period during which the impairment is identified.

Impairment of financial investments in subsidiaries

The recoverable amount of investments in subsidiaries is assessed in accordance with IFRS 36 'Impairment of Assets' as approach to the recognition of the recoverable amount of financial investments to subsidiaries does not stipulated by existing federal accounting standards.

As of each reporting date, each financial investment in a subsidiary is evaluated to find any indicators of its possible impairment. A financial investment is impaired if there is indicators that an event resulting in loss occurred after its initial recognition and such event had a negative impact on expected future cash flows from this asset, which can be reliably estimated.

Indicators of impairment may include a significant or prolonged decrease in its fair value below its current value.

Losses from impairment of an investment in a subsidiary are recognized when its carrying value exceeds its recoverable amount.

The recoverable amount of such financial investment is the greater of its value in use and its fair value less cost to sell. In determining the value in use of an financial investment, the Company estimates: (a) the share of the present value of estimated future cash flows expected to be generated by the financial investee, including cash flows from operations of the financial investee and proceeds from disposal of the investment; or (b) the present value of estimated future cash flows expected to arise from dividends to be received from the financial investee and from its disposal depending on which available information with respect to each financial investee is more reliable.

Impairment losses recognized in prior periods are assessed as of each reporting date for any indicators that the loss has decreased or no longer exists. Amounts impaired are reversed if there has been a change in the estimates used to calculate the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized.

The Company has the following financial investments:

RUB thousand		
	As at December 31, 2020	As at December 31, 2019
Long-term financial investments	313 734 439	313 267 433
<i>Shares</i>	<i>313 734 439</i>	<i>313 267 433</i>
Short-term financial investments	376 365	31 537
<i>Loans issued</i>	<i>376 365</i>	<i>31 537</i>
TOTAL	314 110 804	313 298 970

Amounts include interest on loans issued and provision for impairment.

In 2020 the Company provided the loan to its subsidiary of RUB 283 500 thousand. The loan was provided at the interest rate of CBR*0,95 per annum. Repayment of the loan should be made on demand.

The Company has the following financial investments in subsidiaries and other investments:

Name	Country of incorporation	Ownership and equity interest, %	
		As at December 31, 2020	As at December 31, 2019
IPJSC United Company Rusal (UC RUSAL, formerly - UC RUSAL PLC)	Russian Federation (formerly - Jersey)	56.88%	50.10%*
Catona Commercial Ltd.	British Virgin Islands	100%	100%
EN+ Downstream Holdings Ltd.	Republic of Cyprus	100%	100%
ILLC En+ Holding (formerly EN+ Holding Ltd)	Russian Federation (formerly Republic of Cyprus)	100%	100%
Fordma Limited	Republic of Cyprus	100%	100%
Dasten Limited	Republic of Cyprus	100%	100%
EN+ Resources Limited	Republic of Cyprus	100%	100%
Soleggiato Investments Limited	Republic of Cyprus	99.9%	99.9%
EN+ Logistic Limited	Republic of Cyprus	99.96%	99.96%

Name	Country of incorporation	Ownership and equity interest, %	
		As at December 31, 2020	As at December 31, 2019
CEAC Holdings Limited	Republic of Cyprus	100%	100%
Shasta Universal Inc.	British Virgin Islands	100%	100%
AP Financing Limited	Jersey	100%	100%
EN+ Magnesium Limited	Republic of Cyprus	100%	100%
EN+ Uranium Resources Limited	Republic of Cyprus	100%	100%
EN+ Silicon Holdings Limited	Republic of Cyprus	100%	100%
EN + Coal Limited	Republic of Cyprus	99.9%	99.9%
EN+ Consult Ltd.	United Kingdom	100%	100%
Astibe Limited	British Virgin Islands	100%	100%
S.P.I. SUNLIGHT POWER INVESTMENT LTD	Republic of Cyprus	100%	-
Other financial investments			
Hong Kong Mercantile Exchange Limited	Hong Kong	1.047%	1.047%
En+ Management LLC	Russian Federation	0.0008%	0.0008%

*As at December 31, 2019, the effective shareholding in UC RUSAL was 56.88% (Note 2.6).

The long-term financial investments are mainly represented by investments in UC RUSAL. As at December 31, 2020 and December 31, 2019 the Company's investment in UC RUSAL was USD 4 595 337 thousand (RUB 293 503 739 thousand). During the reporting period, the share price of UC RUSAL decreased from USD 0.49 (HKD 3.82) per share as at 31 December 2019 to USD 0.47 (HKD 3.61) per share as at 31 December 2020. The market capitalisation of investment in UC RUSAL amounted to USD 4,022,904 thousand (RUB 297 194 849 thousand) at 31 December 2020, as at 31 December 2019 - USD 4,237,742 thousand (262 340 385 thousand).

As at 31 December 2020 in accordance with the accounting policy an impairment test of investment in UC RUSAL was performed. The recoverable amount of the aluminium business of UC RUSAL represents value in use as determined by discounting the future cash flows generated from the continuing use of UC RUSAL's plants. The following assumptions were used to determine the recoverable amount of the investment in UC RUSAL:

- Total production was estimated based on average sustainable production levels of 3.8 million metric tonnes of primary aluminium, of 8.5 million metric tonnes of alumina and of 15.7 million metric tonnes of bauxite. Bauxite and alumina will be used primarily internally for production of primary aluminium;
- Aluminium sales prices were based on the long-term aluminium price outlook derived from available industry and market sources at USD 1,919 per tonne for primary aluminium in 2021, USD 1,906 in 2022, USD 1,927 in 2023, USD 1,955 in 2024, USD 2,003 in 2025. Alumina prices were derived from the same sources as aluminium prices at USD 295 per tonne for alumina in 2021, USD 304 in 2022, USD 307 in 2023, USD 318 in 2024, USD 335 in 2025. Operating costs were projected based on the historical performance adjusted for inflation;
- Nominal foreign currency exchange rates applied to convert operating costs of the Group denominated in RUB into USD were RUB 73.2 for one USD in 2021, RUB 71.9 in 2022,

RUB 71.2 in 2023, RUB 72.5 in 2024, RUB 74.1 in 2025. Inflation of 3.8% – 4.1% in RUB and 1.5% - 2.2% in USD was assumed in determining recoverable amounts;

- The pre-tax discount rate was estimated in nominal terms based on the weighted average cost of capital basis and was 11.4%;
- A terminal value was derived following the forecast period assuming a 2.0% annual growth rate.

Values assigned to key assumptions and estimates used to measure the units' recoverable amount was based on external sources of information and historic data. Management believes that the values assigned to the key assumptions and estimates represented the most realistic assessment of future trends. The reasonable changes in key assumptions would not lead to an impairment.

As at 31 December 2019 in accordance with the accounting policy an impairment test of investment in UC RUSAL was performed. The recoverable amount of the aluminium business of UC RUSAL represents value in use as determined by discounting the future cash flows generated from the continuing use of UC RUSAL's plants. The following assumptions were used to determine the recoverable amount of the investment in UC RUSAL:

- Total production was estimated based on average sustainable production levels of 3.8 million metric tonnes of primary aluminium, of 8.2 million metric tonnes of alumina and of 15.4 million metric tonnes of bauxite. Bauxite and alumina are primarily used internally for the production of primary aluminium;
- Aluminium sales prices were based on the long-term aluminium price outlook derived from available industry and market sources at USD 1,802 per tonne for primary aluminium in 2020, USD 1,860 in 2021, USD 1,952 in 2022, USD 2,028 in 2023, USD 2,099 in 2024. Alumina prices were derived from the same sources as aluminium prices at USD 301 per tonne for alumina in 2020, USD 311 in 2021, USD 322 in 2022, USD 341 in 2023, USD 349 in 2024. Operating costs were projected based on the historical performance adjusted for inflation;
- Nominal foreign currency exchange rates applied to convert operating costs of the Group denominated in RUB into USD were RUB 65.8 in 2020, RUB 65.4 in 2021, RUB 63.9 in 2022, RUB 63.0 in 2023, RUB 63.6 in 2024. Inflation of 4.0% – 4.6% in RUB and 1.7% - 2.1% in USD was assumed in determining recoverable amounts;
- The pre-tax discount rate was estimated in nominal terms based on the weighted average cost of capital basis and was 11.3%;
- A terminal value was derived following the forecast period assuming a 1.7% annual growth rate.

Values assigned to key assumptions and estimates used to measure the units' recoverable amount was based on external sources of information and historic data. Management believes that the values assigned to the key assumptions and estimates represented the most realistic assessment of future trends. The reasonable changes in key assumptions would not lead to an impairment.

Based on results of impairment testing, management concluded that no impairment should be recorded in relation to the investment in UC RUSAL as at 31 December 2020 and 31 December 2019.

As at 31 December 2020 management made a performance analysis of other subsidiaries. As a result an impairment of RUB 937 740 thousand was recognised (2019: reversal of impairment of investments of RUB 819 179 thousand).

2.6. Capital and reserves

As at December 31, 2020, the Company's equity recognized in the balance sheet includes:

- charter capital - RUB 3 001 thousand (638 848 896 shares with the nominal value of USD 0.00007 per share for the total amount of USD 44 719.42). All issued shares were fully paid.

- in line 1350 'Additional capital (excl. revaluation)' of the balance sheet, the Company records its share premium of RUB 96 780 190 thousand, received as a result of the following events:

- offering of 107 142 858 depository receipts at the offer price of USD 14 at the London Stock Exchange and the Moscow Exchange in November 2017. As a result of the offering, the additional capital of RUB 62 116 160 thousand (USD 972 542 thousand at the exchange rate as at July 9, 2019) was recognized.
- in January 2019 the Company issued 67 420 324 shares with the nominal value of USD 0.00007 each with further issue of depository receipts for these shares to Glencore Group Funding Limited (Glencore) in accordance with the securities exchange agreement in exchange for 8.75% shares in UC RUSAL. As a result of the transaction, the additional capital of RUB 34 664 030 thousand was recognized (USD 542 729 thousand at the exchange rate as at July 9, 2019).

Due to certain regulatory requirements, under the securities exchange agreement, Glencore has agreed to transfer its stake in UC RUSAL to the Company in two stages. The first stage was settled on January 31, 2019 and 1.97% of UC RUSAL's shares was transferred to the Company following the removal of the Company and UC RUSAL from the SDN list, the remaining 6.78% of UC RUSAL's shares were transferred on February 3, 2020. Under the Company's accounting policy, the Glencore deal was accounted as if the remaining 6.78% of UC RUSAL's shares had already been transferred in 2019.

There were no changes in charter and additional capital in 2020.

- retained earnings of previous years – RUB 159 621 915 thousand;
- loss of the reporting year – RUB 3 306 396 thousand

The opening balances for equity as at July 9, 2019 are reflected in the statement of changes in equity in line 3216.

2.7. Loans and borrowings

Loans and borrowings are accounted by the Company in accordance with Russian Accounting Standard RAS 15/2008 "Accounting of Expenses Related to Loans and Borrowings" approved by the Order No107n of the Russian Ministry of Finance on 06.10.08.

The Company has no any loans.

All Company's borrowings were received from subsidiaries (direct or indirect ownership).

The Company had the following borrowings:

RUB thousand				
Contract currency	fixed/variable rate	rate	As at 31 December 2020	As at 31 December 2019
Long-term borrowings			46 348 107	42 423 017
RUB			46 348 107	42 423 017
	variable	CBR *0.85	14 385 346	12 476 694
	variable	CBR *1.22	129 508	-
	variable	CBR *1.1	2 235 682	2 115 338

Contract currency	fixed/variable rate	rate	As at 31 December 2020	As at 31 December 2019
	variable	CBR+ 2.02%/ CBR + 2.31%	29 597 571	27 830 985
Short-term loans			14 342 533	15 166 638
RUB			14 147 112	14 965 382
	fixed	0%	6 274 170	5 189 796
	fixed	0.1%	77 794	1 281 203
	fixed	3.76%	2 874 979	2 799 949
	fixed	5%	-	288 340
	fixed	8.8%	-	231 995
	fixed	12%	-	920 000
	variable	CBR *1.25	1 993 669	2 754 099
	variable	CBR + 2.5%	-	1 500 000
	variable	CBR + 1.22%	2 101 000	-
	variable	CBR *0.85%	825 500	-
USD			12 604	10 542
	fixed	3.14-3.5%	12 068	10 113
	fixed	8.5%	536	429
EUR	fixed	0%	182 817	190 714
TOTAL			60 690 640	57 589 655

CBR-Key Rate of Central Bank of the Russian Federation

Long-term loans are repayable in 2022-2024.

All accrued interest on loans received are included in other expenses.

2.8. Provisions, contingent liabilities and assets

The Company accounts for contingencies in accordance with the provisions of Russian Accounting Standard (RAS) 8/2010 "Provisions, contingent liabilities and contingent assets", approved by Order of the Ministry of Finance of the Russian Federation No. 167n dd December 13, 2010.

Provisions are created by the Company for the purpose of clarifying the valuation of certain categories of assets.

The Company establishes the following provisions:

- for impairment of financial assets;
- for bad debts;
- future payment of employee vacations;
- future payment of bonuses for the reporting year.

Provision for impairment of financial investments is described in clause 2.5.

Provision for bad debts, if receivables are recognized as doubtful, was formed in the amount of RUB 44 thousand as of December 31, 2020 (there were no such provision as at 31/12/2019)

As at December 31, 2020, a provision of RUB 218 743 thousand in the form of a reserve for future payment of employees vacations and future payment of bonuses for the reporting year was accrued and disclosed as short-term liabilities in line 1540 of the balance sheet. As at December 31, 2019, the provision of RUB 23 thousand was accrued as a reserve for future payment of

employees vacations. The provision for future payments of bonuses was not allowed in the Company's accounting policy for 2019 and was not accrued as at December 31, 2019.

2.9. Income and expense recognition

Income is accounting for in accordance with the requirements of RAS 9/99 "Incomes of the organization"(approved by the Ministry of Finance of the Russian Federation dd 06/05/1999 No 32n), and expenses – RAS 10/99 "Expenses of the organization"(approved by the Ministry of Finance of the Russian Federation dd. 06/05/1999 No 32n), respectively.

Financial results of the Company are reflected in the Statement of financial results as follows:

- income and expenses from ordinary activities;
- other income and expenses.

General (administrative) expenses of the Company are fully recognized in the current period as expenses from ordinary activities and are debited to account 90.08 'Administrative Expenses'.

Revenues from the ordinary activities of the Company, in the form of dividends received, amounted to:

	RUB thousand	
Revenue	2020	For the period from July 9 to December 31, 2019
Dividends from EN+ Holding	1 637 100	2 832 000

The Company has no cost of sales for 2019 and 2020.

Administrative expenses amounted to:

	RUB thousand	
Type of expense from ordinary activities	2020	For the period from July 9 to December 31, 2019
Personnel costs	888 473	195 180
Legal services	290 417	304 262
PR and marketing services	59 026	69 195
Consulting services	48 148	162 005
Other services	101 209	60 872
Total administrative expenses (line 2220 of the Statement of financial results)	1 387 273	791 514

In the accounting (financial) statements, other income and related other expenses arising from similar transactions are recorded separately, except for:

- foreign currency purchase/sale transactions;
- exchange differences from foreign currency transactions.

	RUB thousand	
Type of other income and expense	2020	For the period from July 9 to December 31, 2019
VAT paid as a tax agent	(52 838)	(38 989)
Foreign exchange differences	(49 023)	(157)
Provision for impairment of other assets	(937 740)	(819 179)
Others	(164 501)	(39 297)
Total other income and expenses (line 2340 and line 2350)	(1 204 102)	(897 622)

2.10. Earnings per share

Information on earnings per share is disclosed by the Company in accordance with the "Methodological Recommendations on Disclosure of Information on Profit per Share" approved by Order of the Russian Federation Ministry of Finance No. 29n dated March 21, 2000.

Basic earnings per share reflect a part of the profit for the reporting period that can potentially be distributed to ordinary shareholders. It is calculated as the ratio of basic earnings for the reporting period to the average weighted number of ordinary shares outstanding during the reporting year.

Caption	2020	For the period from July 9 to December 31, 2019
Basic earnings (loss) for the reporting year, RUB thousand	(3 306 396)	1 130 679
Average weighted number of ordinary shares outstanding during the reporting year, thousand shares	638 848 896	638 848 896
Basic profit/(loss) per share, rubles	(5.18)	1.77

Diluted earnings per share were not calculated, as there were no factors having a dilutive effect for the basic earnings per share.

2.11. Income tax calculation

Income tax is accounted for in accordance with the Russian Accounting Standard (RAS) 18/02 'Income Tax Accounting'.

Deferred taxes are accounted for by the Company in accordance with RAS 18/02, the difference between accounting and tax profit (loss) resulting from the application of various rules for recognizing income and expenses, which are established in accounting standards, the legislation of the Russian Federation on taxes and fees, constitutes permanent and temporary differences.

Deferred tax assets and deferred tax liabilities in accounting are reflected on accounts 09 'Deferred tax assets' and 77 'Deferred tax liabilities'. Permanent tax income (IPA) and permanent tax costs (PPR) in accounting are reflected on account 99.02.3.

Tax risks:

Russian tax, currency and customs legislation is subject to varying interpretations, and changes which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activities of the Group may be challenged by the relevant local, regional and federal authorities. Notably recent developments in the Russian environment suggest that the authorities in this country are becoming more active in seeking to enforce, through the Russian court system, interpretations of the tax legislation, in particular in relation to the use of certain commercial trading structures, which may be selective for particular tax payers and different from the authorities' previous interpretations or practices. Recent events within the Russian Federation suggest that the tax authorities are taking a more assertive and substance-based position in their interpretation and enforcement of tax legislation.

Companies which register in the SAR (special administrative region) as part of the continuance out of a foreign jurisdiction (such as the Company following the redomiciliation from Jersey) (the tax residency prior to redomiciliation was on Cyprus) may have a number of tax benefits, subject to certain conditions.

This legislation, and practice of its application, is still evolving and the impact of legislative changes should be considered based on the actual circumstances.

2.12. Cash flow statement

The Cash Flow Statement is prepared in accordance with the Russian Accounting Standard (RAS) 23/2011 'Cash Flow Statement' approved by Order of the Ministry of Finance dd 02/02/2011 No11n.

The cash balance at the end of the reporting period (line 4500) is affected by changes in the exchange rate of foreign currency to the rouble (line 4490).

3. Other notes

3.1. Related parties

Information on related parties is disclosed by the Company subject to the Russian Accounting Standard (RAS) 11/2008 'Information on Related Parties' approved by Order N48n of the Ministry of Finance of the Russian Federation dated 29 April 2008.

Related parties of the Company include persons which are affiliated with the Company, in particular, based on belonging to the same group of entities with the Company, i.e. En+ Group.

Ultimate beneficiary

The Company is an issuer of securities listed for organized trading on Moscow Exchange. Global Depository Receipts certifying the rights in respect of the Company's shares are listed for organized trading on London Stock Exchange.

Pursuant to Article 6.1, clause 2 of Federal Law No 115-FZ dated 7 August 2001 'On Anti-Money Laundering and Combating the Financing of Terrorism' (hereinafter, 'FZ-115'), the obligation of legal entities to have information about their beneficial owners and take measures, which are reasonable and available in current circumstances, to find out the details of their beneficiary owners, as prescribed by Article 7, clause 1, subclause 1, paragraph 2 of FZ-115, will not apply to the persons specified in Article 7, clause 1, subclause 2, paragraphs 2-5 of FZ-115, including issuers of securities listed for organized trading that disclose information in accordance with the securities laws of the Russian Federation.

Information about the Company is available at the Internet page used by the Company to disclose information in accordance with the laws of the Russian Federation: on the page of the authorized news agency Interfax-CRCI (<https://www.e-disclosure.ru/portal/company.aspx?id=37955>); and on the Company's corporate website (www.enplusgroup.com).

The Company discloses information about its related parties by type of transactions.

Prices for transactions with related parties are set separately on a case-by-case basis, but not necessarily on the arm's length basis.

The Company may enter into three categories of transactions with related parties: (i) those that were entered into on arm's length basis, (ii) those which were entered into on non-arm's length basis, but as part of broader transactions resulting from negotiations on arm's length basis with unrelated third parties, and (iii) transactions unique to the Company and the contractor.

Turnovers with related parties

Transactions (cash flows) with related parties - subsidiaries - for the reporting period:

RUB thousand

Caption	2020	For the period from July 9 to December 31, 2019
Dividends received	1 637 100	2 832 000
Financial Investments	(1 000 091)	(2 614)
Purchase of goods, works and services	(65 239)	(307 399)

Caption	2020	For the period from July 9 to December 31, 2019
Borrowings received	1 512 498	1 744 100
Loans issued	(283 500)	-
Borrowings repaid	(778 811)	(2 940 672)
Interest on borrowings received	(35 360)	(153 263)

Balances with related parties:

Caption	RUB thousand	
	At December 31, 2020	At December 31, 2019
Financial investments in subsidiaries*	313 734 439	313 267 433
Loans issued*	376 365	31 537
Accounts receivable*	8 796	66 987
Borrowings received	57 046 889	53 839 267
Interest on borrowings received	3 643 751	3 750 388
Accounts payable	15 040	58 790

* including provision for impairment

No dividends were accrued and paid in 2019 and in 2020.

Remuneration to key management personnel

The Company's key management personnel include persons, responsible for management of EN+ Group, inter alia - the Company's General Director and members of the Company's Board of Directors. The list of members of the Company's Board of Directors is contained in the 'General Information' section of the Notes.

Caption	2020	For the period from July 9 to December 31, 2019
Remuneration to key management personnel*, RUB thousand	721 389	157 262

* includes salaries and bonuses

The remuneration amounts are specified net of insurance contributions to the Pension Fund, Social Insurance Fund and Compulsory Medical Insurance Funds. There are no long-term remunerations to key management personnel.

The Company's activities cover one segment.

3.2. Information about business environment

As at 31 December 2020, the Company has no business environment, where there is an uncertainty regarding their consequences and probability of their occurrence in the future, except for guarantees provided by the Company to its subsidiaries.

In February 2020, the Company provided a guarantee to Sberbank for a Company's indirect subsidiary in respect of a 3-year RUB 100.8 billion loan agreement with Sberbank to finance the acquisition of VTB's 21.37% stake in the Company for USD 1.6 billion. In December 2020 acquired shares were pledged under the Sberbank loan agreement.

As at 31 December 2020 and 31 December 2019 the Company provided the guarantees for its subsidiaries of RUB 202,342,492 thousand (including the guarantee described above) and RUB 102 775 224 thousand, respectively. The guarantees are repaid simultaneously with the ultimate

maturity in April 2021, December 2022 and December 2026 and can be called at any time in case of default of the original borrower.

Management assesses the possibility of cash outflows on the guarantees provided as low.

3.3. Liquidity risk

Company's current liabilities exceeds its current assets by RUB 14 292 250 thousand at 31 December 2020 (31 December 2019: RUB 14 845 328 thousand). The financial statements of the Company have been prepared on a going concern basis after taking into consideration that as at 31 December 2019 the Company has unused credit facilities of RUB 15 502 974 thousand under the current loan agreements (31 December 2019: RUB 16 809 480 thousand). The short-term borrowings of the Company as at 31 December 2019 are represented by balances due to subsidiary companies (direct and indirect subsidiaries). The Company has the power and ability to control operations of its subsidiaries and will be able to defer repayment of these loans until 2022 and beyond, if required, to ensure it has sufficient liquidity to finance its operations.

Starting in 2014, the United States of America, the European Union and some other countries have imposed and gradually expanded economic sanctions against a number of Russian individuals and legal entities. The imposition of the sanctions has led to increased economic uncertainty, including more volatile equity markets, a depreciation of the Russian rouble, a reduction in both local and foreign direct investment inflows and a significant tightening in the availability of credit. As a result, some Russian entities may experience difficulties accessing the international equity and debt markets and may become increasingly dependent on state support for their operations. The longer-term effects of the imposed and possible additional sanctions are difficult to determine.

3.4. Analysis of the impact of the COVID-19 pandemic on the Company's reporting

As a result of the COVID-19 outbreak in the first half of 2020, aluminium prices deteriorated. This factor had an adverse impact on the revenue and profitability of UC RUSAL, (the Company's subsidiary and most significant investment) during second and third quarter of 2020, partially offset by rouble depreciation, decreases in costs of raw materials linked to the oil price. By the start of December 2020 aluminium prices have mostly recovered back to the pre-COVID and pre-sanctions level. Considering the current consensus forecast they will continue to remain at slightly depressed level compared to spot price as of early December 2020 with subsequent recovery in the long-term. EN+ Holding (the Company's other major subsidiary), was not substantially affected by consequences of COVID-19 as no significant fluctuation was observe in electricity consumption.

To mitigate the risks of potential COVID-19 developments on the Group's operations management has implemented and continues to maintain a number of measures including those related to production and supply processes continuity, staff safety, support of local medical infrastructure in areas where the Group operates.

3.5. Discontinued operations

Discontinued operations are disclosed by the Company in accordance with the Russian Accounting Standard (RAS) 16/02 'Information on Discontinued Operations' approved by Order N66n of the Ministry of Finance of the Russian Federation dated 2 July 2002.

The Company does not plan to discontinue its activities.

3.6. Events after the reporting date

The Company accounts for the events after the reporting date and disclose them in the Company's financial statements in accordance with the Russian Accounting Standard (RAS) 7/98

"Events after the reporting date" approved by Order of the Ministry of Finance of the Russian Federation No. 56n dated November 25, 1998.

In March 2021, the Company's subsidiaries fully repaid their loans of RUB 3,955,964 thousand, which were guaranteed by the Company as at 31 December 2020.

The Company has no information about events after the reporting date that may have a material impact on its financial position, cash flows or results.

General Director
30 March 2021

V.A. Kiriukhin