

Independent auditor's report
on the financial statements of
EN+ GROUP INTERNATIONAL
PUBLIC JOINT-STOCK COMPANY
for 2023

March 2024

Translation of the original Russian version

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EN+ GROUP INTERNATIONAL
PUBLIC JOINT-STOCK COMPANY**

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Independent auditor's report

Translation of the original Russian version

To the Shareholders and the Board of Directors of
EN+ GROUP INTERNATIONAL
PUBLIC JOINT-STOCK COMPANY

Opinion

We have audited the financial statements of EN+ GROUP INTERNATIONAL PUBLIC JOINT-STOCK COMPANY (the Company), which comprise:

- ▶ Balance sheet as at 31 December 2023;
- ▶ Statement of income for 2023;
- ▶ Appendices thereto:
 - ▶ Statement of changes in equity for 2023;
 - ▶ Statement of cash flows for 2023;
 - ▶ Explanatory notes to the balance sheet and statement of income, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023 and its financial performance and its cash flows for 2023 in accordance with the rules on preparation of financial statements established in the Russian Federation.

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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements of the Code of professional ethics for auditors and the Independence rules of auditors and audit organizations that are relevant to our audit of the financial statements in the Russian Federation together with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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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. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter

How our audit addressed the key audit matter

Calculation and recognition of impairment of investments in subsidiaries

As of 31 December 2023 the Company had significant amount of investments in subsidiaries. These investments are accounted for based on historical cost less impairment losses.

Impairment analysis of investments in subsidiaries was a key audit matter due to the significance of investments in subsidiaries balance in the financial statements, high subjectivity of judgments and estimates underlying the impairment analysis used by management.

Current global market conditions, including fluctuations in LME aluminium prices, market premiums and alumina purchase prices together with their long-term forecasts, fluctuations of coal sale prices and additional volumes of electricity transmission set in further periods, increase of logistics costs may indicate that for some investments in subsidiaries impairment losses may be incurred or that previously accrued losses must be fully or partially reversed.

Evaluation of the recoverable amount of investments in subsidiaries is based on the higher of the fair value less cost to sell and value in use. As of the reporting date management makes an assessment of value-in-use of investments in subsidiaries based on the discounted cash flow models.

Information on the significant estimates used for discounted cash flow calculation and the results of the impairment testing is provided in Note 2.4 to the financial statements.

During the audit we compared the key assumptions such as production volumes, forecasted aluminum sales prices, forecasted electricity tariffs and transmission volumes, forecasted coal sales prices and volumes, forecasted alumina and bauxites purchase prices, forecasted costs inflation, forecasted currency exchange rates, discount rates, used in the Group's financial model with published macroeconomic indicators and forecast data.

We assessed the historical accuracy of management's budgets and forecasts by comparing them to actual performance.

We checked the arithmetic accuracy of the models and assessed a sensitivity analysis of value-in-use to changes in key assumptions and correctness of key assumptions sensitivity disclosure.

We engaged our internal valuation experts to analyze the Company's management calculations of the recoverable amount of investments in subsidiaries.

Other information included in the Issuer's report for 2023

Other information consists of the Issuer's report for 2023 other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Issuer's report for 2023 is expected to be made available to us after the date of this auditor's report.

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

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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 Audit and Risk Committee of the Board of Directors for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the rules on preparation of financial statements established in the Russian Federation, 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.

The Audit and Risk Committee of the Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's 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 auditor's 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 skepticism 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 auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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- ▶ 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 the Audit and Risk Committee of the Board of Directors 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 the Audit and Risk Committee of the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit and Risk Committee of the Board of Directors, 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 auditor's 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 partner in charge of the audit resulting in this independent auditor's report is Khachaturian Mikhail Sergeevich.

KHACHATURIAN MIKHAIL SERGEEVICH
General director of TSATR – Audit Services Limited Liability Company,
partner in charge of the audit resulting in this independent auditor's report
(main registration number 21906108270)

20 March 2024

Details of the auditor

Name: TSATR – Audit Services Limited Liability Company
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.
TSATR – Audit Services Limited Liability Company is a member of Self-regulatory organization of auditors Association "Sodruzhestvo". TSATR – Audit Services Limited Liability Company is included in the control copy of the register of auditors and audit organizations, main registration number 12006020327.

Details of the audited entity

Name: EN+ GROUP INTERNATIONAL PUBLIC JOINT-STOCK COMPANY
Record made in the State Register of Legal Entities on 9 July 2019, State Registration Number 1193926010398.
Address: Russia 236006, Kaliningrad, Oktyabrskaya street, building 8, office 34.

Balance Sheet
as at 31 December 2023

Entity	EN+ GROUP INTERNATIONAL PUBLIC JOINT-STOCK COMPANY	Form under OKUD	0710001		
Taxpayer Identification Number (TIN)		Date (day, month, year)	31	12	2023
Type of economic activity	Activities of holding companies	under OKPO	40562096		
Type of incorporation/form of ownership	Public joint-stock companies / Privately owned	TIN	3906382033		
Unit of measure:	RUB '000	under OKVED 2	64.20		
Location (address)	Kaliningrad Region, Kaliningrad, Oktyabrskaya Str., 8, Office 34	under OKOPF / OKFS	12247	16	
		under OKEI	384		

Financial statements shall be audited YES NO

Name of audit company / full name of individual auditor
TSATR - Audit Services LLC

Taxpayer identification number of audit company / individual auditor	TIN	7709383532
Principal state registration number (OGRN) of audit company / individual auditor	OGRN/ OGRNIP	1027739707203

Notes	Indicator	Code	As at 31 December 2023	As at 31 December 2022	As at 31 December 2021
	ASSETS				
	I. NON-CURRENT ASSETS				
	Intangible assets	1110	4 285	6 318	8 480
	Research and development results	1120	-	-	-
	Intangible development assets	1130	-	-	-
	Tangible development assets	1140	-	-	-
	Property, plant and equipment	1150	3 847	5 200	2 645
	Income yielding investments into tangible assets	1160	-	-	-
	Financial investments	1170	313 754 396	311 976 624	313 368 784
	Deferred tax assets	1180	55 922	4 750	494
	Other non-current assets	1190	-	-	-
	Total for section I	1100	313 818 450	311 992 892	313 380 403
	II. CURRENT ASSETS				
	Inventories	1210	-	-	-
	Value added tax on acquired assets	1220	-	-	-
	Accounts receivable	1230	78 523	117 022	20 203
	Financial investments (except for cash equivalents)	1240	1 402 919	1 248 487	1 079 501
	Cash and cash equivalents	1250	103 529	439 293	362 311
	Other current assets	1260	4 386	2 461	4 232
	Total for section II	1200	1 589 357	1 807 263	1 466 247
	TOTAL ASSETS	1600	315 407 807	313 800 155	314 846 650

Note	Indicator	Code	As at 31 December 2023	As at 31 December 2022	As at 31 December 2021
	LIABILITIES				
	III. EQUITY AND RESERVES				
	Authorized capital (reserve capital, authorized fund, partners contributions)	1310	3 001	3 001	3 001
	Treasury shares repurchased from shareholders	1320	-	-	-
	Non-current assets revaluation	1340	-	-	-
	Additional capital (without revaluation)	1350	96 780 190	96 780 190	96 780 190
	Reserve capital	1360	-	-	-
	Retained earnings (accumulated losses)	1370	193 171 062	175 134 789	168 845 171
	Total for section III	1300	289 954 253	271 917 980	265 628 362
	IV. NON-CURRENT LIABILITIES				
	Loans and credits	1410	23 718 469	40 745 725	28 966 724
	Deferred tax liabilities	1420	205	295	28
	Provisions	1430	-	-	-
	Other liabilities	1450	-	-	-
	Total for section IV	1400	23 718 674	40 746 020	28 966 752
	V. CURRENT LIABILITIES				
	Loans and credits	1510	715 914	759 127	19 727 385
	Accounts payable	1520	293 677	133 934	282 662
	Deferred revenue	1530	-	-	-
	Provisions	1540	725 289	243 094	241 490
	Other liabilities	1550	-	-	-
	Total for section V	1500	1 734 880	1 136 155	20 251 536
	TOTAL LIABILITIES	1700	315 407 807	313 800 155	314 846 650

General Director _____
(signature)

Mikhail Khardikov _____
(full name)

20 March 2024 _____

Statement of profit or loss
for 2023

		Form under OKUD	0710002		
		Date (day, month, year)	31	12	2023
Entity	EN+ GROUP INTERNATIONAL PUBLIC JOINT-STOCK COMPANY	under OKPO	40562096		
Taxpayer Identification Number (TIN)		TIN	3906382033		
Type of economic activity	Activities of holding companies	under OKVED 2	64.20		
Type of incorporation/form of ownership		under OKOPF / OKFS	12247	16	
Public joint-stock companies / Privately owned		under OKEI	384		
Unit of measure:	RUB '000				

Notes	Indicator	Code	For 2023	For 2022
	Revenue	2110	22 476 000	10 923 134
	Cost of sales	2120	-	-
	Gross profit (loss)	2100	22 476 000	10 923 134
	Selling expenses	2210	-	-
	Administrative expenses	2220	(2 357 543)	(2 021 817)
	Profit (loss) from operations	2200	20 118 457	8 901 317
	Income from participation in other organizations	2310	-	-
	Interest receivable	2320	197 056	148 096
	Interest payable	2330	(2 049 357)	(3 743 686)
	Other income	2340	341 566	3 710 661
	Other expenses	2350	(622 711)	(2 730 769)
	Profit (loss) before taxation	2300	17 985 011	6 285 619
	Income tax	2410	51 262	3 989
	including:			
	current income tax	2411	-	-
	deferred tax	2412	51 262	3 989
	Other	2460	-	-
	including:			
	Net profit (loss)	2400	18 036 273	6 289 608

Notes	Indicator	Code	For 2023	For 2022
	Result from the revaluation of non-current assets which is not included in net profit (loss) for the period	2510	-	-
	Result from other operations which is not included in net profit (loss) for the period	2520	-	-
	Income tax on operations, the result of which is not included in net profit (loss) for the period	2530	-	-
	Comprehensive financial result for the period	2500	18 036 273	6 289 608
	FOR REFERENCE			
	Basic earnings (loss) per share	2900	-	-
	Diluted earnings (loss) per share	2910	-	-

General Director _____
(signature)

Mikhail Khardikov

(full name)

20 March 2024

Statement of changes in equity
for January - December 2023

Entity	EN+ GROUP INTERNATIONAL PUBLIC JOINT-STOCK COMPANY	Form under OKUD	0710004		
Taxpayer Identification Number (TIN)		Date (day, month, year)	31	12	2023
Type of economic activity	Activities of holding companies	under OKPO	40562096		
Type of incorporation/form of ownership		TIN	3906382033		
		under OKVED 2	64.20		
Public joint-stock companies / Privately owned		under OKOPF / OKFS	12247	16	
Unit of measure: RUB '000		under OKEI	384		

1. Change in capital

Indicator	Code	Share capital	Treasury shares	Additional capital	Reserve capital	Retained earnings (accumulated losses)	Total
Capital at December 31, 2021	3100	3 001	-	96 780 190	-	168 845 171	265 628 362
<u>For 2022</u>							
Increase in Capital - total:	3210	-	-	-	-	6 289 618	6 289 618
including:							
net profit	3211	X	X	X	X	6 289 608	6 289 608
income from non-current assets revaluation	3212	X	X	-	X	-	-
income which directly increases capital	3213	X	X	-	X	10	10
additional issue of shares	3214	-	-	-	X	X	-
increase in the par value of shares	3215	-	-	-	X	-	X
reorganization of the legal entity	3216	-	-	-	-	-	-

Indicator	Code	Authorized capital	Treasury shares	Additional capital	Reserve capital	Retained earnings (accumulated losses)	Total
Decrease in Capital - total:	3220	-	-	-	-	-	-
including:							
net losses	3221	X	X	X	X	-	-
losses from non-current assets revaluation	3222	X	X	-	X	-	-
expenses which directly reduce capital	3223	X	X	-	X	-	-
decrease in the par value of shares	3224	-	-	-	X	-	-
decrease in the number of shares	3225	-	-	-	X	-	-
reorganization of the legal entity	3226	-	-	-	-	-	-
dividends	3227	X	X	X	X	-	-
Additional capital change	3230	X	X	-	-	-	X
Reserve capital change	3240	X	X	X	-	-	X
Capital At December 31, 2022	3200	3 001	-	96 780 190	-	175 134 789	271 917 980
For 2023							
Increase in Capital - total:	3310	-	-	-	-	18 036 273	18 036 273
including:							
net profit	3311	X	X	X	X	18 036 273	18 036 273
income from non-current assets revaluation	3312	X	X	-	X	-	-
income which directly increases capital	3313	X	X	-	X	-	-
additional issue of shares	3314	-	-	-	X	X	-
increase in the par value of shares	3315	-	-	-	X	-	X
reorganization of the legal entity	3316	-	-	-	-	-	-
Decrease in Capital - total:	3320	-	-	-	-	-	-
including:							
net losses	3321	X	X	X	X	-	-
losses from non-current assets revaluation	3322	X	X	-	X	-	-
expenses which directly reduce capital	3323	X	X	-	X	-	-
decrease in the par value of shares	3324	-	-	-	X	-	-
decrease in the number of shares	3325	-	-	-	X	-	-
reorganization of the 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 At December 31, 2023	3300	3 001	-	96 780 190	-	193 171 062	289 954 253

2. Capital adjustments due to accounting policy changes and prior year errors correction

Indicator	Code	At December 31, 2021	Capital change For 2022		At December 31, 2022
			due to net profit/(loss)	due to other factors	
Capital - total					
before adjustments	3400	265 628 362	6 289 608	10	271 917 980
Adjustments incl.:					
Accounting policy change	3410	-	-	-	-
errors correction	3420	-	-	-	-
after adjustments	3500	265 628 362	6 289 608	10	271 917 980
including:					
retained earnings (accumulated losses):					
before adjustments	3401	168 845 171	6 289 608	10	175 134 789
Adjustments incl.:					
Accounting policy change	3411	-	-	-	-
errors correction	3421	-	-	-	-
after adjustments	3501	168 845 171	6 289 608	10	175 134 789
other items of capital for which adjustments have been made:					
before adjustments	3402	-	-	-	-
Adjustments incl.:					
Accounting policy change	3412	-	-	-	-
errors correction	3422	-	-	-	-
after adjustments	3502	-	-	-	-

3. Net assets

Indicator	Code	At December 31, 2023	At December 31, 2022	At December 31, 2021
Net assets	3600	289 954 253	271 917 980	265 628 361

General Director _____
(signature)**Mikhail Khardikov** _____
(full name)_____
20 March 2024

Cash flow statement
for January - December 2023

		Form under OKUD	Codes		
		Date (day, month, year)	0710005		
		under OKPO	31	12	2023
Entity	EN+ GROUP INTERNATIONAL PUBLIC JOINT-STOCK COMPANY		40562096		
Taxpayer Identification Number (TIN)		TIN	3906382033		
Type of economic activity	Activities of holding companies	under OKVED 2	64.20		
Type of incorporation/form of ownership			12247	16	
Public joint-stock companies / Privately owned		under OKOPF / OKFS			
Unit of measure: RUB '000		under OKEI	384		

Indicator	Code	For January - December 2023	For January - December 2022
Cash flows from operating activities			
Cash inflow - total	4110	22 496 703	11 599 967
including:			
from sales of products, goods, work and services	4111	-	-
rental payments, license payments, royalties, commission and other similar payments	4112	20 671	14 411
from resale of financial investments	4113	-	-
dividends	4114	22 476 000	11 585 172
other receipts	4119	32	384
Cash outflow - total	4120	(2 418 044)	(9 377 635)
including:			
payments to suppliers (contractors) for raw materials, materials, work and services	4121	(524 334)	(739 703)
related to payments to employees	4122	(521 442)	(446 590)
interest on debt instruments	4123	(578 861)	(7 073 364)
income tax	4124	-	(239)
	4125	-	-
other payments	4129	(793 407)	(1 117 739)
Net cash flows from operating activities	4100	20 078 659	2 222 332
Cash flows from investing activities			
Cash inflow - total	4210	34 765	203 666
including:			
from sale of non-current assets (except for financial investments)	4211	-	-
from sale of shares in other organizations (participating interests)	4212	178	62
from repayment of loans granted, from sale of debt securities (or rights of monetary claims from other parties)	4213	2 781	155 749
dividends, interest on debt financial investments and similar inflows from participation interest in other organizations	4214	31 806	47 770
	4215	-	-
other receipts	4219	-	85
Cash outflow - total	4220	(2 003 947)	(392 344)
including:			
related to acquisition, construction, modernization, reconstruction and preparation for use of non-current	4221	(1 393)	(802)
related to acquisition of shares in other organizations (participating interests)	4222	(1)	(315 879)
related to acquisition of debt securities (or rights of monetary claims from other parties), granting of loans to	4223	(2 002 553)	(75 663)
interest paid on debt securities included in the cost of investment asset	4224	-	-
	4225	-	-
other payments	4229	-	-
Net cash flows from investing activities	4200	(1 969 182)	(188 678)

Indicator	Code	For January - December 2023	For January - December 2022
Cash flows from financing activities			
Cash inflow - total	4310	3 502 000	3 569 750
including:			
proceeds from loans and borrowings	4311	3 502 000	3 569 750
monetary contributions of owners (participants)	4312	-	-
from issue of shares, increase in participation interest	4313	-	-
from issue of bonds, promissory notes and any other debt securities, etc.	4314	-	-
	4315	-	-
other receipts	4319	-	-
Cash outflow - total	4320	(22 007 479)	(5 489 681)
including:			
payments to owners (participants) for the repurchase of shares (participating interests) in the organization or their withdrawal from participation	4321	-	-
payment of dividends and other distribution of earnings in favor of owners (participants)	4322	-	-
related to settlement (redemption) of promissory notes and other debt securities, repayment of loans and credits	4323	(22 007 479)	(5 489 681)
	4324	-	-
other payments	4329	-	-
Net cash flows from financing activities	4300	(18 505 479)	(1 919 931)
Net cash flows for the reporting period	4400	(396 002)	113 723
Balance of cash and cash equivalents at the beginning of the reporting period	4450	439 293	362 311
Balance of cash and cash equivalents at the end of the reporting period	4500	103 529	439 293
Effect of changes in the exchange rate of foreign currency to the ruble	4490	60 238	(36 741)

General Director _____
(signature)

Mikhail Khardikov _____
(full name)

20 March 2024 _____

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**Notes to Balance Sheet and
Statement of profit or loss
EN+ GROUP IPJSC
for 2023**

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1. General information

EN+ GROUP International public joint-stock company (hereinafter referred to as EN+ GROUP IPJSC or the “Company”) was registered as an international public joint-stock company in the Unified State Register of Legal Entities of the Russian Federation on July 9, 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 the Department of the Federal Tax Service for Kaliningrad Region (where the Company is located); 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 December 31, 2023, the average staff number of the Company was 35 persons.

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

As at December 31, 2023 the Company has four separate structural units:

Name	Location
Limassol Branch Office	Republic of Cyprus, Costa Urani 5, Petoussis Court, office 11/12, 3085, Limassol, Cyprus
London Branch	8 Cleveland Row, London SW1A 1DH, UK
DMCC Branch	Platinum Tower, Office 3101, Site Number: JLT-PH1-I2, JUMEIRA LAKES TOWERS, Dubai, United Arab Emirates (UAE)
Moscow Branch (KPP 773043001)	121096, Moscow, Vasilisy Kozhinoy str., 1

Governance bodies

The Company has the following governance bodies:

- General Meeting of Shareholders.
- Board of Directors:
 - Christopher Bancroft Burnham – Chairman of the Board of Directors;
 - Thurgood Marshall Jr – Independent Non-executive Director;
 - J.W. Rayder – Independent Non-executive Director;
 - James Schwab – Independent Non-executive Director since April 3, 2023;
 - Andrey (Vladimirovich) Sharonov – Independent Non-executive Director;
 - Andrey (Vladimirovich) Yanovsky – Independent Non-executive Director;
 - Zhanna (Sergeevna) Fokina – Independent Non-executive Director;
 - Liudmila (Petrovna) Galenskaya – Independent Non-executive Director;
 - Vadim (Viktorovich) Geraskin – Non-executive Director;
 - Olga (Vladimirovna) Filina – Non-executive Director;
 - Andrey (Georgievich) Plugar – Non-executive Director since June 29, 2023;

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- Elena (Valerievna) Nesvetaeva – Non-executive Director till June 29, 2023;
- Timur (Fidailievich) Valiev – Non-executive Director till June 29, 2023;
- Anastasia (Vladimirovna) Gorbatova – Non-executive Director since June 29, 2023;
- Sole Executive Body – General Director Vladimir (Alekseyevich) Kiriukhin till December 31, 2023, Mikhail (Yurievich) Khardikov (since January 1, 2024).

The Company has 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 in the Company is provided by the Internal Audit Directorate.

Auditor

TSATR – Audit Services LLC is the auditor of accounting (financial) statements for the year 2023 prepared in accordance with the RAS. TSATR – Audit Services LLC is a member of the Self-regulatory organization of auditors Association “Sodruzhestvo”. Principal entry in the register of auditors and audit organizations: 12006020327.

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

The financial statements were prepared in accordance with the Company’s Accounting Policy for 2023 as approved by the Order UP/2023-BU dd. December 26, 2022 issued by General Director; the Accounting Policy is prepared in accordance with the provisions of the Federal Law No. 402-FZ *On Accounting* dd. December 6, 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 given 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 make up more than 5% of the total of assets, liabilities, income and expense.

The statements were prepared on a 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.

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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). Negative indicators are shown in brackets.

These financial statements were prepared on paper carrier and signed by Director of the Company on 20 March 2024.

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 measured at actual costs, except for assets for which impairment provisions were formed as prescribed, as well as estimated liabilities.

Uncertainty associated with estimates

Below are the main assumptions regarding future events and other sources of uncertainties associated with estimates that, as of the reporting date, create a substantial risk of the need of substantial adjustments to be made to the carrying value of the assets and liabilities during the next reporting year:

- Provision for impairment of financial investments.

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. rubles, 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 a foreign currency are accounted for in Russian rubles. The value of assets and liabilities in a foreign currency is converted into Russian rubles 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.

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

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Exchange rates as of December 31, 2023:

- USD – 89.6883;
- Euro – 99.1919;
- GBP – 114.5320;
- CHF – 106.7591;
- AED – 24.4216.

2.3 Changes to accounting policy

No decisions to change the accounting policy were taken that could have a material effect on the indicators in the 2023 statements.

2.4 Financial investments

Financial investments (other than 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 April 6, 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*). Due to 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 provide a reliable and complete presentation of the Company's financial situation, financial results of its activities and changes in its financial position.

If 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 accounted for 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 the relevant federal accounting standards do not stipulate any procedure of determining the recoverable amount of investments in subsidiaries.

As at each reporting date, each financial investment in a subsidiary is assessed for indicators of possible impairment. A financial investment is impaired if there are observable 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.

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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 a 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 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 at each reporting date for any indicators that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the asset's 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:

	As at December 31, 2023	As at December 31, 2022
Long-term financial investments	313,754,396	311,976,624
<i>Shares</i>	<i>311,824,693</i>	<i>311,976,624</i>
<i>Loans issued</i>	<i>1,929,703</i>	–
Short-term financial investments	1,402,919	1,248,487
<i>Loans issued</i>	<i>1,402,919</i>	<i>1,248,487</i>
Total	315,157,315	313,225,111

Amounts include interest on loans issued and provision for impairment.

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

Name	Country of incorporation	Equity interest, %	
		As at December 31, 2023	As at December 31, 2022
IPJSC United Company Rusal	Russian Federation	56.88%	56.88%
CATONA COMMERCIAL LTD	British Virgin Islands	100%	100%
ILLC EN+ Holding	Russian Federation	100%	100%
GRANDSTROY LLC	Russian Federation	100%	100%
FORDMA LIMITED	Republic of Cyprus	100%	100%
DASTEN LIMITED	Republic of Cyprus	–	100%
EN+ RESOURCES LIMITED	Republic of Cyprus	100%	100%
SOLEGGIATO INVESTMENTS LIMITED	Republic of Cyprus	99.9%	99.9%
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+ COAL LIMITED	Republic of Cyprus	99.9%	99.9%
EN+ CONSULT LIMITED	United Kingdom	100%	100%

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Name	Country of incorporation	Equity interest, %	
		As at December 31, 2023	As at December 31, 2022
ASTIBE LIMITED	British Virgin Islands	100%	100%
S.P.I. SUNLIGHT POWER INVESTMENT LTD	Republic of Cyprus	100%	100%
ALSIB IPJSC	Republic of Cyprus	–	99.9%
Other financial investments			
Hong Kong Mercantile Exchange Limited	Hong Kong	1.047%	1.047%
EN+ Management LLC	Russian Federation	–	0.0008%

The long-term financial investments are mainly represented by investments in UC RUSAL. As at December 31, 2023 and December 31, 2022, the Company's investment in UC RUSAL was USD 4,595,337 thousand (RUB 293,503,739 thousand).

Due to the high volatility of the market value of the investment and the dependence of the market value on macroeconomic uncertainty, the impairment analysis was performed by testing the recoverable amount of the aluminium business of UC RUSAL. The value was determined by discounting the expected cash flows generated from the continuing use of UC RUSAL's assets. The following assumptions were used to determine the recoverable amount of the investment in UC RUSAL as at December 31, 2023:

- Total production was estimated based on average sustainable production levels of 4 million metric tonnes of primary aluminium, of 5.6 million metric tonnes of alumina and of 16.2 million metric tonnes of bauxite. Bauxite and alumina are mainly used internally for production of primary aluminium;
- Aluminium sales prices were based on the long-term aluminium price forecasts obtained from available industry and market sources and have been determined to be USD 2,283 per tonne for primary aluminium in 2024, USD 2,434 in 2025, USD 2,538 in 2026, USD 2,575 in 2027, USD 2,529 in 2028. Sales prices for alumina were obtained from the same sources as aluminium prices and were USD 343 per tonne for alumina in 2024, USD 345 in 2025, USD 353 in 2026, USD 364 in 2027, USD 370 in 2028. Operating costs are projected based on the historical data adjusted for inflation;
- Nominal foreign currency exchange rates applied to convert operating costs of the Group denominated in RUB into USD were RUB 91.12 for one USD in 2024, RUB 92.36 in 2025, RUB 93.98 in 2026, RUB 94.56 in 2027, RUB 95.14 in 2028. Inflation of 4.0-7.0% in RUB and 2.0-2.8% in USD was assumed in determining recoverable amounts;
- The pre-tax discount rate used in the calculations – 20.28%;
- A terminal value was derived following the forecast period assuming a 2.0% annual growth rate.

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As at December 31, 2022 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 assets. 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 5.4 million metric tonnes of alumina and of 16.5 million metric tonnes of bauxite. Bauxite and alumina are mainly used internally for the production of primary aluminium;
- Aluminium sales prices were based on the long-term aluminium price forecasts obtained from available industry and market sources and have been determined to be USD 2,422 per tonne for primary aluminium in 2023, USD 2,512 in 2024, USD 2,588 in 2025, USD 2,606 in 2026, USD 2,571 in 2027. Sales prices for alumina were obtained from the same sources as the aluminium prices and were USD 324 per tonne for alumina in 2023, USD 331 in 2024, USD 341 in 2025, USD 349 in 2026, USD 360 in 2027. Operating costs are projected based on the historical data adjusted for inflation;
- Nominal foreign currency exchange rates applied to convert operating costs of the Group denominated in RUB into USD were RUB 70.5 in 2023, RUB 71.9 in 2024, RUB 73.3 in 2025, RUB 75.4 in 2026, RUB 76.9 in 2027. Inflation of 4.0-7.0% in RUB and 2.0-4.3% in USD was assumed in determining recoverable amounts;
- The pre-tax discount rate used in the calculations – 17.53%;
- 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 were based on external sources of information and historic data. Management believes that the values assigned to the key assumptions and estimates represent the most realistic assessment of future trends. The results of the analysis showed that realistic changes in the used assumptions and estimates do not cause impairment of the investment.

Based on the results of the impairment testing, management concluded that no impairment of the investment in UC RUSAL as at December 31, 2023 and December 31, 2022 is required.

As at December 31, 2023 the Company made an additional analysis of its investments in other subsidiaries. As a result no impairment was recognized in 2023 (2022: impairment of investments of RUB 277,169 thousand).

2.5 Capital and reserves

As at December 31, 2023, the Company's equity recognized in the balance sheet includes:

- Share 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.

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- 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 depositary 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 depositary 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).

There were no changes in share capital and additional capital in 2023.

- Retained earnings of previous years – RUB 175,134,789 thousand;
- Net profit for the reporting year – RUB 18,036,273 thousand.

2.6 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 No. 107n of the Russian Ministry of Finance on October 6, 2008.

The Company has no credit indebtedness.

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

The Company had the following borrowings:

Contract currency	Fixed/ variable rate	Rate	As at December 31, 2023	As at December 31, 2022
Long-term borrowings			23,718,469	40,745,725
RUB			23,718,469	40,745,725
	Variable	CBR*0.75	66,778	18,676,612
	Variable	CBR*0.76	23,651,691	22,069,113
Short-term borrowings			715,914	759,127
RUB			460,874	565,300
	Fixed	0%	447,032	447,511
	Fixed	0.10%	13,842	110,916
	Variable	CBR*0.76	–	6,873
USD	Fixed	0.10%	–	556
EUR	Fixed	0%	255,040	193,271
Total			24,434,383	41,504,852

CBR – Key Rate of Central Bank of the Russian Federation.

The long-term loans are repayable in 2026-2027.

All accrued interest on loans received are included in Interest payable for the reporting period.

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2.7 Estimated provisions and liabilities

The Company accounts for estimated liabilities 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.

Estimated provisions and liabilities 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 2.4.

No bad debt provision for receivables recognized as doubtful was formed as of December 31, 2023.

As at December 31, 2023 the provision of RUB 725,289 thousand in the form of a reserve for future payment of employee's 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, 2022, the provision of RUB 243,094 thousand was accrued.

2.8 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. May 6, 1999 No. 32n), and expenses – RAS 10/99 *Expenses of the Organization* (approved by the Ministry of Finance of the Russian Federation dd. May 6, 1999 No. 33n), 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 22,476,000 thousand in 2023.

The Company has no cost of sales for 2022 and 2023.

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Administrative expenses amounted to:

Type of expense from ordinary activities	For 2023	For 2022
Personnel costs	1,701,589	1,176,228
Legal services	248,746	252,402
PR and marketing services	127,679	87,548
Consulting services	23,328	235,103
Other services	256,201	270,536
Total administrative expenses (line 2220 of the Statement of financial results)	2,357,543	2,021,817

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.

Type of other income and expense	For 2023	For 2022
Provision for impairment of financial investments	–	148,081
FX differences	317,971	1,565,388
Sale of securities	166	1,914,781
Other	23,429	82,411
Total other income (line 2340)	341,566	3,710,661
Provision for impairment of financial investments	–	(277,641)
VAT paid as a tax agent	(62,786)	(104,384)
FX differences	(355,204)	(1,020,187)
Sale of securities	–	(1,280,689)
Other	(204,721)	(47,868)
Total other expense (line 2350)	(622,711)	(2,730,769)

2.9 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.

Item	For 2023	For 2022
Basic earnings (loss) for the reporting year, RUB thousand	18,036,273	6,289,608
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	28.232	9.845

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

2.10 Income tax calculation

The Company calculates and pays taxes and charges in accordance with the tax law of the Russian Federation, the tax laws of the constituent entities of the Russian Federation, tax regulations adopted by local authorities.

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Corporate income tax calculations are accounted in accordance with the Russian Accounting Standard (RAS) 18/02 *Income Tax Accounting*.

Tax accounting is done based on data from accounting registers.

For taxation purposes, formation of income was performed in accordance with Article 25 of the Tax Code of the Russian Federation, incl. the changes and additions effective since January 1, 2023.

The Company evaluates income and expenses for taxation purposes on an accrual basis. According to this method income/(expenses) are recognized in the reporting period in which they actually occurred regardless of the actual cash receipt/(expenditure).

For the income tax calculation purposes, expenses are recognized, subject to the following:

- Expenses are economically justified;
- Expenses incurred to carry out activities aimed at generating income;
- Expenses are confirmed by documents executed in accordance with the law of the Russian Federation.

The current income tax for the reporting (tax) period is determined based on the amount of temporary income tax expense/(profit) adjusted by the amounts of permanent tax liability/(asset), increase or decrease in deferred tax asset and deferred tax liability for the reporting (tax) period.

		For 2023	For 2022
Profit/(loss) before tax	[1]	17,985,011	6,285,619
Income tax rate, %	[2]	20%	20%
Temporary income tax expense/(income)	[3] = [1] * [2]	3,597,002	1,257,124
Permanent and deferred tax liability/(asset)	[4]	(3,597,002)	(1,257,124)
<i>Permanent tax income</i>		<i>(49,318)</i>	<i>(528,478)</i>
<i>Permanent tax income (dividends)</i>		<i>(4,495,200)</i>	<i>(2,184,627)</i>
<i>Permanent tax expense</i>		<i>896,254</i>	<i>1,451,992</i>
Deferred tax liability		51,262	3,989
Income tax expense/(income)	[5] = [3] + [4]	–	–

Profit/(loss) before tax as per the financial statements amounted to RUB 17,985,011 thousand, with the income tax base at RUB (260,155) thousand.

In accordance with the Russian Accounting Standard (RAS) 18/02 *Income Tax Accounting*, application of various rules for reflecting income and expenses in book-keeping and tax accounting records creates difference between the accounting and taxable profit reflected in the balance sheet and in the statement of financial results.

The difference (permanent – NtTP) between the income in accounting and income in tax accounting is mainly due to provisions for financial investments.

The permanent differences (NtTE) were created as a result of expenses not accounted for as prescribed by Article 25 of the Tax Code of the Russian Federation, incl.:

- Expenses not accounted for the taxation purposes in accordance with Article 270 of the Tax Code of the Russian Federation;
- Provisions for financial investments.

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Deferred taxes are accounted for by the Company in accordance with the Russian Accounting Standard (RAS) 18/02. The difference between the accounting and taxable profit (loss) resulting from the use of various rules of income and expenses recognition stipulated by the accounting regulations, the Russian law on taxes and charges constitutes permanent and temporary differences.

Deferred tax assets and deferred tax liabilities are recorded on the accounts 09 “Deferred tax assets” and 77 “Deferred tax liabilities”. Permanent tax income and permanent tax expenses are recorded on the 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 registered in the SAR (Special Administrative Region) as a result of relocation from a foreign jurisdiction (such as the Company after redomiciliation from Jersey (tax residency before redomiciliation was in Cyprus)) may have a number of tax benefits if certain conditions are met.

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

2.11 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. February 2, 2011 No. 11n.

The cash flow statement reflects payments done by the Company and cash and cash equivalents received by the Company, as well as opening and closing balances of cash and cash equivalents.

The statement contains data about all cash flows of the Company from transactions involving both cash, foreign currencies, bank transfers, and involving cash equivalents.

Deposits placed for a period less than 3 months are recognized as cash equivalents.

The amount of cash flows in foreign currencies is converted into roubles at the official exchange rate established by the Central Bank of the Russian Federation on the date of the respective payment.

Cash flows are shown in the cash flow statement on a net basis when they are characterized by rapid turnover, large amounts and short repayment periods. Such turnovers include deposits for up to three months.

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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 No. 48n of the Ministry of Finance of the Russian Federation dated April 29, 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 August 7, 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.

Turnovers with related parties

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

Item	For 2023	For 2022
Dividends received	22,476,000	11,585,172
Financial investments	(151,931)	(315,879)
Purchase of goods, works and services	(13,556)	(19,070)
Borrowings received	3,502,000	3,569,750
Loans issued	(2,084,135)	(80,672)
Borrowings repaid	(22,007,479)	(5,489,760)
Interests on borrowings received	(578,861)	(7,073,364)

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Balances within transactions with related parties – subsidiaries:

Item	As of December 31, 2023	As of December 31, 2022
Financial investments in subsidiaries*	311,824,693	311,976,624
Loans issued*	3,332,622	1,248,487
Accounts receivable*	2,000	8,750
Borrowings received	22,419,505	40,911,370
Interests on borrowings received	2,014,878	593,482
Accounts payable	696	696

* Including provision for impairment.

No dividends were accrued and paid in 2022 and in 2023.

Remuneration to key management personnel

The Company's key management personnel include members of the Company's Board of Directors and the sole executive body – the General Director of the Company.

The list of members of the Company's Board of Directors is contained in the 'General Information' section of the Notes.

Item	For 2023	For 2022
Remuneration to key management personnel*	932,858	688,271

* Includes salaries and bonuses.

The remuneration amounts do not include insurance contributions to the Pension Fund, Social Insurance Fund and Compulsory Medical Insurance Funds.

There are no long-term remuneration to key management personnel.

The Company's activities cover one segment.

3.2 Liquidity risk

The financial statements of the Company have been prepared on a going concern basis after taking into consideration that as at December 31, 2023 the Company has unused credit facilities of RUB 6,588,372 thousand under the current loan agreements (December 31, 2022: RUB 10,280,415 thousand). The short-term borrowings of the Company as at December 31, 2023 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 2024 and beyond, if required, to ensure it has sufficient liquidity to finance its operations.

Translation of the original Russian version

Since 2014, the United States of America, the European Union and some other countries have imposed and gradually tightened economic sanctions against a number of Russian citizens and legal entities. The sanctions created increased economic uncertainty, including high volatility in the capital markets, a depreciation of the Russian ruble, a reduction in foreign and domestic direct investments, and a significant reduced sources of debt financing. In particular, some Russian companies may experience challenges in accessing the international stock and debt markets, which may lead to a higher dependence on support from the government. During 2022 these sanctions were tightened. It is difficult to assess the consequences of the imposed and possible additional sanctions in the long term, however, they can have a significant, including negative impact on the Company's business.

3.3 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 No. 66n of the Ministry of Finance of the Russian Federation dated July 2, 2002. The Company does not plan to discontinue operations.

3.4 Events after the reporting date

There are no facts of economic activity that have had or may have significant impact on the Company's financial position, cash flows or results of operations and that occurred between the reporting date and the date of signing of the accounting (financial) statements of the Company for 2023.

General Director

M.Y. Khardikov

20 March 2024