

PJSC “Metafrax”

**Summary Consolidated Financial
Statements for the year ended
31 December 2020
and Independent Auditors’ Report**



Independent Auditors' Report on the Summary Consolidated Financial Statements

To the Shareholders and Board of Directors of Public joint stock company "Metafrax"

Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at 31 December 2020, the summary consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and relevant note are derived from the audited consolidated financial statements of Public joint stock company "Metafrax" (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2020.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, on the basis described in Note 1.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements and our report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and our report thereon.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 17 May 2021.

Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements on the basis described in Note 1.

Audited entity: PJSC "Metafrax"

Registration No. in the Unified State Register of Legal Entities
1025901777571.

Gubakha, Russia

Independent auditor: JSC "KPMG", a company incorporated under the Laws of
the Russian Federation.

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.



PJSC "Metafrax"

Independent Auditors' Report on the Summary Consolidated Financial Statements

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Auditors' Responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements".



Kolesnikova Y.A.

JSC "KPMG"

Moscow, Russia

17 May 2021

Report of management of PJSC “Metafrax”

PJSC “Metafrax” has prepared consolidated financial statements for the year ended 31 December 2020, which present the financial position of the Group “Metafrax” as at 31 December 2020, and its financial performance and its cash flows for the year ended 31 December 2020 in accordance with International Financial Reporting Standards (IFRS). Management of the Group “Metafrax” is responsible for accounting and reporting processes within the Group entities, which enable to present fairly in all material respects the financial position of each entity and ensure the compliance: of the Russian statutory financial statements – to the Russian laws and legislation, and the consolidated financial statements – to the International Financial Reporting Standards. JSC “KPMG” has audited the consolidated financial statements of the Group “Metafrax”, prepared in accordance with IFRS.

PJSC “Metafrax” publishes the summary financial statements for the year ended 31 December 2020, derived from the consolidated financial statements audited by JSC “KPMG”.

The consolidated financial statements of the Group “Metafrax”, prepared in accordance with IFRS for the year ended 31 December 2020, are available for review upon request to PJSC “Metafrax”.

Acting General Director



A handwritten signature in blue ink, consisting of a stylized, cursive script.

Mayer V.V.
17 May 2021

PJSC "Metafrax"
Summary Consolidated Statement of Financial Position as at 31 December 2020

'000 RUB	31 December 2020	31 December 2019
Assets		
Property, plant and equipment	79,802,269	61,437,873
Investment property	23,141	139,308
Advances given for acquisitions of property, plant and equipment and investment property	4,583,822	8,274,739
Intangible assets	578,351	483,864
Equity-accounted investees	17,004	11,074
Other investments	595,977	203,432
Deferred tax assets	139,480	104,601
Trade and other receivables	214,180	208,576
Other non-current assets	9,630	23,308
Non-current assets	85,963,854	70,886,775
Inventories	3,598,812	2,696,178
Other investments	9,357,839	5,302,884
Current income tax assets	5,821	86,742
Trade and other receivables	4,756,822	5,115,580
Prepayments (advances given)	839,090	799,335
Cash and cash equivalents	10,282,485	7,852,180
Other current assets	133,644	34,364
Current assets	28,974,513	21,887,263
Total assets	114,938,367	92,774,038

PJSC "Metafrax"
Summary Consolidated Statement of Financial Position as at 31 December 2020

'000 RUB	31 December 2020	31 December 2019
Equity		
Share capital	609,415	609,415
Treasury share reserve	(427,950)	(60,694)
Translation reserve	1,530,303	388,645
Retained earnings	59,826,815	53,899,206
Equity attributable to owners of the Company	61,538,583	54,836,572
Non-controlling interests	130,704	131,585
Total equity	61,669,287	54,968,157
Liabilities		
Loans and borrowings	40,756,819	30,568,125
Employee benefits	888,555	721,825
Deferred tax liabilities	1,797,065	1,123,435
Trade and other payables	745,899	261,279
Deferred income	91,865	84,724
Non-current liabilities	44,280,203	32,759,388
Loans and borrowings	5,115,400	1,351,804
Trade and other payables	3,411,548	3,379,108
Advances received	199,665	123,726
Current income tax liabilities	143,402	74,294
Non-controlling interests in limited liability companies	45,989	46,720
Other current liabilities	72,873	70,841
Current liabilities	8,988,877	5,046,493
Total liabilities	53,269,080	37,805,881
Total equity and liabilities	114,938,367	92,774,038

PJSC “Metafrax”
Summary Consolidated Statement of Profit or Loss and Other Comprehensive Income for 2020

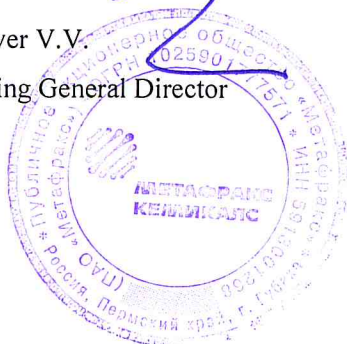
'000 RUB	2020	2019
Revenue	48,926,699	54,579,722
Cost of sales	(37,489,635)	(40,047,946)
Gross profit	11,437,064	14,531,776
Other income	208,435	230,411
Distribution expenses	(822,057)	(812,983)
Administrative expenses	(2,128,892)	(2,216,959)
(Loss) / net gain from reversal of impairment of trade and other receivables	(2,519)	30,116
Other expenses	(391,324)	(464,526)
Results from operating activities	8,300,707	11,297,835
Finance income	369,620	855,973
Finance costs	(1,442,932)	(95,584)
Net finance income	(1,073,312)	760,389
Change in net assets attributable to non-controlling interests in limited liability companies	730	(17,820)
Share of profit of equity-accounted investees (net of income tax)	7,171	1,937
Profit before income tax	7,235,296	12,042,341
Income tax expense	(1,309,262)	(2,123,001)
Profit for the year	5,926,034	9,919,340
Other comprehensive income		
<i>Items that will never be reclassified to profit or loss:</i>		
Remeasurements of defined benefit liabilities	157	(67,751)
Related income tax	330	13,848
<i>Items that are or may be reclassified to profit or loss:</i>		
Foreign currency translation differences for foreign operations	1,141,658	(397,073)
Other comprehensive income, net of income tax	1,142,145	(450,976)
Total comprehensive income for the year	7,068,179	9,468,364

PJSC "Metafrax"
Summary Consolidated Statement of Profit or Loss and Other Comprehensive Income for 2020

'000 RUB	<u>2020</u>	<u>2019</u>
Profit/(loss) attributable to:		
Owners of the Company	5,926,915	9,918,080
Non-controlling interests	<u>(881)</u>	<u>1,260</u>
Total comprehensive income attributable to:		
Owners of the Company	7,069,060	9,467,104
Non-controlling interests	<u>(881)</u>	<u>1,260</u>
Earnings per share		
Basic and Diluted earnings per share (RUB)	<u>19.86</u>	<u>33.14</u>

These summary consolidated financial statements were approved by management on 17 May 2021 and were signed on its behalf by:

Mayer V.V.
 Acting General Director



Vetluzhskiyh E.M.
 Deputy General Director –
 Director of Finance and Economy

A handwritten signature in blue ink, corresponding to E.M. Vetluzhskiyh.

'000 RUB

	Attributable to owners of the Company				Non- controlling interests	Total equity	
	Share capital	Treasury share reserve	Translation reserve	Retained earnings			Total
Balance at 1 January 2019	609,424	(60,383)	785,718	46,041,361	47,376,120	130,325	47,506,445
Total comprehensive income							
Profit	-	-	-	9,918,080	9,918,080	1,260	9,919,340
Other comprehensive income							
Foreign currency translation differences for foreign operations	-	-	(397,073)	-	(397,073)	-	(397,073)
Remeasurements of defined benefit liabilities	-	-	-	(67,751)	(67,751)	-	(67,751)
Related income tax	-	-	-	13,848	13,848	-	13,848
Total other comprehensive income	-	-	(397,073)	(53,903)	(450,976)	-	(450,976)
Total comprehensive income	-	-	(397,073)	9,864,177	9,467,104	1,260	9,468,364
Transactions with owners of the Company							
Contributions and distributions							
Dividends	-	-	-	(2,006,130)	(2,006,130)	-	(2,006,130)
Treasury shares acquired	-	(522)	-	-	(522)	-	(522)
Decrease of share capital	(9)	211	-	(202)	-	-	-
Total contributions and distributions	(9)	(311)	-	(2,006,332)	(2,006,652)	-	(2,006,652)
Total transactions with owners of the Company	(9)	(311)	-	(2,006,332)	(2,006,652)	-	(2,006,652)
Balance at 31 December 2019	609,415	(60,694)	388,645	53,899,206	54,836,572	131,585	54,968,157

'000 RUB

	Attributable to owners of the Company				Total	Non- controlling interests	Total equity
	Share capital	Treasury share reserve	Translation reserve	Retained earnings			
Balance at 1 January 2020	609,415	(60,694)	388,645	53,899,206	54,836,572	131,585	54,968,157
Total comprehensive income							
Profit/(loss)	-	-	-	5,926,915	5,926,915	(881)	5,926,034
Other comprehensive income							
Foreign currency translation differences for foreign operations	-	-	1,141,658	-	1,141,658	-	1,141,658
Remeasurements of defined benefit liabilities	-	-	-	157	157	-	157
Related income tax	-	-	-	330	330	-	330
Total other comprehensive income	-	-	1,141,658	487	1,142,145	-	1,142,145
Total comprehensive income	-	-	1,141,658	5,927,402	7,069,060	(881)	7,068,179
Transactions with owners of the Company							
Contributions and distributions							
Treasury shares acquired	-	(367,256)	-	-	(367,256)	-	(367,256)
Decrease of share capital	-	-	-	207	207	-	207
Total contributions and distributions	-	(367,256)	-	207	(367,049)	-	(367,049)
Total transactions with owners of the Company	-	(367,256)	-	207	(367,049)	-	(367,049)
Balance at 31 December 2020	609,415	(427,950)	1,530,303	59,826,815	61,538,583	130,704	61,669,287

'000 RUB	2020	2019
OPERATING ACTIVITIES		
Cash receipts from customers	53,945,419	60,820,384
Cash paid to suppliers of goods, services, raw materials and other current assets	(37,641,142)	(40,451,027)
Wages and salaries paid	(3,551,772)	(3,553,925)
Return of VAT paid	67,975	368,784
Payments of taxes other than income tax	(2,054,977)	(1,973,440)
Cash flows from operations before income tax and interest paid	10,765,503	15,210,776
Income tax paid	(609,293)	(2,164,298)
Interest paid	(50,029)	(11,030)
Net cash from operating activities	10,106,181	13,035,448
INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment and investment property	40,588	110,615
Interest received	371,883	177,647
Acquisition of property, plant and equipment, intangible assets and investment property	(15,835,853)	(27,697,833)
Return of VAT paid	3,430,738	5,194,343
Payment of interests capitalised	(2,066,740)	(1,280,723)
Loans given	(1,206,500)	(2,930,666)
Proceeds from repayment of loans given	3,335,976	1,169,255
Placement of deposits and other financial assets	(6,493,541)	(2,149,208)
Proceeds from repayment of deposits and other financial assets	1,729,210	2,500
Acquisition of non-controlling interests in limited liability companies	-	(13,670)
Net cash used in investing activities	(16,694,239)	(27,417,740)
FINANCING ACTIVITIES		
Proceeds from borrowings	10,615,246	19,437,588
Payment of bank commissions related to borrowings	(47,019)	(55,773)
Repayment of borrowings	(2,815,889)	(3,428,555)
Interest paid	(9,926)	-
Treasury shares acquired	(367,256)	(522)
Payment of lease liabilities	(98,809)	(95,237)
Dividends paid	(30,350)	(1,955,414)
Net cash from financing activities	7,245,997	13,902,087
Net increase/(decrease) in cash and cash equivalents	657,939	(480,205)
Cash and cash equivalents at the beginning of the year	7,852,180	9,449,111
Effect of movements in exchange rates on cash and cash equivalents	1,772,416	(1,116,504)
Effect of movements in expected credit losses on cash and cash equivalents	(50)	(222)
Cash and cash equivalents at the end of the period	10,282,485	7,852,180

In 2020, a number of Group’s companies set off accounts receivable from counterparties against accounts payable to these counterparties in the amount of RUB 1,819,722 thousand (2019: RUB 1,873,133 thousand).

1 Basis of preparation of the summary consolidated financial statements

These summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at 31 December 2020, and the summary consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for 2020, and explanatory note, are derived, without any modifications, from corresponding information, included in the consolidated financial statements of PJSC “Metafrax” (the “Company”) and its subsidiaries (the “Group”) for the year ended 31 December 2020, prepared in accordance with International Financial Reporting Standards (“IFRS”), except for the information disclosed in the notes to the consolidated financial statements, which has not been included in these summary financial statements. Accordingly, these summary financial statements do not include all information, required in accordance with IFRS.

Accordingly these summary consolidated financial statements are consistent with the consolidated financial statements.

For complete understanding of the consolidated financial position of the Group as at 31 December 2020 and its financial performance and its cash flows for 2020, the summary financial statements should be read in conjunction with the consolidated financial statements, from which it was derived.