EN+ GROUP IPJSC

SEPARATE FINANCIAL STATEMENTS

for the year ended 31 December 2020

Contents **Page**

Independent Auditors' Report

To the Shareholders of EN+ GROUP IPJSC

Opinion

We have audited the separate financial statements of EN+ Group IPJSC (the "Company"), which comprise the separate statement of financial position as at 31 December 2020, the separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

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

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 Separate 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 separate 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 separate financial statements of the current period. These matters were addressed in the context of our audit of the separate 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, Russia.

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 8 in the separate financial statements.	
The key audit matter	**How the matter was addressed in our audit**
The Company has a significant balance of investments in subsidiaries as at 31 December 2020, which is material to the separate financial statements. These investments are accounted for at cost less impairment. 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. As at the reporting date management performs valuation of the recoverable amount of the Company's investments as their value in use. 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.	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. We used our own valuation specialists to assist us in evaluating the assumptions and methodology used by the Company. In particular, we challenged: - 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. 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.

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 separate 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 separate 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 separate 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 separate 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 Separate Financial Statements

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

In preparing the separate 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 Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate 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 separate 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 separate 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 separate 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 separate financial statements, including the disclosures, and whether the separate 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate 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:

Andrei Ryazantsev

JSC "KPMG"

Moscow, Russia

24 March 2021

АКЦИОНЕРНОЕ ОБЩЕСТВО ОГРН 1027700125628 КПМГ KPMG * МОСКВА *

EN+ GROUP IPJSC

SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Note	2020 USD thousand	2019 USD thousand
Dividend income	12(c)	21,011	44,366
General and administrative expenses		(19,794)	(31,724)
(Impairment) / reversal of impairment of assets	8,12(b)	(11,394)	3,249
Result from operating activities		**(10,177)**	**15,891**
Finance income	5	151,058	-
Finance costs	5	(31,577)	(128,062)
Profit / (loss) before tax		**109,304**	**(112,171)**
Income tax expenses	7	(1)	(1)
Profit / (loss) for the year		**109,303**	**(112,172)**
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		**109,303**	**(112,172)**
Basic and diluted earnings per share consolidated, (USD)	6	1.320	1.356

These separate financial statements were approved by the Board of Directors on 24 March 2021.

General Director of
EN+ GROUP IPJSC

Vladimir Kiriukhin

The separate statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the separate financial statements set out on pages 11 to 26.

SEPARATE STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Note	31 December 2020 USD thousand	31 December 2019 USD thousand
ASSETS			
Non-current assets			
Investments	8	4,911,998	4,904,774
Property, plant and equipment		14	13
Other non-current assets		166	6,427
		4,912,178	**4,911,214**
Current assets			
Loan receivable from related party	12(b)	5,095	9
Prepaid expenses and other current assets		1,073	1,059
Cash and cash equivalents	9	538	3,992
		6,706	**5,060**
Total assets		**4,918,884**	**4,916,274**
EQUITY AND LIABILITIES			
Equity			
Share capital	10	45	45
Share premium		1,515,271	1,515,271
Retained earnings		2,576,025	2,466,722
Total equity		**4,091,341**	**3,982,038**
Non-current liabilities			
Loans and borrowings	11	627,380	685,284
		627,380	**685,284**
Current liabilities			
Loans and borrowings	11	194,144	244,996
Other payables		6,019	3,956
		200,163	**248,952**
Total equity and liabilities		**4,918,884**	**4,916,274**

The separate statement of financial position is to be read in conjunction with the notes to, and forming part of, the separate financial statements set out on pages 11 to 26.

EN+ GROUP IPJSC

SEPARATE STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

	Note	2020 USD thousand	2019 USD thousand
OPERATING ACTIVITIES			
Profit / (loss) for the year		**109,303**	**(112,172)**
Adjustments for:			
Income tax expense	7	1	1
Depreciation and amortisation		15	6
Interest expense	5	31,550	34,739
Interest income	5	(24)	-
Payables write-off		-	(492)
Impairment / (reversal of impairment) of assets	8,12(b)	11,394	(3,249)
Foreign exchange (gain) / loss, net	5	(150,777)	84,914
Dividend income	12(c)	(21,011)	(44,366)
Cash used in operating activities before changes in working capital and provisions		**(19,549)**	**(40,619)**
Decrease in other receivables		25	15
Increase / (decrease) in other payables		1,864	(17,268)
Cash flows used in operations before dividends, income taxes and interest paid		**(17,660)**	**(57,872)**
Dividends received		22,298	44,116
Interest paid	11	(485)	(5,699)
Income tax paid		(3)	-
Net cash from / (used in) operating activities		**4,150**	**(19,455)**
INVESTING ACTIVITIES			
Advance paid for acquisition of investments		-	(6,314)
Loans granted to related parties	12(b)	(3,885)	-
Loans repaid by related parties		8	80
Interest received		20	-
Contribution to investments in subsidiaries	8	(13,393)	(100)
Acquisition of property, plant and equipment and intangible assets		(40)	(4)
Net cash used in investing activities		**(17,290)**	**(6,338)**
FINANCING ACTIVITIES			
Proceeds of loans from related parties	11	20,707	82,187
Repayment of loans from related parties	11	(10,832)	(53,176)
Net cash generated from financing activities		**9,875**	**29,011**
Net (decrease) /increase in cash and cash equivalents		**(3,265)**	**3,218**
Cash and cash equivalents at the beginning of the year		3,992	650
Effect of exchange rate fluctuation on cash held		(189)	124
Cash and cash equivalents at the end of the year	9	**538**	**3,992**

In 2019 significant non-cash transactions were represented by Glencore deal as disclosed in note 10.

The separate statement of cash flows is to be read in conjunction with the notes to, and forming part of, the separate financial statements set out on pages 11 to 26.

EN+ GROUP IPJSC

SEPARATE STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

USD thousand	Share capital	Share premium	Retained earnings	Total equity
Balance at 1 January 2019	**40**	**972,542**	**2,578,894**	**3,551,476**
Total comprehensive loss				
Loss and total comprehensive loss for the year	-	-	(112,172)	(112,172)
Transactions with the owners of the Company				
Glencore deal (note 10)	5	542,729	-	542,734
Balance at 31 December 2019	**45**	**1,515,271**	**2,466,722**	**3,982,038**
Total comprehensive income				
Profit and total comprehensive income for the year	-	-	109,303	109,303
Balance at 31 December 2020	**45**	**1,515,271**	**2,576,025**	**4,091,341**

The separate statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the separate financial statements set out on pages 11 to 26.

1 INCORPORATION AND PRINCIPAL ACTIVITIES

(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 31 December 2020 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. On 17 February 2020, the Company's ordinary shares were included into the "Level 1" part of the list of securities admitted to trading on Moscow Exchange. On 20 April 2020, the Company's GDRs were delisted from the Moscow Exchange.

EN+ GROUP IPJSC is the parent company for a vertically integrated aluminium and power group, engaged in aluminium production and energy generation (together with the Company referred to as "the Group").

As at 31 December 2020 Mr. Oleg Deripaska beneficially controls and exercises voting rights in respect of 35% of the voting shares of the Company and his direct or indirect shareholding cannot exceed 44.95% of the shares of the Company.

The other significant holders as at 31 December 2020 were as follows:

	Shareholding	**Voting rights**
Company's subsidiary	21.37%	7.04%
Citi (Nominees), including	14.10%	14.10%
Glencore Group Funding Limited	*10.55%*	*10.55%*
Other shareholders	19.58%	6.18%
Independent trustees	-	37.68%

Glencore Group Funding Limited is a subsidiary of Glencore Plc.

In February 2020, a subsidiary of the Company acquired 21.37% of the Company's shares from VTB for USD 1,579 million at a price of USD 11.57 per share. The Company provided a guarantee to Sberbank to secure a 3-year RUB 100.8 billion loan of the Company's subsidiary to finance the acquisition of the shares.

The voting rights in respect of acquired shares representing 14.33% of the Company's issued share capital are retained with independent trustees. Votes attaching to the remaining 7.04% of shares are voted by the Chairman of the Company's Board at the Board's direction.

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.

(b) Russian business environment

With respect to the subsidiaries located in the Russian Federation the Company is exposed to the economic and financial markets of the Russian Federation, which display the characteristics of an emerging market.

The legal, tax and regulatory frameworks continue to develop and are subject to varying interpretations and frequent changes which contribute together with other legal and fiscal factors to the risks faced by entities operating in the Russian Federation.

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.

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 has 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 the consequences of COVID-19 as no significant fluctuation was observed 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.

At the date of these separate financial statements, the Company continues to assess the impact of these factors on its financial position, including the valuation of investments, and closely monitors all developments. Considering current cash flows forecasts, management has concluded that the Company will continue in operation and be able to meet its commitments as they fall due (note 14(b)).

(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 (from 25 September 2020 UC RUSAL IPJSC, "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 Group, through the reduction of his direct and indirect ownership interest in the Parent Company to below 50%;
- establishing independent voting arrangements for the Parent Company's shares held by certain shareholders;
- corporate governance changes, including, inter alia, overhauling the composition of the EN+ Board to ensure that independent directors constitute the majority of the Board, and ongoing

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

The separate financial statements of the Company for the year ended 31 December 2020 have been prepared in accordance with International Financial Reporting ("IFRSs"), which collective term includes all International Accounting Standards and related interpretations, promulgated by the International Accounting Standards Board ("IASB"), and constitute the Company's separate financial statements in accordance with IAS 27 "Separate Financial Statements". Apart from these separate financial statements, the Company has prepared consolidated financial statements in accordance with IFRS which can be obtained from the Company's registered office at Oktyabrskaya st. 8, office 34, Kaliningrad, Kaliningrad Region, 236006, Russian Federation and also can be obtained from official website (https://enplusgroup.com).

The following amended standards and interpretations are effective from 1 January 2020 but did not have a significant impact on the Company's financial statements:

– Amendments to References to Conceptual Framework in IFRS Standards;
– Definition of Material (Amendments to IAS 1 and IAS 8);
– Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4);
– Interest Rate Benchmarking Reform (Amendments to IFRS 9, IAS 39 and IFRS 7);
– Definition of a Business (Amendments to IFRS 3).

A number of new standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these separate financial statements.

– Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
– Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16);
– COVID-19-Related Rent Concessions (Amendment to IFRS 16);
– Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
– Reference to Conceptual Framework (Amendments to IFRS 3);
– Classification of liabilities as current or non-current (Amendments to IAS 1);
– Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28);
– IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.

The above new standards, except for *IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts*, are not expected to have a significant impact on the Company's separate financial statements. The Company is currently assessing the potential impact of *IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts* on the Group's financial statements.

(b) Basis of measurement

The separate financial statements are prepared on the historical cost basis.

(c) Functional and presentation currency

The Company's functional currency is the United States Dollar ("USD") because it reflects the economic substance of the underlying events and circumstances of the Company.

The separate financial statements are presented in USD, rounded to the nearest thousand except as otherwise stated herein.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements, and the reported revenue and costs during the relevant period. The estimates and underlying assumptions are based on historical experience and various other factors that are deemed to be reasonable based on knowledge available at that time. Actual results may deviate from such estimates.

The estimates and underlying assumptions are revised on a continuous basis. Revisions in accounting estimates are recognised in the period during which the estimate is revised, if the estimate affects only that period, or in the period of the revision and future periods, if the revision affects the present as well as future periods.

The Company has identified the following critical accounting policy under which significant judgements, estimates and assumptions are made and where actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Valuation of investments in subsidiaries

In accordance with the Group's accounting policies, investments in subsidiaries are stated at cost less provision for impairment. If any indication of impairment exists, a formal estimate of recoverable amount is performed and an impairment loss recognised to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an investment is measured at the higher of fair value less costs to sell and value in use.

3 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these separate financial statements are set out below. These policies have been consistently applied to all periods presented in these separate financial statements unless otherwise stated.

(a) Investments in subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, potential voting rights that presently are exercisable are taken into account.

Investments in subsidiaries are stated at cost less provision for impairment (note 8), which is recognised as an expense in the period in which the impairment is identified.

If the share capital or additional paid-in capital of a subsidiary is reduced by the Company's decision and the subsidiary's charter documents are amended accordingly and the reduction clearly represents return of capital rather than return on capital, the Company accounts for such reduction by directly decreasing the cost of investment in that subsidiary.

The Company accounts for investments in subsidiaries at cost in accordance with IAS 27 *Separate Financial Statements* and thus does not apply IFRS 9 to these financial assets.

The Company assesses at each reporting date whether there is any indication that an investment in a subsidiary is impaired. If there is such indication, the Company calculates the amount of impairment as the difference between the recoverable amount of the investment in subsidiary and its carrying amount and recognises the amount of impairment in the "Impairment of investments" section of the separate statement of profit or loss and other comprehensive income.

(b) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency gains or losses on monetary items are the difference between the amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period. Foreign currency differences arising on retranslation are recognised in profit or loss.

(c) Finance income and costs

Finance income comprises interest income on funds invested, dividend income and foreign currency gains. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprise interest expense on borrowings, foreign currency losses, bank charges, restructuring fees and other. All borrowing costs are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

(d) *Dividends*

Dividends on ordinary shares are recognised as a liability in the period in which they are declared.

(e) *Dividend income*

Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established.

(f) *Financial instruments*

Non-derivative financial instruments comprise loans and receivables (excluding prepayments), cash and cash equivalents, loans and borrowings and other payables.

Non-derivative financial instruments are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Non-derivative financial assets
A financial instrument is recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset.

The Company has the following non-derivative financial assets: loans and receivables and cash and cash equivalents. Based on the business model in which a financial asset is managed and its contractual cash flow characteristics Company's receivables and loans granted have been classified as at amortised cost.

The Company does not have any receivables, loans and investments in equity securities managed on a fair value basis.

Non-derivative financial liabilities
The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company has the following non-derivative financial liabilities: loans and borrowings and other payables. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

The Company has not designated any financial liabilities at FVTPL and it has no current intention to do so.

(g) *Insurance contracts*

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies, controlled by the Company, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

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 makers who are Company's CEO and Board of Directors. Segment disclosures are presented in note 4 of the consolidated financial statements in accordance with IFRS 8.

5 FINANCE INCOME AND COSTS

	2020 USD thousand	2019 USD thousand
Finance income		
Foreign exchange gains	150,777	-
Interest income	24	-
Other finance income	257	-
	151,058	**-**
Finance costs		
Interest expense	(31,550)	(34,739)
Bank charges	(27)	(26)
Foreign exchange losses	-	(84,914)
Other finance costs	-	(8,383)
	(31,577)	**(128,062)**

6 CONSOLIDATED EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders for the years ended 31 December 2020 and 31 December 2019.

	Year ended 31 December	
	2020	**2019**
Issued ordinary shares at beginning of the year	638,848,896	571,428,572
Issuance of shares (note 10)	-	67,420,324
Acquisition of own shares (note 1(a))	(136,511,122)	-
Weighted average number of shares	518,002,985	634,231,066
Consolidated profit for the year attributable to the shareholders of the Company, USD million	684	860
Basic and diluted earnings per share, USD	**1.320**	**1.356**

Acquisition of own shares (note 1(a)) was accounted for in the weighted average numbers of shares calculation for the year ended 31 December 2020 only.

There were no outstanding dilutive instruments during the years ended 31 December 2020 and 31 December 2019.

7 INCOME TAX EXPENSE

Following the redomiciliation to Russia and after registering with the Russian tax authorities, the Company became subject to all applicable Russian taxes. This means that the Russian withholding tax will apply to future dividends payable to shareholders. The profits derived by the Company are taxed in Russia at an income tax rate of 20%.

Prior to 9 July 2019 the Company was a tax resident in Cyprus and was liable to pay taxes according to Cypriot tax law. The corporation tax rate in Cyprus is 12.5% for 2019.

Reconciliation of effective tax rate

	Year ended 31 December			
	2020		**2019**	
	USD thousand	**%**	**USD thousand**	**%**
Profit / (loss) before taxation	**109,304**	**(100)**	**(112,171)**	**(100)**
Income tax at tax rate applicable for the Company	(21,861)	(20)	22,434	20
Non-deductible/taxable items, net	26,759	24	(9,507)	(8)
Change in unrecognised deferred tax assets	(4,899)	(4)	(4,543)	(4)
Effect from different income tax rates	0	-	(8,385)	(7.5)
Income tax (current tax)	**(1)**	**-**	**(1)**	**-**

8 INVESTMENTS

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

Name	Country of incorporation	Ownership and equity interest, % 31 December 2020	31 December 2019
Investments in subsidiaries			
UC RUSAL IPJSC (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%
EN+ Holding ILLC (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%
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 investments			
Hong Kong Mercantile Exchange Limited	Hong Kong	1.047%	1.047%
En+ Management LLC	Russian Federation	0.0008%	0.0008%

*As at 31 December 2019, Company's effective shareholding in UC RUSAL is 56.88% (note 10).

	31 December 2020 USD thousand	2019 USD thousand
Net investments - balance at 1 January	4,904,774	4,358,770
Acquisitions and reclassification from other assets	6,248	542,734
Contributions to subsidiaries	13,621	101
(Impairment) / reversal of impairment of investments in subsidiaries	(12,645)	3,169
Net investments - balance at 31 December	**4,911,998**	**4,904,774**

As at 31 December 2020 and 31 December 2019 the Company's investment in UC RUSAL amounted to USD 4,595,337 thousand. During the year, 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 at 31 December 2020 (31 December 2019: USD 4,237,742 thousand).

As at 31 December 2020 management performed an impairment test of its investment in UC RUSAL. 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 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 investments' 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 management performed an impairment test of its investment in UC RUSAL. 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 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 investments' 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 USD 12,645 thousand was recognised (2019: USD 3,169 thousand reversal of impairment).

9 CASH AND CASH EQUIVALENTS

	31 December	
	2020	**2019**
	USD thousand	**USD thousand**
Bank deposit, RUB	302	3,069
Bank balances, other currencies	236	923
Cash and cash equivalents	**538**	**3,992**

10 SHARE CAPITAL, SHARE PREMIUM, RESERVES AND TRANSACTIONS WITH SHAREHOLDERS

Share capital

The Company's authorised share capital comprises 714,285,714.286 ordinary shares, out of which 638,848,896 shares were issued at 31 December 2020 with a par value of USD 0.00007 each.

(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 were transferred on 3 February 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. 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, and investment in UC RUSAL increased by USD 542,734 thousand (see note 8).

As at 31 December 2020 and 31 December 2019 all issued ordinary shares were fully paid.

Dividends

During the year ended 31 December 2020 and 31 December 2019 the Company did not declare and pay dividends.

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.

11 LOANS AND BORROWINGS

All of the Company's loans and borrowings are payable to its subsidiaries.

Currency	Interest rate as at 31.12.2020	As at 31.12.2019, USD thousand	Proceeds, USD thousand	Repayment, USD thousand	Foreign exchange loss/(gain), USD thousand	Interest accrued and other movements, USD thousand	As at 31.12.2020, USD thousand
Long-term borrowings							
RUB	CBR key + 2.02% (6.27%)	438,874	-	(3,675)	(72,472)	31,040	393,767
RUB	CBR key * 0.85 (3.61%)	187,228	18,585	-	(30,482)	-	175,331
RUB	CBR key * 1.1 (4.68%)	33,555	-	-	(5,505)	1,863	29,913
Total		**659,657**	**18,585**	**(3,675)**	**(108,459)**	**32,903**	**599,011**
Long-term interest on borrowings							
RUB	CBR key + 2.02% (6.27%)	10,697	-	-	(939)	(2,885)	6,873
RUB	CBR key * 0.85 (3.61%)	14,315	-	(144)	(2,457)	7,679	19,393
RUB	CBR key * 1.1 (4.68%)	615	-	-	(63)	(202)	350
RUB	CBR key * 1.22 (5.19%)	-	-	-	(36)	1,789	1,753
Total		**25,627**	**-**	**(144)**	**(3,495)**	**6,381**	**28,369**
Short-term borrowings							
RUB	CBR key * 1.25 (5.31%)	22,202	-	(3,065)	(3,642)	1,589	17,084
RUB	CBR key * 1.22 (5.19%)	33,939	-	-	(5,499)	-	28,440
RUB	CBR key * 0.85 (3.61%)	14,861	-	(1,295)	(2,392)	-	11,174
RUB	0%-3.76%	135,955	2,122	(1,986)	(22,077)	-	114,014
EUR	0%	3,080	-	(811)	205	-	2,474
USD	8.5%	4	-	-	-	-	4
Total		**210,041**	**2,122**	**(7,157)**	**(33,405)**	**1,589**	**173,190**
Short-term interest on borrowings							
RUB	0%-3.76%	22,211	-	-	(2,363)	(8,963)	10,885
RUB	CBR key * 1.25 (5.31%)	12,578	-	(341)	(1,975)	(359)	9,903
USD	3.14%-8.5%	166	-	-	-	-	166
Total		**34,955**	**-**	**(341)**	**(4,338)**	**(9,322)**	**20,954**
Total borrowings		**930,280**	**20,707**	**(11,317)**	**(149,697)**	**31,551**	**821,524**

12 RELATED PARTY TRANSACTIONS

The following transactions were carried out with related parties:

(a) Loans payable to related parties and subsidiaries

All loans and borrowings, including interest payable, were payable to subsidiaries as disclosed in note 11.

(b) Loans receivable from related parties and subsidiaries

The Company has loans receivable from subsidiaries as follows:

	31 December 2020 USD thousand	31 December 2019 USD thousand
Current		
Subsidiaries	5,095	9
	5,095	**9**

The above loans are unsecured and repayable on demand at 31 December 2020 and 31 December 2019.

During 2020, the Company provided a loan to subsidiary in the amount of USD 3,885 thousand. The loan bears the interest at the rate CBR key * 0.95 per annum and repayable on demand.

During 2020, the Company reversed previous impairments of USD 1,251 thousand (2019: USD 80 thousand).

(c) Dividend income

In 2020 the Company received a dividend income from EN+ Holding ILLC of USD 21,011 thousand (2019: USD 44,366 thousand).

(d) Other payables

The Company has other payables to subsidiaries as follows:

	31 December 2020 USD thousand	31 December 2019 USD thousand
Subsidiaries	204	610
	204	**610**

13 REMUNERATION TO KEY MANAGEMENT

For 2020, remuneration to key management personnel was represented by short-term employee benefits and amounted to USD 8,059 thousand (2019: USD 10,271 thousand).

14 FINANCIAL INSTRUMENTS

Financial risk factors

The Company is exposed to the following risks from its use of financial instruments:

- Market risk;
- Liquidity risk;
- Credit risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

(a) Market risk

(i) Interest rate risk

Changes in interest rates primarily impact loans and borrowings by changing either their fair value (fixed rate debt) or their future cash flows (variable rate debt).

The Company's policy is to manage its interest cost by monitoring changes in interest rates with respect to its borrowings.

The interest rate profile of the Company's interest-bearing financial instruments at the reporting date is presented in the note 11.

(ii) Foreign currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's functional currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to RUB. The Company's exposure at the reporting date to foreign currency risk from recognised assets and liabilities denominated in RUB is USD 813,917 thousand net liability (as at 31 December 2019: USD 924,558 thousand net liability). The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures it has sufficient cash and cash equivalents or has available funding through an adequate amount of committed credit facilities to meet its operating and financial commitments.

The following tables show the remaining contractual maturities as of the reporting date of the Company's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payment computed using contractual rates, or if floating, based on rates current at the reporting date, unless reclassified to payable on demand due to breach of the terms of loan agreements).

The maturity profile of the Company's loans and borrowings based on contractual undiscounted payments is disclosed in note 11.

Current liabilities exceeded current assets of the Company by USD 193,457 thousand at 31 December 2020. The Board of Directors believes that the Company will be able to meet its obligations and the financial statements of the Company have been prepared on a going concern basis after taking into consideration that as at 31 December 2020 the Company has unused loan facilities in the amount of USD 209,852 thousand to cover loans payable in case they become due.

The short-term loans of the Company at 31 December 2020 are represented by balances due to related parties (direct and indirect subsidiaries). The Company has the power and ability to control operations of these 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.

As at 31 December 2020 the Company's contractual undiscounted cash flows were as follows:

	Within 1 year or on demand	**More than 1 year but less than 2 years**	**More than 2 but less than 5 years**	**More than 5 years**	**Total**	**Carrying amount**
	USD thousand	**USD thousand**	**USD thousand**	**USD thousand**	**USD thousand**	**USD thousand**
Trade and other payables to third parties	5,815	-	-	-	5,815	5,815
Trade and other payables to related parties	204	-	-	-	204	204
Loans and borrowings	194,144	234,950	483,602		912,696	821,524
	200,163	**234,950**	**483,602**	**-**	**918,715**	**827,543**

As at 31 December 2019 the Company's contractual undiscounted cash flows were as follows:

	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 but less than 5 years	More than 5 years	Total	Carrying amount
	USD thousand	USD thousand	USD thousand	USD thousand	USD thousand	USD thousand
Trade and other payables to third parties	3,346	-	-	-	3,346	3,346
Trade and other payables to related parties	610	-	-	-	610	610
Loans and borrowings	244,996	-	892,645		1,137,641	930,280
	248,952	-	**892,645**	-	**1,141,597**	**934,236**

In addition, the Group has guarantees issued as disclosed in note 15. These guarantees can be called at any time in case of default of the original borrower.

(c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company has a concentration of credit risk which arises principally from the Company's loans granted to related parties. Cash balances are held with high credit quality financial institutions and the Company has policies to limit the amount of credit exposure to any financial institution.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each party. With respect to credit risk arising from guarantees the Company's policy is to provide financial guarantees to wholly-owned subsidiaries and associates and, in rare cases, to other related parties. The details of the guarantees outstanding are disclosed in note 15.

Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

(d) Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

(e) Fair values

Management believes that, except as set out in the paragraph below, the fair values of financial assets and liabilities approximate their carrying amounts.

The methods used to estimate the fair values of the financial instruments are as follows:

Trade and other receivables, cash and cash equivalents, current loans and borrowings and trade and other payables: the carrying amounts approximate fair value because of the short maturity period of the instruments.

Long-term loans and borrowings: the fair values of non-current liabilities are based on the present value of the anticipated cash flows and approximate carrying value.

The following table presents the fair value of financial instruments carried at amortized cost at the end of the reporting period across the three levels of the fair value hierarchy defined in *IFRS 7, Financial Instruments: Disclosures*, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments

Level 2: fair values measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data

Level 3 (lowest level): fair values measured using valuation techniques in which any significant input is not based on observable market data

As at 31 December 2020

		Carrying amount			Fair value			
	Note	**Loans and receivables**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
		USD thousand	**USD thousand**	**USD thousand**	**USD thousand**	**USD thousand**	**USD thousand**	**USD thousand**
Financial assets not measured at fair value*								
Loans to subsidiaries and related parties	12(b)	5,095	-	5,095	-	5,095	-	5,095
Cash and cash equivalents	9	538	-	538	-	538	-	538
		5,633	**-**	**5,633**	**-**	**5,633**	**-**	**5,633**
Financial liabilities not measured at fair value*								
Loans from subsidiaries	11	-	(821,524)	(821,524)	-	(821,524)	-	(821,524)
		-	**(821,524)**	**(821,524)**	**-**	**(821,524)**	**-**	**(821,524)**

* The Company has not disclosed the fair values for financial instruments such as short-term trade receivables and payables, because their carrying amounts are a reasonable approximation of fair values.

As at 31 December 2019

		Carrying amount			Fair value			
	Note	**Loans and receivables**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
		USD thousand	**USD thousand**	**USD thousand**	**USD thousand**	**USD thousand**	**USD thousand**	**USD thousand**
Financial assets not measured at fair value*								
Loans to subsidiaries and related parties	12(b)	9	-	9	-	9	-	9
Cash and cash equivalents	9	3,992	-	3,992	-	3,992	-	3,992
		4,001	**-**	**4,001**	**-**	**4,001**	**-**	**4,001**
Financial liabilities not measured at fair value*								
Loans from subsidiaries	11	-	(930,280)	(930,280)	-	(930,280)	-	(930,280)
		-	**(930,280)**	**(930,280)**	**-**	**(930,280)**	**-**	**(930,280)**

*****The Company has not disclosed the fair values for financial instruments such as short-term trade receivables and payables, because their carrying amounts are a reasonable approximation of fair values.

There were no transfers between instruments in Level 1, Level 2 and Level 3 during the years ended 31 December 2020 and 2019.

15 GUARANTEES ISSUED

In February 2020, the Company provided a guarantee to Sberbank to secure indebtedness of 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 (see note 1(a)). In December 2020 Company's indirect subsidiary pledged acquired shares under the Sberbank loan agreement.

At 31 December 2020 and at 31 December 2019, the Company guaranteed the indebtedness of indirect subsidiaries in the amount of USD 2,738,959 thousand (including the guarantee described above) and USD 1,660,190 thousand, respectively. The guarantees mature simultaneously with the final maturity of the loans dated April 2021, December 2022 and December 2026. The guaranteed loans contain certain financial and non-financial covenants. The Company believes that the risk of any cash outflow in the connection with this guarantee is low and therefore no provision is recorded in these separate financial statements.

16 TAX CONTINGENCIES

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) 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.

17 EVENTS SUBSEQUENT TO THE REPORTING DATE

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.