

EN+ GROUP IPJSC
(formerly EN+ GROUP PLC)

Separate interim condensed financial information
for the nine months ended 30 September 2019

(unaudited)

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EN+ GROUP IPJSC
*Separate interim condensed statement of profit or loss and other comprehensive income
for the nine months ended 30 September 2019*

		Nine months ended 30 September 2019 USD thousand	Nine months ended 30 September 2018 USD thousand
	Note		
General and administrative expenses		(24,416)	(31,254)
Reversal of impairment / (impairment) of assets		16,069	(964)
Creditors / (debtors) write-off		484	(7)
Operating loss		(7,863)	(32,225)
Finance income	5	-	76,647
Finance costs	5	(106,483)	(42,818)
(Loss) /profit for the period before tax		(114,346)	1,604
Taxation		265	-
(Loss) /profit for the period		(114,081)	1,604
Other comprehensive income		-	-
Total comprehensive income for the period		(114,081)	1,604

This separate interim condensed financial information was approved by the Board of Directors on 14 November 2019.

General Director of
EN+ GROUP IPJSC

Vladimir Kiriukhin

		30 September 2019	31 December 2018
	Note	USD thousand	USD thousand
ASSETS			
Non-current assets			
Investments	8	4,917,600	4,358,770
Prepaid expenses and other non-current assets		6,499	231
Deferred tax assets		266	-
Property, plant and equipment		8	13
		4,924,373	4,359,014
Current assets			
Loan issued to subsidiary		9	9
Prepaid expenses and other current assets		839	955
Cash and cash equivalents		180	650
		1,028	1,614
Total assets		4,925,401	4,360,628
EQUITY AND LIABILITIES			
Equity			
Share capital	9	45	40
Share premium	9	1,515,271	972,542
Retained earnings		2,464,813	2,578,894
Total equity		3,980,129	3,551,476
Non-current liabilities			
Loans and borrowings		366,449	133,110
		366,449	133,110
Current liabilities			
Loans and borrowings		575,109	655,748
Other payables		3,714	20,294
		578,823	676,042
Total equity and liabilities		4,925,401	4,360,628

	Note	Nine months ended 30 September	
		2019	2018
		USD thousand	USD thousand
OPERATING ACTIVITIES			
(Loss) / profit for the period		(114,081)	1,604
<i>Adjustments for:</i>			
Depreciation		5	3
(Reversal of impairment) / impairment of investments	8	(16,069)	964
(Creditors) / debtors write-off		(484)	7
Interest expense	5	49,363	42,818
Foreign exchange loss/(gain)	5	48,737	(76,647)
Income tax expense		(265)	-
Cash used in operating activities before changes in working capital and provisions		(32,794)	(31,251)
Change in trade and other receivables		213	(2,466)
Change in trade and other payables and provisions		(8,855)	(12,586)
Interest paid		(4,517)	(3,821)
Dividends received		-	18,880
Cash flows generated used in operating activities		(45,953)	(31,244)
INVESTING ACTIVITIES			
Advance paid for acquisition of investments		(6,314)	-
Acquisition of property, plant and equipment		(100)	(1)
Cash flows used in investing activities		(6,414)	(1)
FINANCING ACTIVITIES			
Dividends paid		-	(68,000)
Repayment of loans to related parties		(8,039)	(2,584)
Proceeds of loans from related parties		68,265	104,350
Other payments related to issuance of shares		(8,383)	-
Cash flows from financing activities		51,843	33,766
Net change in cash and cash equivalents		(524)	2,521
Cash and cash equivalents at beginning of period		650	257
Effect of exchange rate fluctuations on cash and cash equivalents		54	146
Cash and cash equivalents at end of the period		180	2,924

EN+ GROUP IPJSC

*Separate interim condensed financial statement of changes in equity
for the nine months ended 30 September 2019*

	<u>Share capital</u>	<u>Share premium</u>	<u>Retained earnings</u>	<u>Total</u>
Balance at 1 January 2018	40	972,542	2,632,202	3,604,784
Profit for the period	-	-	1,604	1,604
Balance at 30 September 2018	40	972,542	2,633,806	3,606,388
Balance at 1 January 2019	40	972,542	2,578,894	3,551,476
Loss for the period	-	-	(114,081)	(114,081)
Glencore deal (note 9(a)(i))	5	542,729	-	542,734
Balance at 30 September 2019	45	1,515,271	2,464,813	3,980,129

1. BACKGROUND**(a) Organisation**

EN+ GROUP IPJSC (the “Company”) was established as a limited liability company according to the legislation of the British Virgin Islands on 30 April 2002 under the name of Baufinanz Limited. On 18 March 2004 the Company registered a change of its legal name to Eagle Capital Group Limited. On 25 August 2005 the Company changed its domicile to Jersey and was renamed to En+ Group Limited. On 1 June 2017 the Company changed its status to a public company and was renamed to EN+ GROUP PLC. On 9 July 2019 the Company changed its domicile to the Russian Federation with a registration as EN+ GROUP International public joint-stock company (EN+GROUP IPJSC). As at the reporting date the Company’s registered office is Oktyabrskaya st. 8, office 34, Kaliningrad, Kaliningrad Region, 236006, Russian Federation.

On 8 November 2017 the Company successfully completed an initial public offering of global depositary receipts on the London Stock Exchange and the Moscow Exchange.

EN+ GROUP IPJSC is the company for a vertically integrated aluminium and power group, engaged in aluminium production and energy generation.

Based on the information at the Company’s disposal at the reporting date, there is no individual that has an indirect prevailing ownership interest in the Company exceeding 50%, who could exercise voting rights in respect of more than 35% of the Company’s issued share capital or has an opportunity to exercise control over the Company.

As at 30 September 2019 Mr. Oleg Deripaska beneficially controls and exercises voting rights in respect of 35% of the voting shares of the Company and cannot exceed his direct or indirect shareholding over 44.95% of the shares of the Company.

The other significant holders as at 30 September 2019 were as follows:

	<u>Shareholding</u>	<u>Voting rights</u>
VTB	21.58%	7.25%
Citi (Nominees), including	15.26%	15.26%
<i>Glencore Group Funding Limited</i>	<i>10.55%</i>	<i>10.55%</i>
Other shareholders	18.21%	4.81%
Independent trustees	-	37.68%

Glencore Group Funding Limited is a subsidiary of Glencore Plc.

(b) Seasonality

There are no material seasonal events in business activity of the Company.

(c) OFAC sanctions

On 6 April 2018, the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”) designated, amongst others, the Company, JSC EuroSibEnergO (“EuroSibEnergO”) and UC RUSAL Plc (“UC RUSAL”) as Specially Designated Nationals (“SDN”) (the “OFAC Sanctions”).

As a result, all property or interests in property of the Company and its subsidiaries located in the United States or in the possession of U.S. Persons were blocked, frozen, and could not have been transferred, paid, exported, withdrawn, or otherwise dealt in. Several general licenses were issued at

the time of the designation and subsequently certain transactions were authorised with the Company, EuroSibEnergO and UC RUSAL, and with their respective debt and equity.

On 27 January 2019, OFAC announced the removal of the Company and its subsidiaries, including UC RUSAL and EuroSibEnergO, from OFAC's SDN list and Blocked Persons with immediate effect. The removal was subject to and conditional upon the satisfaction of a number of conditions including, but not limited to:

- ending Mr Oleg Deripaska's control of the Company, through the reduction of his direct and indirect ownership interest in the Company to below 50%;
- establishing independent voting arrangements for the Company's shares held by certain shareholders;
- making changes in corporate governance framework, including, inter alia, overhauling the composition of the EN+ Board to ensure that independent directors constitute the majority of the Board, and
- ongoing transparency through auditing, reporting and certifications by the Company and UC RUSAL to OFAC concerning compliance with the conditions for sanctions' removal.

2. BASIS OF PREPARATION

(a) Statement of compliance

This interim condensed financial information has been prepared in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. This interim condensed financial information does not include all of the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards and therefore should be read in conjunction with the financial statements of the Company as at and for the year ended 31 December 2018.

The Company has no updates to information provided in the last annual financial statements about the standards issued but not yet effective that may have a significant impact on the Company's financial statements.

(b) Going concern basis

The Company made a loss of USD 114,081 thousand during the nine months ended 30 September 2019, as at that date its current liabilities exceeded its current assets by USD 571,481 thousand. Liabilities are represented by loans to related parties.

The management believes that the Company will be able to meet its obligations and the financial information of the Company have been prepared on a going concern basis after taking into consideration that:

- The Company anticipates receiving dividends from subsidiaries in 2020 that will be sufficient to fund operations and settle obligations.
- In addition, the Company has control over its subsidiaries and can manage the timing of settlement of liabilities due to subsidiaries.
- The Company has an investment in UC RUSAL which shares are traded on a public market.

3. SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied in this separate interim condensed financial information are the same as those applied in the Company's separate financial statements as at and for the year ended 31 December 2018 except as disclosed below and in note 9. The changes in accounting policies described below are also expected to be reflected in the Company's separate financial statements as at and for the year ending 31 December 2019.

A number of new standards or amendments to existing standards are effective from 1 January 2019 but they do not have a material effect on the Company's financial information.

Acquisition of non-controlling interests

The acquisition of an additional non-controlling interest in an existing subsidiary after control has been obtained is accounted for as an equity transaction with any difference between the cost of the additional investment and the carrying amount of the net assets acquired at the date of exchange recognised directly in equity.

The issue of a put option (a mandatory offer) to acquire a non-controlling interest in subsidiary, after control has been obtained and accounted for by the Group as an equity transaction, results in the recognition of a liability for the present value of the expected exercise price and the derecognition of non-controlling interests within consolidated equity. Subsequent to initial recognition, changes in the carrying amount of the put liability are recognised within equity. If the put option expires unexercised then the put liability is derecognised and non-controlling interests are recognised.

For a written put or forward option with the non-controlling shareholders in an existing subsidiary on their equity interest in that subsidiary, if the non-controlling shareholders do not have present access to the returns associated with the underlying ownership interest, the contract is accounted for as an anticipated acquisition of the underlying non-controlling interests, as if the put option had been exercised already or the forward had been satisfied by the non-controlling shareholders.

4. SEGMENTS REPORTING

Operating segments at the consolidated level are determined on the basis of business divisions whose internal reporting is provided to chief operating decision maker who is Company's CEO. Segment disclosures are presented in Note 4 of the consolidated financial statements in accordance with IFRS 8.

5. FINANCE INCOME AND COSTS

	Nine months ended 30 September	
	2019	2018
	USD thousand	USD thousand
Finance income		
Foreign exchange gain	-	76,647
	-	76,647
Finance costs		
Interest expense	(49,363)	(42,818)
Foreign exchange loss	(48,737)	-
Other finance costs	(8,383)	-
	(106,483)	(42,818)

6. TAXATION

On 9 July 2019 the Company redomiciled to Russia and became a Russian tax resident with an income tax rate of 20%. Before redomiciliation the Company was a tax resident of Cyprus.

7. CONSOLIDATED EARNINGS PER SHARE

The calculation of basic earnings per share is based on the consolidated profit attributable to ordinary equity shareholders for the nine months ended 30 September 2019 and 30 September 2018.

	Nine months ended 30 September	
	2019	2018
Weighted average number of shares at the beginning of the period	571,428,572	571,428,572
Issuance of shares (note 9(a)(i))	67,420,324	-
Weighted average number of shares	632,565,998	571,428,572
Profit for the period attributable to the shareholders of the Parent Company, USD million	698	811
Basic and diluted earnings per share, USD	1.103	1.419

Shares issuance on 26 January 2019 (note 9(a)(i)) was accounted for in the weighted average numbers of shares calculation for the nine months ended 30 September 2019 only.

There were no outstanding dilutive instruments during the periods ended 30 September 2019 and 30 September 2018.

8. INVESTMENTS

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

Name	Country of incorporation	Ownership and equity interest, %	
		30 September 2019	31 December 2018
Investments in subsidiaries			
UC RUSAL PLC	Jersey	56.88%*	48.13%
Catona Commercial Ltd.	British Virgin Islands	100%	100%
En+ Downstream Holdings Ltd.	Republic of Cyprus	100%	100%
En+ Holding Ltd (formerly EuroSibEnerg			
PLC)	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%
En+ Management Limited	British Virgin Islands	100%	100%
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%
Other investments			

Name	Country of incorporation	Ownership and equity interest, %	
		30 September 2019	31 December 2018
Hong Kong Mercantile Exchange Limited	Hong Kong	1.047%	1.047%
En+ Management LLC	Russian Federation	0.0008%	0.0008%

*As at 30 September 2019 Company's nominal shareholding in UC RUSAL PLC is 50.10%

	Nine months ended 30 September	
	2019	2018
	USD thousands	USD thousands
Balance at beginning of the period	4,358,770	4,339,517
Reversal of impairment	15,996	-
Contributions to UC RUSAL PLC (note 9(a)(i))	542,734	-
Contributions to subsidiaries	100	-
Balance at end of the period	4,917,600	4,339,517

In nine months ended 30 September 2019 management made a performance analysis of subsidiaries. As a result reversal of impairment of USD 15,996 thousand was recognised.

9. EQUITY

(a) Share capital, additional paid-in capital and transactions with shareholders

As at 30 September 2019 the Parent Company's share capital is divided into 638,848,896 ordinary shares with the nominal value of USD 0.00007 each. The Parent Company may also issue 75,436,818.286 ordinary shares.

As at 30 September 2019 and 31 December 2018 all issued ordinary shares were fully paid.

Following redomiciliation (note 1(a)) the Company revised its accounting policy in respect of classification of certain transaction within statement of changes in equity. Reclassification between additional paid-in capital and retained earnings of USD 384 000 thousand was made retrospectively, for the opening balance of the earliest period presented.

(i) *Glencore deal*

On 26 January 2019, the Company issued 67,420,324 shares with a par value of USD 0.00007 each with a subsequent issue of GDRs on these shares, to Glencore Group Funding Limited pursuant to a securities exchange agreement in exchange for 8.75% shares in UC RUSAL ("Glencore deal").

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 31 January 2019 and 1.97% of RUSAL's shares was transferred to the Company following the removal of the Company and UC RUSAL from the SDN list (see note 1(c)), the remaining 6.78% of UC RUSAL's shares will be transferred not later than February 2020.

Under the Company's accounting policy the Glencore deal was accounted for under the anticipated-acquisition method, as if the remaining 6.78% of UC RUSAL's shares had already been transferred. Fair value of the consideration transferred was determined with reference to market quotations on the London Stock Exchange.

As a result of the Glencore deal share capital increased by USD 5 thousand and share premium increased by USD 542,729 thousand.

(b) Dividends

During the nine months ended 30 September 2019 the Company did not declare and pay dividends.

Following redomiciliation in July 2019, the Company may distribute dividends from retained earnings and profit for the reporting period in compliance with the current legislation of the Russian Federation and the provisions of its Charter.

10. EVENTS SUBSEQUENT TO THE REPORTING DATE

There were no significant events subsequent to the reporting date.