

**PUBLIC JOINT STOCK COMPANY
“ACRON”**

**Consolidated Condensed Interim
Financial Information for the three months
ended 31 March 2021**



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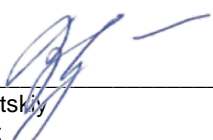
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Public Joint Stock Company "Acron"
Consolidated Condensed Interim Statement of Financial Position at 31 March 2021
(unaudited)
(in millions of Russian Roubles)




	Note	31 March 2021	31 December 2020
ASSETS			
Non-current assets			
Property, plant and equipment	10	111,324	110,601
Subsoil licences and related costs	11	43,422	42,614
Investment in equity instruments measured at fair value through other comprehensive income	12	11,795	11,264
Long-term derivative financial instruments	13	3,170	2,030
Right-of-use assets		2,404	2,302
Deferred tax assets		135	179
Other non-current assets		3,527	3,540
Total non-current assets		175,777	172,530
Current assets			
Inventories	9	20,290	19,301
Accounts receivable	8	16,767	12,438
Cash and cash equivalents	7	12,078	15,537
Other current assets		269	283
Total current assets		49,404	47,559
TOTAL ASSETS		225,181	220,089
EQUITY			
Share capital	16	3,046	3,046
Treasury shares		(17)	(17)
Retained earnings		68,365	57,910
Revaluation reserve		(14,132)	(14,663)
Other reserves		(13,135)	(13,030)
Cumulative currency translation difference		9,685	9,457
Equity attributable to the Company's owners		53,812	42,703
Non-controlling interests		26,308	26,100
TOTAL EQUITY		80,120	68,803
LIABILITIES			
Non-current liabilities			
Long-term borrowings	15	74,522	78,205
Long-term derivative financial instruments	13	1,255	1,560
Long-term lease liabilities		2,275	2,249
Deferred tax liabilities		8,656	8,467
Other long-term liabilities		1,490	1,402
Total non-current liabilities		88,198	91,883
Current liabilities			
Accounts payable	14	12,295	12,230
Short-term borrowings	15	37,020	36,911
Advances received		4,892	7,850
Short-term lease liabilities		509	456
Other current liabilities		2,147	1,956
Total current liabilities		56,863	59,403
TOTAL LIABILITIES		145,061	151,286
TOTAL LIABILITIES AND EQUITY		225,181	220,089

The Consolidated Condensed Interim Financial Information was approved for issue on 14 May 2021.


V.Y. Kunitskiy
President




A.V. Milenkov
Finance Director

Public Joint Stock Company “Acron”
Consolidated Condensed Interim Statement of Profit or Loss and Other Comprehensive
Income for the three months ended 31 March 2021 (unaudited)



(in millions of Russian Roubles, except for per share amounts)

	Note	Three months ended	
		31 March 2021	31 March 2020
Revenue	5	38,952	28,079
Cost of sales		(17,874)	(17,574)
Gross profit		21,078	10,505
Transportation expenses		(5,363)	(4,428)
Selling, general and administrative expenses		(2,876)	(2,183)
Other operating (expenses) / income, net	18	(119)	1,816
Operating profit		12,720	5,710
Finance costs, net	17	(481)	(14,194)
Interest expense		(573)	(486)
Profit / (loss) on derivatives, net		1,444	(978)
Profit / (loss) before taxation		13,110	(9,948)
Income tax expense	20	(2,495)	(178)
Profit / (loss) for the period		10,615	(10,126)
<i>Other comprehensive income / (loss) on items that will not be reclassified to profit or loss:</i>			
Investment in equity instruments measured at fair value through other comprehensive income:			
Gain / (loss) arising during the period	12	531	(1,709)
<i>Other comprehensive income on items that are or may be reclassified to profit or loss:</i>			
Currency translation differences		278	2,629
Other comprehensive income for the period		809	920
Total comprehensive income / (loss) for the period		11,424	(9,206)
Profit / (loss) is attributable to:			
Owners of the Company		10,478	(10,250)
Non-controlling interest		137	124
Profit / (loss) for the period		10,615	(10,126)
Total comprehensive income / (loss) is attributable to:			
Owners of the Company		11,237	(9,326)
Non-controlling interest		187	120
Total comprehensive income / (loss) for the period		11,424	(9,206)
Profit / (loss) earnings per share			
Basic (expressed in RUB per share)	19	283.89	(268.13)
Diluted (expressed in RUB per share)	19	283.84	(261.13)

The accompanying notes are an integral part of this consolidated condensed interim financial information.

Public Joint Stock Company “Acron”
Consolidated Condensed Interim Statement of Cash Flows for the three months
ended 31 March 2021 (unaudited)
(in millions of Russian Roubles)



	Note	Three months ended	
		31 March 2021	31 March 2020
Cash flows from operating activities			
Profit / (loss) before taxation for the period		13,110	(9,948)
<i>Adjustments for:</i>			
Depreciation and amortisation		2,953	3,490
Provision for impairment of accounts receivable		-	2
Reversal of provision for obsolescence of inventory		(73)	(68)
Loss on disposal of property, plant and equipment		18	40
Interest expense		573	486
Interest income		(20)	(15)
(Profit) / loss on derivatives, net		(1,444)	978
Unrealised foreign exchange effect on non-operating balances		273	12,599
Operating cash flows before working capital changes		15,390	7,564
Increase in gross trade receivables		(3,900)	(2,642)
Increase in advances to suppliers		(996)	(1,308)
Decrease in other receivables		169	1,459
(Increase) / decrease in inventories		(975)	178
Increase / (decrease) in trade payables		249	(1,749)
Decrease in other payables		(451)	(310)
Decrease in advances from customers		(2,958)	(2,733)
Decrease in other current assets		-	135
Increase in other current liabilities		410	991
Cash generated from operations		6,938	1,585
Income tax paid		(1,624)	(269)
Interest paid		(683)	(542)
Net cash generated from operating activities		4,631	774
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(3,266)	(3,708)
Interest received		8	10
Net change in other non-current assets and liabilities		75	(93)
Net cash used in investing activities		(3,183)	(3,791)
Cash flows from financing activities			
Acquisition of non-controlling interest		-	(6)
Dividend paid		(5)	(102)
Acquisition of treasury shares		(105)	(6,222)
Proceeds from borrowings	15	9,846	22,041
Repayment of borrowings	15	(14,659)	(4,112)
Payment of lease liabilities		(167)	(149)
Net cash (used in) / generated from financing activities		(5,090)	11,450
Net (decrease) / increase in cash and cash equivalents		(3,642)	8,433
Effect of exchange rate changes on cash and cash		183	2,708
Cash and cash equivalents at the beginning of the period	7	15,537	11,356
Cash and cash equivalents at the end of the period	7	12,078	22,497

The accompanying notes are an integral part of this consolidated condensed interim financial information.



Capital and reserves attributable to the Company's owners

	Share capital	Treasury shares	Retained earnings	Revaluation reserve	Other reserves	Cumulative currency translation difference	Non-controlling interest	Total equity
Balance at 1 January 2020	3,046	(8)	73,157	(16,083)	(5,291)	6,180	20,964	81,965
Comprehensive loss								
Loss for the period	-	-	(10,250)	-	-	-	124	(10,126)
<i>Other comprehensive income</i>								
Loss on revaluation of investment in equity instruments measured at fair value through other comprehensive income	-	-	-	(1,709)	-	-	-	(1,709)
Currency translation differences	-	-	-	-	-	2,633	(4)	2,629
Total other comprehensive income	-	-	-	(1,709)	-	2,633	(4)	920
Total comprehensive loss	-	-	(10,250)	(1,709)	-	2,633	120	(9,206)
Acquisition of non-controlling interest	-	-	47	-	-	-	(53)	(6)
Acquisition of treasury shares	-	(6)	-	-	(6,216)	-	-	(6,222)
Total transactions with Company's owners	-	(6)	47	-	(6,216)	-	67	(15,434)
Balance at 31 March 2020	3,046	(14)	62,954	(17,792)	(11,507)	8,813	21,031	66,531
Balance at 1 January 2021	3,046	(17)	57,910	(14,663)	(13,030)	9,457	26,100	68,803
Comprehensive income								
Income for the period	-	-	10,478	-	-	-	137	10,615
<i>Other comprehensive income</i>								
Profit on revaluation of investment in equity instruments measured at fair value through other comprehensive income	-	-	-	531	-	-	-	531
Currency translation differences	-	-	-	-	-	228	50	278
Total other comprehensive income	-	-	-	531	-	228	50	809
Total comprehensive income	-	-	10,478	531	-	228	187	11,424
Acquisition of treasury shares	-	-	-	-	(105)	-	-	(105)
Other	-	-	(23)	-	-	-	21	(2)
Total transactions with Company's owners	-	-	(23)	-	(105)	-	21	(107)
Balance at 31 March 2021	3,046	(17)	68,365	(14,132)	(13,135)	9,685	26,308	80,120

The accompanying notes are an integral part of this consolidated condensed interim financial information.



1 Acron Group and its Operations

This consolidated condensed interim financial information has been prepared in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting for the three months ended 31 March 2021 for Public Joint Stock Company “Acron” (the “Company” or “Acron”) and its subsidiaries (together referred to as the “Group” or “Acron Group”). The Company’s shares are traded on the Moscow and London Stock Exchange.

The Group’s principal activities include the manufacture, distribution and sale of chemical fertilisers and related by-products. The Group’s manufacturing facilities are primarily based in the Novgorod, Smolensk and Murmansk regions of Russia.

The Company’s registered office is at Veliky Novgorod, 173012, Russian Federation.

As at 31 March 2021, the Group’s immediate parent company is JSC Acron Group (Russian Federation) (until February 2021, named JSC Acronagroservice). Until November 2020, the Group’s immediate parent company was Redbrick Investments S.a.r.l. (Luxembourg). The Group’s ultimate parent is Terasta Enterprises Limited (The Republic of Cyprus). During the reporting and comparable periods the Group is ultimately controlled by Mr. Viatcheslav Kantor.

2 Basis of Preparation

2.1 Statement of compliance

This consolidated condensed interim financial information has been prepared in accordance with IAS 34, Interim Financial Reporting. It does not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2020.

2.2 Judgements and estimates

Preparing the consolidated condensed interim financial information requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated condensed interim financial information for the three months ended 31 March 2021, significant judgments made by Management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

3 Significant Accounting Policies

The accounting policies and judgments applied by the Group in this consolidated condensed interim financial information are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2020.

4 Seasonality

The Group is subject to certain seasonal fluctuations in fertiliser demand due to the timing of fertiliser application and, as a result, fertiliser purchases by farmers. However, the effect of seasonality on the Group’s revenue is partially offset by the facts that the Group sells its fertilisers globally and fertiliser application and purchases vary by region. The seasonality does not significantly influence production, and inventory levels are adjusted for movements in demand. Seasonality does not impact the revenue or cost recognition policies of the Group.

5 Segment Information

The Group prepares its segment analysis in accordance with IFRS 8, Operating Segments. Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker(s) (“CODM”) and for which discrete financial information is available. The CODM is the person or group of persons who allocates resources and assesses the performance for the entity. The functions of CODM are performed by the Management Board of the Group.

The development and approval of strategies, market situation analysis, the risk assessment, investment focus, technological process changes, goals and priorities are set and assessed in line with the current segment structure of the Group:

- Acron – representing manufacturing and distribution of chemical fertilisers by PJSC Acron;
- Dorogobuzh – representing manufacturing and distribution of chemical fertilisers by PJSC Dorogobuzh;
- Mining NWPC – representing production of apatite-nepheline ore and subsequent processing in apatite concentrate;
- Mining excluding NWPC - comprise mining entities JSC VPC and North Atlantic Potash Inc., both under being at the stage of development, exploration and evaluation;
- Logistics – representing transportation and logistics services rendered by Estonian ports of the Group and some minor transportation companies in Russia. Constitutes an aggregation of a number of operating segments;
- Trading – representing overseas and domestic distribution companies of the Group;

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(in millions of Russian Roubles, except for per share amounts)

- Other – representing certain logistic (other than included in logistic segment), service, agriculture and management operations.

The Group's segments are strategic business units that focus on different customers. They are managed separately because each business unit has distinctive business and risk profile.

Segment financial information is presented and reviewed by the CODM based on the IFRS and includes revenues from sales and EBITDA.

The CODM evaluates performance of each segment based on measure of operating profit adjusted by depreciation and amortisation, foreign exchange gain or loss, other non-cash and extraordinary items (EBITDA). Since this term is not a standard IFRS measure Acron Group's definition of EBITDA may differ from that of other companies.

Information for the reportable segments for the three months ended 31 March 2021 is set out below:

	Segment sales	Intersegment sales	External sales	EBITDA
Acron	24,122	(22,243)	1,879	9,380
Dorogobuzh	8,240	(7,920)	320	2,601
Logistics	930	(921)	9	223
Trading	37,916	(1,380)	36,536	2,525
Mining NWPC	3,223	(3,212)	11	989
Mining excluding NWPC	-	-	-	(1)
Other	346	(149)	197	22
Total	74,777	(35,825)	38,952	15,739

Information for the reportable segments for the three months ended 31 March 2020 is set out below:

	Segment sales	Intersegment sales	External sales	EBITDA
Acron	14,920	(12,961)	1,959	3,248
Dorogobuzh	6,432	(6,117)	315	1,256
Logistics	710	(627)	83	182
Trading	26,409	(967)	25,442	2,365
Mining NWPC	2,367	(2,353)	14	245
Mining excluding NWPC	-	-	-	(7)
Other	490	(224)	266	(10)
Total	51,328	(23,249)	28,079	7,279

Reconciliation of EBITDA to Profit Before Tax:

	Three months ended	
	31 March 2021	31 March 2020
Operating Profit	12,720	5,710
Depreciation and amortisation	2,953	3,490
Net foreign currency loss / (income) on operating activities	48	(1,961)
Loss on disposal of property, plant and equipment	18	40
Total consolidated EBITDA	15,739	7,279

Information about geographical areas:

The geographic information below analyses the Group's revenue. In presenting the following information, segment revenue has been based on the geographic location of customers.

	Three months ended	
	31 March 2021	31 March 2020
Revenue		
Latin America	11,273	6,084
Russia	8,259	7,852
European Union	5,620	4,675
Asia (excluding PRC)	4,175	3,117
USA and Canada	3,692	3,097
PRC	2,980	1,580
Other regions	2,451	1,166
Commonwealth of Independent States	502	508
Total	38,952	28,079



(in millions of Russian Roubles, except for per share amounts)

Revenue from sales of chemical fertilisers accounts for 85% of total revenues (for the three months ended 31 March 2020: 83%).

For the three months ended 31 March 2021, revenues from logistics activities representing a separate performance obligation under IFRS 15 amounted to RUB 2,940 (for the three months ended 31 March 2020: RUB 1,523). Adjustment associated with price changes is not significant.

This revenue was accounted for as part of the Trading in Information for the reportable segments for the three months ended 31 March 2021.

There is one individual customer contributing more than 10% to the total revenues (for the three months ended 31 March 2020: none customer).

6 Balances and Transactions with Related Parties

Related parties are defined in IAS 24, Related Party Disclosures. Parties are generally considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

The nature of the related party relationships for those related parties with whom the Group entered into significant transactions or had significant balances outstanding at 31 March 2021 and 31 December 2020 are detailed below.

The following turnovers and balances arise from transactions with related parties:

i Balances with related parties

Statement of financial position caption	Note	Relationship	31 March 2021	31 December 2020
Trade receivables, gross	8	Companies under common control	3	3
Trade payables	14	Companies under common control	(7)	(5)

ii Transactions with related parties

	Note	Relationship	Three months ended	
			31 March 2021	31 March 2020
Sales of chemical fertilisers	5	Companies under common control	1	2
Purchases of raw materials		Companies under common control	(18)	(15)

7 Cash and Cash Equivalents

	31 March 2021	31 December 2020
Cash on hand and bank balances denominated in RUB	1,735	3,841
Bank balances denominated in USD	7,437	9,513
Bank balances denominated in EUR	2,002	1,455
Bank balances denominated in CNY	533	548
Bank balances denominated in other foreign currencies	371	180
Total cash and cash equivalents	12,078	15,537

Cash and cash equivalents include term deposits of RUB 1,031 (31 December 2020: RUB 2,591).

The fair value of cash, cash equivalents and irrevocable deposits is equal to their carrying amount. All bank balances and term deposits are neither past due nor impaired.

8 Accounts Receivable

	31 March 2021	31 December 2020
Trade accounts receivable	10,140	6,240
Notes receivable	276	307
Other accounts receivable	597	168
Less: impairment provision	(39)	(39)
Total financial assets	10,974	6,676
Advances to suppliers	2,605	1,609
Value-added tax recoverable	2,729	3,212
Income tax prepayment	22	432
Other taxes receivable	468	540
Less: impairment provision	(31)	(31)
Total accounts receivable	16,767	12,438

The fair value of accounts receivable does not differ significantly from their carrying amount.

As at 31 March 2021 and 31 December 2020 the Group hold no collateral as security for trade receivable.



(in millions of Russian Roubles, except for per share amounts)

9 Inventories

	31 March 2021	31 December 2020
Raw materials and spare parts	11,066	10,289
Work in progress	538	510
Finished products	8,686	8,502
	20,290	19,301

Raw materials are shown net of obsolescence provision RUB 212 (31 December 2020: RUB 285).

No inventory was pledged as security at 31 March 2021 and 31 December 2020.

10 Property, Plant and Equipment

Property, plant and equipment and related accumulated depreciation consist of the following:

	2021	2020
Carrying amount at 1 January	110,601	102,157
Acquisitions	3,578	4,270
Disposals	(18)	(40)
Depreciation charge	(2,753)	(3,134)
Currency translation difference	(84)	809
Carrying amount at 31 March	111,324	104,062

Included in the three months 2021 additions to assets under constructions are approximately RUB 375 of capitalised borrowing costs in accordance with IAS 23, Borrowing costs (for the three months 2020: RUB 629) at the average borrowing rate from 6.16% to 8.0% (for the three months 2020: from 9.13% to 10.2%).

At 31 March 2021 and 31 December 2020, no pledges over property, plant and equipment.

11 Subsoil Licences and Related Costs

Subsoil licences and related costs comprise of:

	31 March 2021	31 December 2020
Apatite-nepheline deposits (production/development stage)	785	788
Potash deposits (development stage)	35,232	34,580
Exploration licenses	5,896	5,604
License and expenditure on deposit in exploration and evaluation stage	1,287	1,287
Asset related to the discharge of license obligations	222	355
	43,422	42,614

The Group capitalised borrowing costs for the three months ended 31 March 2021 in the amount of RUB 652 (for the three months 2020: RUB 832) applying average borrowing rate of 8.0% (for the three months 2020: 10.2%).

12 Investment in equity instrument measured at fair value through other comprehensive income

	2021	2020
Carrying amount at 1 January	11,264	9,784
Fair value gain / (loss) recognised directly in OCI	531	(1,709)
Carrying amount at 31 March	11,795	8,075

The Group has investments in the following companies:

Name	Activity	Country of registration	31 March 2021	31 December 2020
Non-current				
Grupa Azoty S.A.	Fertilisers manufacture	Poland	11,327	10,796
Other		Russia	468	468
Total non-current			11,795	11,264
Total			11,795	11,264

The fair value of investment in Grupa Azoty S.A. was determined by reference to their quoted market prices as at 31 March 2021. At 31 March 2021, the share price of Grupa Azoty S.A. on Warsaw Stock Exchange was RUB 576.20 (31 December 2020: RUB 549.21).

13 Derivative Financial Assets and Liabilities

Options for the purchase and sale of shares are recognised as part of a transaction to sell shares of JSC VPC to holders of non-controlling interests. The net assets as at 31 March 2021 are represented by four call options, which give to the Group the right to purchase from non-controlling shareholders the 30% stakes in JSC VPC up to June 2023,



(in millions of Russian Roubles, except for per share amounts)

10% - September 2024, 9.99% - September 2025 and four put options that give non-controlling shareholders the right to sell to the Group their stakes of interest in JSC VPC in the period from June 2023 to September 2025.

	31 March 2021			
	Assets		Liabilities	
	Non-Current	Current	Non-Current	Current
Put/call options on JSC VPC shares	3,170	-	(1,255)	-
	3,170	-	(1,255)	-

	31 December 2020			
	Assets		Liabilities	
	Non-Current	Current	Non-Current	Current
Put/call options on JSC VPC shares	2,030	-	(1,560)	-
	2,030	-	(1,560)	-

14 Accounts Payable

	31 March 2021	31 December 2020
Trade accounts payable	7,868	7,619
Dividends payable	116	121
Total financial payables	7,984	7,740
Payables to employees	1,882	1,869
Accrued liabilities and other creditors	978	966
Taxes payable	1,451	1,655
Total accounts payable and accrued expenses	12,295	12,230

15 Short-Term and Long-Term Borrowings

Borrowings consist of the following:

	31 March 2021	31 December 2020
Bonds issued	23,266	23,266
Credit lines	14,016	19,976
Term loans	75,507	73,081
	112,789	116,323

The Group's borrowings mature as follows:

	31 March 2021	31 December 2020
Borrowings due:		
- within 1 year	37,020	36,911
- between 1 and 5 years	75,769	79,412
	112,789	116,323

The Group's borrowings are denominated in currencies as follows:

	31 March 2021	31 December 2020
Borrowings denominated in:		
- RUB	39,207	41,956
- EUR	11,420	11,794
- USD	62,162	62,573
	112,789	116,323

At 31 March 2021, unused credit lines available under loan facilities were RUB 97,012 (31 December 2020: RUB 100,847). Terms and conditions of unused credit lines correspond to the terms and conditions of other borrowings.



(in millions of Russian Roubles, except for per share amounts)

The details of the significant short-term loan balances are summarised below:

	31 March 2021	31 December 2020
Short-term borrowings		
RUB		
Bonds with fixed interest rate from 6.5% to 8.6% per annum	8,772	8,772
Loans with floating interest rate from the key rate of the Bank of Russia +1.35% to 90% of the key rate of the Bank of Russia +2% (2020: from 90% of the key rate of the Bank of Russia +1.8% to 90% of the key rate of the Bank of Russia +2%) per annum	1,687	715
Loans with fixed interest rate of 8.34% (2020: from 7.35% to 8.34%) per annum	3,000	5,950
EUR		
Loans with floating interest rate of 6M EURIBOR +0.65% to 6M EURIBOR+1.9% per annum	463	473
Loans with floating interest rate of 3M EURIBOR +1.25% per annum	7,644	7,799
Loans with fixed interest rate of 0.99% per annum	2,666	2,720
USD		
Loans with floating interest rate of 1M LIBOR +2.5% per annum	12,788	10,482
Total short-term borrowings	37,020	36,911
Bank commission	-	-
Total short-term liabilities	37,020	36,911

The details of the significant long-term loan balances are summarised below:

	31 March 2021	31 December 2020
Long-term borrowings		
RUB		
Bonds with fixed interest rate from 5.9% to 7.25% per annum	14,494	14,494
Loans with floating interest rate from the 90% of the key rate of the Bank of Russia +2% to the key rate of the Bank of Russia +2% (2020: from the key rate of the Bank of Russia +1.35% to the key rate of the Bank of Russia +2%) per annum	11,254	12,025
EUR		
Loans with floating interest rate from 6M EURIBOR +0.65% to 6M EURIBOR +1.9% per annum	647	802
USD		
Loans with floating interest rate from 1M LIBOR +2.5% to 1M LIBOR +4.5% (2020: from 1M LIBOR +2.5% to 1M LIBOR +4.5%) per annum	46,346	49,136
Loans with fixed interest rate of 2.6% per annum	3,028	2,955
Total long-term borrowings	75,769	79,412
Bank commission	(1,247)	(1,207)
Total long-term liabilities	74,522	78,205

In May 2011, the Group placed through an offering to the public under an open subscription RUB non-convertible bonds with a face value of RUB 7,500 to be redeemed in May 2021. In 2012, the Group redeemed bonds in the amount of RUB 3,377. The holders of this bond issue were granted an option to redeem the bonds in May 2015 and May 2016 which resulted in early redemption of bonds for RUB 1,354. The Group further placed the bonds of this issue for RUB 1,354. At 31 March 2021, the Group's subsidiary PJSC Dorogobuzh held bonds in the amount of RUB 351.

In October 2016, the Group placed non-convertible interest-bearing documentary bonds in the amount of RUB 5,000 to be redeemed in September 2026. The bonds placed at 5.9% with the option of early redemption in October 2022.

In June 2017, the Group placed non-convertible interest-bearing documentary bonds in the amount of RUB 5,000 to be redeemed in May 2027. The bonds placed at 8.6% with the option of early redemption in December 2021 which resulted in early redemption of bonds for 506 RUB.

In October 2019, the Group placed non-convertible interest-bearing documentary bonds in the amount of RUB 10,000 to be redeemed in April 2023. The bonds placed at 7.25% per annum without the option of early redemption.

All of the above bonds were admitted to the quotation list B and are traded on Moscow Stock Exchange. The fair value of the outstanding bonds as at 31 March 2021 was RUB 23,485 with reference to Moscow Stock Exchange quotations as of this date (31 December 2020: RUB 23,942).

Significant loan agreements contain certain covenants including those which require the Group and Group entities to maintain a minimum level of net assets, net debt/EBITDA ratio and EBITDA/interest expense ratio. The loan agreements provide for the borrower's obligation to maintain the required level of inflows through the accounts opened with the lending banks. The loan agreements also contains a number of covenants and acceleration clause in case of



(in millions of Russian Roubles, except for per share amounts)

the borrower's failure to fulfil its obligations under the loan agreements which include restrictions on significant transactions with assets. Also, these covenants permit the respective banks to directly debit the accounts opened by the debtors with the banks to ensure repayment of the loans. The Group is in compliance with these covenants.

16 Share Capital

The total authorised number of ordinary shares is 40,534,000 (31 December 2020: 40,534,000) with a par value of RUB 5 per shares. All authorised shares have been issued and fully paid.

Total number of outstanding shares comprises (par value is expressed in roubles per one share):

	Number of outstanding ordinary shares	Number of treasury shares	Total share capital	Treasury share capital	Outstanding share capital
1 January 2020	40,534,000	(1,576,930)	3,046	(8)	3,038
Acquisition of treasury shares	-	(1,192,712)	-	(6)	(6)
31 March 2020	40,534,000	(2,769,642)	3,046	(14)	3,032
1 January 2021	40,534,000	(3,318,328)	3,046	(17)	3,029
Acquisition of treasury shares	-	(17,772)	-	-	-
31 March 2021	40,534,000	(3,336,100)	3,046	(17)	3,029

In May 2021, subsequent to the reporting period, the Board of Directors of PJSC Acron recommended the annual general meeting of shareholders to declare dividend for 2020 in the amount of RUB 30 per ordinary share.

17 Finance Costs, net

	Three months ended	
	31 March 2021	31 March 2020
Interest income from loans provided and term deposits	20	15
Other finance (expenses) / income, net	(45)	53
Foreign exchange loss, net	(456)	(14,262)
	(481)	(14,194)

18 Other Operating (Expenses) / Income, net

	Three months ended	
	31 March 2021	31 March 2020
Charity expenses	(128)	(162)
Other operating income, net	57	17
Foreign exchange (loss) / gain, net	(48)	1,961
	(119)	1,816

19 Earnings per Share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period, excluding treasury shares. At 31 March 2021, ordinary shares of the Company have potential dilutive effect associated with the right to exercise obligations under the redemption put-options by transferring its own ordinary shares.

	Three months ended	
	31 March 2021	31 March 2020
Weighted average number of shares outstanding	40,534,000	40,534,000
Adjusted for weighted average number of treasury shares	(3,143,156)	(2,769,642)
Weighted average number of shares outstanding (basic)	37,390,844	37,764,358
Effect of settlement in own equity instruments	9,994	-
Weighted average number of shares outstanding (diluted)	37,390,844	38,777,054
Profit / (loss) attributable to the equity holders of the Company	10,615	(10,126)
Basic per share (in Russian roubles)	283.89	(268.13)
Diluted per share (in Russian roubles)	283.84	(261.13)



20 Income Taxes

	Three months ended	
	31 March 2021	31 March 2020
Income tax expense – current	2,306	385
Deferred tax charge – origination and reversal of temporary differences	189	(207)
Income tax charge	2,495	178

21 Contingencies, Commitments and Operating Risks

i Contractual commitments and guarantees

As at 31 March 2021, the Group had outstanding capital commitments in relation to property, plant and equipment for the amount of RUB 9,493 (31 December 2020: RUB 9,333).

In accordance with the conditions of the exploration licenses the Group has to commence the extraction of certain mineral resources by certain dates as stipulated by license agreements (Note 11). The Group has already allocated the necessary resources in respect of these commitments. The Group believes that future net income and funding will be sufficient to cover this and any similar such commitments.

Guarantees are irrevocable assurances that the Group will make payments in the event that another party cannot meet its obligations. As at 31 March 2021 and 31 December 2020, the Group had no issued guarantees.

ii Legal proceedings

From time to time and in the normal course of business, claims against the Group are received. On the basis of its own estimates and both internal and external professional advice the Management is of the opinion that no material losses will be incurred in respect of claims.

iii Business environment

The Group's operations are primarily located in the Russian Federation, also the Group has distribution companies in the countries of European Union, USA, Asia and Latin America. Consequently, the Group is exposed not only to the economic and financial markets of the Russian Federation which display characteristics of an emerging market, but also is exposed both to macroeconomic indicators and specific requirements of local regulators in other countries where the Group operates.

The legal, tax and regulatory frameworks in the Russian Federation continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities.

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.

The first months of 2020 have seen significant global market turmoil triggered by the outbreak of the coronavirus. Together with other factors, this has resulted in a sharp decrease in the oil price and the stock market indices, as well as a depreciation of the Russian Rouble. These developments are further increasing the level of uncertainty in the Russian business environment. These events may have a potential negative effect on the availability and cost of borrowed funds, as well as on the volatility of assets and liabilities measured at fair value. The situation with the spread of coronavirus and quarantine measures taken by countries does not yet have a significant impact on fertiliser demand. Management believes that if the situation worsens, the need for food security will support the demand for mineral fertilisers worldwide. According to the management estimate, current situation does not have significant impact on the Group's ability to continue as a going concern and meet its obligations in the foreseeable future. At the moment the impact on accounts receivable and its turnover also have not been revealed. The Group does not expect further deterioration triggered by the outbreak of coronavirus.

The consolidated condensed interim financial information reflects management's assessment of the impact of the Russian business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

iv Taxation contingencies in Russian Federation

The taxation system in the Russian Federation continues to evolve and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are sometimes contradictory and subject to varying interpretation by different tax authorities.

Taxes are subject to review and investigation by a number of authorities, which have the authority to impose severe fines, penalties and interest charges. A tax year generally remains open for review by the tax authorities during the



three subsequent calendar years. 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.

In addition, a number of new laws introducing changes to the Russian tax legislation have been recently adopted. In particular, starting from 1 January 2015 Russian Federal law 376-FZ introduced changes aimed at regulating tax consequences of transactions with foreign companies and their activities. These changes may potentially impact the Group's tax position and create additional tax risks going forward. This legislation is still evolving and the impact of legislative changes should be considered based on the actual circumstances.

Transfer pricing legislation enacted in the Russian Federation starting from 1 January 2012 provides for major modifications making local transfer pricing rules closer to OECD guidelines, but creating additional uncertainty in practical application of tax legislation in certain circumstances.

These transfer pricing rules provide for an obligation for the taxpayers to prepare transfer pricing documentation with respect to controlled transactions and prescribe the basis and mechanisms for accruing additional taxes and interest in case prices in the controlled transactions differ from the market level.

The transfer pricing rules apply to cross-border transactions between related parties, as well as to certain cross-border transactions between independent parties, as determined under the Russian Tax Code (no threshold is set for the purposes of prices control in such transactions). In addition, the rules apply to in-country transactions between related parties if the accumulated annual volume of the transactions between the same parties exceeds a particular threshold (RUB 1 billion in 2014 and thereon).

The compliance of prices with the arm's length level could be as well subject to scrutiny on the basis of unjustified tax benefit concept.

All these circumstances may create tax risks in the Russian Federation that are substantially more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Russian tax legislation, official pronouncements and court decisions. However, the interpretations of the tax authorities and courts, especially due to reform of the supreme courts that are resolving tax disputes, could differ and the effect on this consolidated condensed interim financial information, if the authorities were successful in enforcing their interpretations, could be significant.

The amount of possible tax liabilities related to uncertainties in practical application of legislation could be material, but cannot be determined with sufficient reliability. However, management believes that its interpretation of the relevant legislation is generally appropriate, and the Group's tax, currency and customs positions will be sustained. Management believes that all necessary provisions in respect of probable tax risks were recognised as liabilities.

v Environmental matters

The environmental regulation in the Russian Federation continues to evolve. The Group periodically evaluates its obligations under environmental regulations. As obligations are determined, they are recognised immediately. Potential liabilities, which might arise as a result of changes in existing regulations, civil litigation or legislation, cannot be estimated but could be material. In the current climate under existing legislation, management believes that there are no significant liabilities for environmental damage.

22 Fair Value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is the price in an active market.

The estimated fair values of financial instruments have been determined by the Group using available market information, where it exists, and appropriate valuation methodologies. However, judgement is necessarily required to interpret market data to determine the estimated fair value. The Russian Federation continues to display some characteristics of an emerging market and economic conditions continue to limit the volume of activity in the financial markets. Market quotations may be outdated or reflect distress sale transactions and therefore not represent fair values of financial instruments. Management has used all available market information in estimating the fair value of financial instruments.

Financial instruments carried at fair value. Investment in equity instruments measured at fair value through other comprehensive income, and derivatives are carried in the consolidated statement of financial position at their fair value.

This Group discloses the value of financial instruments that are measured in the consolidated statement of financial position at fair value by three levels in accordance with IFRS 13, Fair values.

The level in the fair value hierarchy into which the fair values are categorised as one of the three categories:

- Level 1: quoted price in an active market;
- Level 2: valuation technique with inputs observable in markets;
- Level 3: valuation technique with significant non-observable inputs.

All measured at fair value through other comprehensive income financial instruments of the Group were included in level 1 category in the amount of RUB 11,327 (31 December 2020: RUB 10,796).



All liabilities on bonds issued were included in level 1 category in the amount of RUB 23,266 (31 December 2020: RUB 23,266).

The fair value of the call/put options on shares of JSC VPC was determined based on the Black–Scholes Option Pricing Model with the adjustments and using of unobservable inputs, and included in level 3. Determination method is equal to applied in 2020.

Financial assets carried at amortised cost. The fair value of floating rate instruments is normally their carrying amount. The estimated fair value of fixed interest rate instruments is based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity. Discount rates used depend on credit risk of the counterparty. Carrying amounts of trade receivables and loans receivable approximate fair values.

Liabilities carried at amortised cost. The fair value of floating rate liabilities is normally their carrying amount. The fair value is based on quoted market prices, if available. The estimated fair value of fixed interest rate instruments with stated maturity, for which a quoted market price is not available, was estimated based on expected cash flows discounted at current interest rates for new instruments with similar credit risk and remaining maturity. At 31 March 2021, the fair value of borrowings was RUB 193 higher than their carrying amounts. At 31 December 2020, the fair value of borrowings was RUB 669 higher than their carrying amounts.

The fair value of payables does not differ significantly from their carrying amounts.

23 Subsequent Events

In May 2021, the Board of Directors of PJSC Acron recommended the annual general meeting of shareholders to declare dividend for 2020 in the amount of RUB 30 per ordinary share.