

**PUBLIC JOINT STOCK COMPANY  
“ACRON”**

**Consolidated Condensed Interim  
Financial Information for the nine months  
ended 30 September 2021**



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# Independent Auditors' Report on Review of Consolidated Condensed Interim Financial Information

## To the Shareholders and Board of Directors of Public Joint Stock Company "Acron"

### Introduction

We have reviewed the accompanying consolidated condensed interim statement of financial position of Public Joint Stock Company "Acron" and its subsidiaries (the "Group") as at 30 September 2021 and the related consolidated condensed interim statements of profit or loss and other comprehensive income for the three- and nine-month periods ended 30 September 2021 and the related consolidated condensed interim statements of changes in equity and cash flows for the nine-month period ended 30 September 2021, and notes to the consolidated condensed interim financial information (the "consolidated condensed interim financial information"). Management is responsible for the preparation and presentation of this consolidated condensed interim financial information in accordance with IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this consolidated condensed interim financial information based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of consolidated condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Reviewed entity: PJSC "Acron".

Registration No. in the Unified State Register of Legal Entities No. 1025300786610.

Veliky Novgorod, Russia.

Independent auditor: JSC "KPMG", a company incorporated under the Laws of the Russian Federation and a member firm of the KPMG global organization of independent member firms. For more detail about the structure of the KPMG global organization please visit [home.kpmg/governance](http://home.kpmg/governance)

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 "Acron"**

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## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated condensed interim financial information as at 30 September 2021, and for the three- and nine-month periods ended 30 September 2021 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

Andrey V. Ryazantsev

JSC "KPMG"  
Moscow, Russia

26 November 2021





	Note	30 September 2021	31 December 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	116,500	110,601
Subsoil licences and related costs	11	43,393	42,614
Investment in equity instruments measured at fair value through other comprehensive income	12	10,561	11,264
Long-term derivative financial instruments	13	5,931	2,030
Right-of-use assets		2,367	2,302
Deferred tax assets		134	179
Other non-current assets		3,456	3,540
<b>Total non-current assets</b>		<b>182,342</b>	<b>172,530</b>
<b>Current assets</b>			
Inventories	9	26,284	19,301
Accounts receivable	8	15,892	12,438
Cash and cash equivalents	7	16,257	15,537
Other current assets		371	283
<b>Total current assets</b>		<b>58,804</b>	<b>47,559</b>
<b>TOTAL ASSETS</b>		<b>241,146</b>	<b>220,089</b>
<b>EQUITY</b>			
Share capital	16	3,046	3,046
Treasury shares		(19)	(17)
Retained earnings		107,405	57,910
Revaluation reserve		(15,366)	(14,663)
Other reserves		(15,807)	(13,030)
Cumulative currency translation difference		8,785	9,457
<b>Equity attributable to the Company's owners</b>		<b>88,044</b>	<b>42,703</b>
Non-controlling interest		26,120	26,100
<b>TOTAL EQUITY</b>		<b>114,164</b>	<b>68,803</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term borrowings	15	82,046	78,205
Long-term derivative financial instruments	13	542	1,560
Long-term lease liabilities		2,121	2,249
Deferred tax liabilities		9,311	8,467
Other long-term liabilities		3,374	1,402
<b>Total non-current liabilities</b>		<b>97,394</b>	<b>91,883</b>
<b>Current liabilities</b>			
Accounts payable	14	12,007	12,230
Short-term borrowings	15	8,233	36,911
Advances received		6,816	7,850
Short-term lease liabilities		584	456
Other current liabilities		1,948	1,956
<b>Total current liabilities</b>		<b>29,588</b>	<b>59,403</b>
<b>TOTAL LIABILITIES</b>		<b>126,982</b>	<b>151,286</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>241,146</b>	<b>220,089</b>

The Consolidated Condensed Interim Financial Information was approved on 26 November 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 and nine months ended 30 September 2021**  
*(in millions of Russian Roubles, except for per share amounts)*



	Note	Nine months ended		Three months ended	
		30 September 2021	30 September 2020	30 September 2021	30 September 2020
Revenue	5	137,215	86,088	51,233	29,656
Cost of sales		(49,770)	(47,190)	(17,305)	(15,254)
<b>Gross profit</b>		<b>87,445</b>	<b>38,898</b>	<b>33,928</b>	<b>14,402</b>
Transportation expenses		(20,227)	(16,850)	(6,337)	(6,477)
Selling, general and administrative expenses		(7,072)	(6,503)	(1,682)	(1,838)
Profit on sale of potash leases		-	891	-	-
Other operating (expenses) / income, net	18	(634)	3,023	159	2,940
<b>Operating profit</b>		<b>59,512</b>	<b>19,459</b>	<b>26,068</b>	<b>9,027</b>
Finance income / (expenses), net	17	2,353	(19,298)	(112)	(11,922)
Interest expense		(2,452)	(2,581)	(777)	(760)
Gain / (loss) on derivatives, net		4,919	(2,551)	1,997	(109)
<b>Profit / (loss) before taxation</b>		<b>64,332</b>	<b>(4,971)</b>	<b>27,176</b>	<b>(3,764)</b>
(Expense) / income tax benefit	20	(13,398)	810	(5,920)	589
<b>Profit / (loss) for the period</b>		<b>50,934</b>	<b>(4,161)</b>	<b>21,256</b>	<b>(3,175)</b>
<i>Other comprehensive (loss) / income on items that will never be reclassified to profit or loss:</i>					
<i>Investment in equity instruments measured at fair value through other comprehensive income:</i>					
- (Loss) / gains arising during the period	12	(703)	348	(2,293)	(914)
<i>Other comprehensive (loss) / income on items that are or may be reclassified subsequently to profit or loss:</i>					
Currency translation differences		(678)	3,640	(329)	2,331
<b>Other comprehensive (loss) / income for the period</b>		<b>(1,381)</b>	<b>3,988</b>	<b>(2,622)</b>	<b>1,417</b>
<b>Total comprehensive income / (loss) for the period</b>		<b>49,553</b>	<b>(173)</b>	<b>18,634</b>	<b>(1,758)</b>
<b>Profit / (loss) is attributable to:</b>					
Owners of the Company		50,360	(4,562)	21,039	(3,267)
Non-controlling interest		574	401	217	92
<b>Profit / (loss) for the period</b>		<b>50,934</b>	<b>(4,161)</b>	<b>21,256</b>	<b>(3,175)</b>
<b>Total comprehensive income / (loss) is attributable to:</b>					
Owners of the Company		48,985	(766)	18,429	(1,984)
Non-controlling interest		568	593	205	226
<b>Total comprehensive income / (loss) for the period</b>		<b>49,553</b>	<b>(173)</b>	<b>18,634</b>	<b>(1,758)</b>
<b>Earnings / (loss) per share</b>					
Basic (expressed in RUB)	19	1,356.23	(119.82)	567.54	(85.81)
Diluted (expressed in RUB)	19	1,356.23	(119.82)	567.54	(85.81)

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 nine months**  
**ended 30 September 2021**  
*(in millions of Russian Roubles)*



	Note	Nine months ended	
		30 September 2021	30 September 2020
<b>Cash flows from operating activities</b>			
Profit / (loss) for the period		50,934	(4,161)
<i>Adjustments for:</i>			
Income tax expense / (benefit)	20	13,398	(810)
Depreciation and amortisation		8,823	8,944
Provision for impairment of accounts receivable		-	1
Reversal of provision for inventory obsolescence		(1)	(17)
Loss on disposal of property, plant and equipment		304	158
Interest expense		2,452	2,581
Interest income	17	(87)	(70)
(Gain) / loss on derivatives, net		(4,919)	2,551
Profit on sale of potash leases		-	(891)
Foreign exchange effect on non-operating balances		(2,283)	15,665
<b>Operating cash flows before working capital changes</b>		<b>68,621</b>	<b>23,951</b>
Increase in gross trade receivables		(3,095)	(3,534)
Increase in advances to suppliers		(311)	(707)
(Increase) / decrease in other receivables		(379)	1,250
Increase in inventories		(7,211)	(3,286)
Decrease in trade payables		(688)	(1,012)
(Decrease) / increase in other payables		(212)	175
Decrease in advances from customers		(1,034)	(2,650)
Increase in other current assets		(88)	(160)
Decrease in other current liabilities		(420)	(725)
<b>Cash generated from operations</b>		<b>55,183</b>	<b>13,302</b>
Income taxes paid		(11,248)	(1,507)
Interest paid		(2,694)	(2,846)
<b>Net cash generated from operating activities</b>		<b>41,241</b>	<b>8,949</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment and intangible assets		(14,107)	(11,667)
Proceeds from sale of potash leases		-	1,067
Interest received		30	15
Purchase of investment in equity instruments measured at fair value through other comprehensive income		-	(60)
Net change in other non-current assets and liabilities		1,815	87
<b>Net cash used in investing activities</b>		<b>(12,262)</b>	<b>(10,558)</b>
<b>Cash flows from financing activities</b>			
Acquisition of non-controlling interest		-	(10)
Purchase of shares of subsidiary		-	(8,105)
Proceeds from sale of shares of subsidiary		-	11,883
Extension of options on shares of subsidiary		-	(776)
Acquisition of treasury shares		(2,779)	(8,919)
Dividend paid to shareholders		(1,107)	(16,448)
Dividend paid to non-controlling interest		(692)	(186)
Contribution of non-controlling interest		190	86
Proceeds from borrowings	15	15,945	37,021
Repayment of borrowings	15	(39,062)	(6,238)
Payment of lease liabilities		(501)	(447)
<b>Net cash (used in) / generated from financing activities</b>		<b>(28,006)</b>	<b>7,861</b>
<b>Net increase in cash and cash equivalents</b>		<b>973</b>	<b>6,252</b>
Effect of exchange rate changes on cash and cash equivalents		(253)	3,652
<b>Cash and cash equivalents at the beginning of the period</b>		<b>15,537</b>	<b>11,356</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>16,257</b>	<b>21,260</b>

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



**Public Joint Stock Company “Acron”**  
**Consolidated Condensed Interim Statement of Changes in Equity for the nine months ended 30 September 2021**  
(in millions of Russian Roubles)



	Capital and reserves attributable to the Company's owners						Cumulative currency translation difference	Non- controlling interest	Total equity
	Share capital	Treasury shares	Retained earnings	Revaluation reserve	Other reserves				
<b>Balance at 1 January 2020</b>	<b>3,046</b>	<b>(8)</b>	<b>73,157</b>	<b>(16,083)</b>	<b>(5,291)</b>	<b>6,180</b>	<b>20,964</b>	<b>81,965</b>	
<b>Total comprehensive loss</b>									
Loss for the period	-	-	(4,562)	-	-	-	401	(4,161)	
<i>Other comprehensive income</i>									
Gain on investment in equity instruments measured at fair value through other comprehensive income	-	-	-	348	-	-	-	348	
Currency translation differences	-	-	-	-	-	3,448	192	3,640	
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>348</b>	<b>-</b>	<b>3,448</b>	<b>192</b>	<b>3,988</b>	
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(4,562)</b>	<b>348</b>	<b>-</b>	<b>3,448</b>	<b>593</b>	<b>(173)</b>	
Dividend declared	-	-	(16,364)	-	-	-	(186)	(16,550)	
Acquisition of treasury shares	-	(8)	-	-	(8,911)	-	-	(8,919)	
Sale of non-controlling interest	-	-	2,203	-	1,717	-	4,812	8,732	
Acquisition of non-controlling interest	-	-	(3,276)	-	-	-	-	(3,276)	
Provision for previous years obligations	-	-	(892)	-	-	-	-	(892)	
Other	-	-	(259)	-	-	-	86	(173)	
<b>Balance at 30 September 2020</b>	<b>3,046</b>	<b>(16)</b>	<b>50,007</b>	<b>(15,735)</b>	<b>(12,485)</b>	<b>9,628</b>	<b>26,269</b>	<b>60,714</b>	
<b>Balance at 1 January 2021</b>	<b>3,046</b>	<b>(17)</b>	<b>57,910</b>	<b>(14,663)</b>	<b>(13,030)</b>	<b>9,457</b>	<b>26,100</b>	<b>68,803</b>	
<b>Total comprehensive income</b>									
Profit for the period	-	-	50,360	-	-	-	574	50,934	
<i>Other comprehensive loss</i>									
Loss on investment in equity instruments measured at fair value through other comprehensive income	-	-	-	(703)	-	-	-	(703)	
Currency translation differences	-	-	-	-	-	(672)	(6)	(678)	
<b>Total other comprehensive loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(703)</b>	<b>-</b>	<b>(672)</b>	<b>(6)</b>	<b>(1,381)</b>	
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>50,360</b>	<b>(703)</b>	<b>-</b>	<b>(672)</b>	<b>568</b>	<b>49,553</b>	
Dividend declared	-	-	(1,107)	-	-	-	(738)	(1,845)	
Acquisition of treasury shares	-	(2)	-	-	(2,777)	-	-	(2,779)	
Reversal of provision for previous years obligations	-	-	242	-	-	-	-	242	
Other	-	-	-	-	-	-	190	190	
<b>Balance at 30 September 2021</b>	<b>3,046</b>	<b>(19)</b>	<b>107,405</b>	<b>(15,366)</b>	<b>(15,807)</b>	<b>8,785</b>	<b>26,120</b>	<b>114,164</b>	

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 nine months ended 30 September 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 mineral primary and by-products. The Group’s manufacturing facilities are primarily based in the Novgorodskaya, Smolenskaya and Murmanskaya regions of Russian Federation.

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

As at 30 September 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 Use of estimates and judgements**

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 nine months ended 30 September 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 applied in this consolidated condensed interim financial information are the same as those applied in the Group’s consolidated financial statements as at and for the year ended 31 December 2020. The comparative information is restated due to changes in classification of segment information.

## **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;

**Public Joint Stock Company “Acron”**  
**Notes to the Consolidated Condensed Interim Financial Information for the nine months**  
**ended 30 September 2021**



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

- Logistics – representing transportation and logistic services rendered by Estonian ports of the Group and some minor transportation companies in Russian Federation. Constitutes an aggregation of a number of operating segments;
- Trading – representing overseas and domestic distribution companies of the Group;
- Mining NWPC – representing production of apatite-nepheline ore and subsequent processing in apatite concentrate;
- Mining excluding NWPC - comprises mining entities JSC VPC, JSC Mining Company Partomchorr, North Atlantic Potash Inc., and other assets in Canada being at the stage of development, exploration and evaluation;
- 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 EBITDA and extraordinary items are not standard IFRS measures Acron Group’s definitions of EBITDA and of extraordinary items may differ from those of other companies.

Information for the reportable segments for the nine months ended 30 September 2021 is set out below:

	Segment sales	Intersegment sales	External sales	EBITDA
Acron	86,232	(79,567)	6,665	44,810
Dorogobuzh	29,059	(27,966)	1,093	13,404
Logistics	3,175	(3,148)	27	1,084
Trading	132,806	(4,274)	128,532	4,771
Mining NWPC	10,655	(10,617)	38	4,981
Other	1,382	(522)	860	135
<b>Total</b>	<b>263,309</b>	<b>(126,094)</b>	<b>137,215</b>	<b>69,185</b>

Information for the reportable segments for the nine months ended 30 September 2020 is set out below:

	Segment sales	Intersegment sales	External sales	EBITDA
Acron	48,542	(43,402)	5,140	14,657
Dorogobuzh	19,258	(18,452)	806	4,100
Logistics	2,602	(2,480)	122	907
Trading	82,647	(3,533)	79,114	2,114
Mining NWPC	7,962	(7,933)	29	1,732
Other	1,503	(626)	877	606
<b>Total</b>	<b>162,514</b>	<b>(76,426)</b>	<b>86,088</b>	<b>24,116</b>

Reconciliation of EBITDA to Operating Profit:

	Nine months ended	
	30 September 2021	30 September 2020
<b>Operating Profit</b>	<b>59,512</b>	<b>19,459</b>
Depreciation and amortisation	8,823	8,944
Profit on sale of potash leases	-	(891)
Foreign currency loss / (gain) on operating activities, net	546	(3,554)
Loss on disposal of property, plant and equipment	304	158
<b>Total consolidated EBITDA</b>	<b>69,185</b>	<b>24,116</b>

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.



	Nine months ended	
	30 September 2021	30 September 2020
<b>Revenue</b>		
Latin America	45,841	24,656
USA and Canada	21,386	10,977
Russian Federation	21,191	17,029
European Union	19,086	11,684
Asia (excluding PRC)	14,069	9,981
PRC	6,915	5,220
Australia	3,789	1,337
Africa	3,217	3,840
Commonwealth of Independent States	1,721	1,364
<b>Total</b>	<b>137,215</b>	<b>86,088</b>

Revenue from sales of chemical fertilisers accounts for 83% of total revenues (for the nine months ended 30 September 2020: 84%).

For the nine months ended 30 September 2021, revenues from logistics activities representing a separate performance obligation under IFRS 15 amounted to RUB 9,887 (for the nine months ended 30 September 2020: RUB 5,914). 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 nine months ended 30 September 2021.

There is one individual customer contributing more than 10% to the total revenues (for the nine months ended 30 September 2020: none).

## 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.

Balances and transactions with related parties are not significant.

## 7 Cash and Cash Equivalents

	30 September 2021	31 December 2020
Cash on hand and bank balances denominated in RUB	3,742	3,841
Bank balances denominated in USD	10,210	9,513
Bank balances denominated in EUR	1,500	1,455
Bank balances denominated in CAD	366	89
Bank balances denominated in CNY	361	548
Bank balances denominated in other currency	78	91
<b>Total cash and cash equivalents</b>	<b>16,257</b>	<b>15,537</b>

Cash and cash equivalents include term deposits of RUB 4,651 (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.

Credit risks across banks have not changed.



## 8 Accounts Receivable

	30 September 2021	31 December 2020
Trade accounts receivable	9,335	6,240
Notes receivable	109	307
Other accounts receivable	189	168
Less: impairment provision	(39)	(39)
<b>Total financial assets</b>	<b>9,594</b>	<b>6,676</b>
Advances to suppliers	1,920	1,609
Value-added tax recoverable	3,965	3,212
Income tax prepayment	44	432
Other taxes receivable	400	540
Less: impairment provision	(31)	(31)
<b>Total accounts receivable</b>	<b>15,892</b>	<b>12,438</b>

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

As at 30 September 2021 and 31 December 2020, the Group hold no collateral as security for trade receivable.

## 9 Inventories

	30 September 2021	31 December 2020
Raw materials and spare parts	14,379	10,289
Work in progress	618	510
Finished products	11,287	8,502
	<b>26,284</b>	<b>19,301</b>

Raw materials are shown net of obsolescence provision in the amount of RUB 284 (31 December 2020: RUB 285).

No inventory was pledged as security at 30 September 2021 and 31 December 2020.

## 10 Property, Plant and Equipment

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

	2021	2020
<b>Carrying amount at 1 January</b>	<b>110,601</b>	<b>102,157</b>
Acquisitions	14,640	12,568
Disposals	(304)	(158)
Depreciation charge	(8,169)	(8,386)
Currency translation difference	(268)	1,165
<b>Carrying amount at 30 September</b>	<b>116,500</b>	<b>107,346</b>

Included in the nine months ended 30 September 2021 additions to assets under constructions is approximately RUB 710 of capitalised borrowing costs in accordance with IAS 23, Borrowing costs (for the nine months ended 30 September 2020: RUB 940) at the average borrowing rate from 3.56% to 8.0% (for the nine months ended 30 September 2020: from 4.54% to 8.0%).

As at 30 September 2021 and 31 December 2020, there were no pledges over property, plant and equipment.

## 11 Subsoil licences and related costs

Subsoil licences and related costs comprise of:

	30 September 2021	31 December 2020
Apatite-nepheline deposits (production / development stage)	779	788
Potash deposits (development stage)	35,231	34,580
Potash leases and exploration permits	5,743	5,604
Licence and expenditure on deposit in exploration and evaluation stage	1,287	1,287
Asset related to the discharge of license obligations	353	355
	<b>43,393</b>	<b>42,614</b>



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The Group capitalised borrowing costs for the nine months ended 30 September 2021 in the amount of RUB 652 applying average borrowing rate of 8.0% (for the nine months ended 30 September 2020: RUB 1,320 applying average borrowing rate of 8.0%).

## 12 Investment in Equity Instruments Measured at Fair Value through Other Comprehensive Income

	2021	2020
<b>Carrying amount at 1 January</b>	<b>11,264</b>	<b>9,784</b>
Fair value (loss) / gain recognised directly in OCI	(703)	348
Additions	-	60
<b>Carrying amount at 30 September</b>	<b>10,561</b>	<b>10,192</b>

The Group has investment in the following companies:

Name	Activity	Country of registration	30 September 2021	31 December 2020
<b>Non-current</b>				
Grupa Azoty S.A.	Fertilisers manufacture	Poland	10,093	10,796
Other		Russian Federation	468	468
<b>Total non-current</b>			<b>10,561</b>	<b>11,264</b>
<b>Total</b>			<b>10,561</b>	<b>11,264</b>

Fair value of investment in Grupa Azoty S.A was determined by reference to the current market value at the reporting date. At 30 September 2021, the share price quoted at Warsaw Stock Exchange for Grupa Azoty S.A. amounted to RUB 513.45 per share (31 December 2020: RUB 549.21 per share).

## 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 30 September 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, 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.

	At 30 September 2021			
	Assets		Liabilities	
	Non-Current	Current	Non-Current	Current
Put/call options on JSC VPC shares	5,931	-	(542)	-
	<b>5,931</b>	<b>-</b>	<b>(542)</b>	<b>-</b>

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

## 14 Accounts Payable

	30 September 2021	31 December 2020
Trade accounts payable	6,931	7,619
Dividend payable	167	121
<b>Total financial payables</b>	<b>7,098</b>	<b>7,740</b>
Payables to employees	1,829	1,869
Accrued liabilities and other creditors	1,011	966
Taxes payable	2,069	1,655
<b>Total accounts payable and accrued expenses</b>	<b>12,007</b>	<b>12,230</b>

## 15 Short-Term and Long-Term Borrowings

Borrowings consist of the following:

	30 September 2021	31 December 2020
Bonds issued	19,494	23,266
Credit lines	4,260	19,976
Term loans	67,973	73,081
	<b>91,727</b>	<b>116,323</b>

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The Group's borrowings mature as follows:

	30 September 2021	31 December 2020
Borrowings due:		
- within 1 year	8,233	36,911
- between 1 and 5 years	83,494	79,412
	<b>91,727</b>	<b>116,323</b>

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

	30 September 2021	31 December 2020
Borrowings denominated in:		
- RUB	25,650	41,956
- EUR	838	11,794
- USD	65,239	62,573
	<b>91,727</b>	<b>116,323</b>

At 30 September 2021, unused credit lines available under the loan facilities were RUB 120,049 (31 December 2020: RUB 100,847). Terms and conditions of unused credit lines correspond to the terms and conditions of other borrowings.

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

	30 September 2021	31 December 2020
<b>Short-term borrowings</b>		
<b>RUB</b>		
Bonds with fixed interest rate of 8.6% (2020: from 6.5% to 8.6%) per annum	5,000	8,772
Loans with floating interest rate from 90% of the key rate of the Bank of Russia +2% to 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	2,791	715
Loans with fixed interest rate from 7.35% to 8.34% per annum	-	5,950
<b>EUR</b>		
Loans with floating interest rate from 6M EURIBOR +0.65% to 6M EURIBOR +1.9% per annum	442	473
Loans with floating interest rate of 3M EURIBOR +1.25% per annum	-	7,799
Loans with fixed interest rate of 0.99% per annum	-	2,720
<b>USD</b>		
Loans with floating interest rate of 1M LIBOR +2.5% per annum	-	10,482
<b>Total short-term borrowings</b>	<b>8,233</b>	<b>36,911</b>
<b>Bank commission</b>	-	-
<b>Total short-term liabilities</b>	<b>8,233</b>	<b>36,911</b>

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

	30 September 2021	31 December 2020
<b>Long-term borrowings</b>		
<b>RUB</b>		
Bonds with fixed interest rate from 5.9% to 7.25% per annum	14,494	14,494
Loans with floating interest rate from 90% of the key rate of the Bank of Russia +2.0% to the key rate of the Bank of Russia +2.15% (2020: from the key rate of the Bank of Russia +1.35% to the key rate of the Bank of Russia +2%) per annum	3,365	12,025
<b>EUR</b>		
Loans with floating interest rate from 6M EURIBOR +0.65% to 6M EURIBOR +1.9% per annum	396	802
<b>USD</b>		
Loans with floating interest rate from 1M LIBOR +2% to 1M LIBOR +4.5% (2020: from 1M LIBOR +2.5% to 1M LIBOR +4.5%) per annum	62,328	49,136
Loans with fixed interest rate of 2.6% per annum	2,911	2,955
<b>Total long-term borrowings</b>	<b>83,494</b>	<b>79,412</b>
<b>Bank commission</b>	<b>(1,448)</b>	<b>(1,207)</b>
<b>Total long-term liabilities</b>	<b>82,046</b>	<b>78,205</b>





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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. In May 2021, the Group fully redeemed bonds of this issue.

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 October 2020, the Group redeemed bonds in the amount of RUB 506.

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.

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 30 September 2021 was RUB 19,344 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 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.

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Loans	Bonds	Total
<b>Balance at 1 January 2021</b>	<b>91,850</b>	<b>23,266</b>	<b>115,116</b>
<b>Changes from financing cash flows</b>			
Proceeds from borrowings	15,945	-	<b>15,945</b>
Repayment of borrowings	(35,290)	(3,772)	<b>(39,062)</b>
<b>Total changes from financing cash flows</b>	<b>72,505</b>	<b>19,494</b>	<b>91,999</b>
<b>The effect of changes in foreign exchange rates</b>	<b>(1,479)</b>	-	<b>(1,479)</b>
<b>Bank commission</b>	<b>(241)</b>	-	<b>(241)</b>
<b>Balance at 30 September 2021</b>	<b>70,785</b>	<b>19,494</b>	<b>90,279</b>

## 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
<b>1 January 2020</b>	<b>40,534,000</b>	<b>(1,576,930)</b>	<b>3,046</b>	<b>(8)</b>	<b>3,038</b>
Acquisition of treasury shares	-	(1,653,391)	-	(8)	(8)
<b>30 September 2020</b>	<b>40,534,000</b>	<b>(3,230,321)</b>	<b>3,046</b>	<b>(16)</b>	<b>3,030</b>
<b>1 January 2021</b>	<b>40,534,000</b>	<b>(3,318,328)</b>	<b>3,046</b>	<b>(17)</b>	<b>3,029</b>
Acquisition of treasury shares	-	(458,516)	-	(2)	(2)
<b>30 September 2021</b>	<b>40,534,000</b>	<b>(3,776,844)</b>	<b>3,046</b>	<b>(19)</b>	<b>3,027</b>

In May 2021, the Group declared and paid dividend for 2020 in the amount of RUB 30 per ordinary share.

In November 2021, subsequent to the reporting period, the Board of Directors of PJSC Acron recommended to the extraordinary general meeting of shareholders to pay (declare) dividend for the nine months of 2021 in the amount of RUB 720 per ordinary share.

In June 2021, the Board of Directors of the Group resolved that the Company repurchase its outstanding shares in the amount up to 4,053,400 shares, representing 10% of the authorised capital. The repurchase price was determined to be RUB 6,050 per share. The Shareholders applications for the sale of their shares to PJSC Acron were accepted from 8 July 2021 to 6 August 2021. In August 2021, the Board of Directors of the Group approved the report on shares



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tendered to PJSC Acron by its shareholders. The total number of the tendered shares was 3,776,844 or 9.32% of Company's share capital, including all 3,347,146 quasi-treasury shares tendered by PJSC Acron's subsidiaries. The total amount of liabilities to third parties amounted to RUB 2,600. All of the repurchased shares were fully paid. Repurchased amount was recorded through Other reserves in the Consolidated Condensed Interim Statement of Changes in Equity.

As a result the Group will no longer have quasi-treasury shares.

**17 Finance Income / (Expenses), net**

	Nine months ended		Three months ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
Foreign exchange gain / (loss) on financial transactions, net	2,536	(19,317)	(43)	(11,825)
Interest income from loans provided and term deposits	87	70	38	4
Other finance costs, net	(270)	(51)	(107)	(101)
	<b>2,353</b>	<b>(19,298)</b>	<b>(112)</b>	<b>(11,922)</b>

**18 Other Operating (Expenses) / Income, net**

	Nine months ended		Three months ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
Foreign exchange (loss) / gain on operating activities, net	(546)	3,554	143	3,174
Charity expenses	(487)	(479)	(217)	(132)
Loss on disposal of property, plant and equipment	(304)	(158)	(73)	(111)
Other operating income, net	703	106	306	9
	<b>(634)</b>	<b>3,023</b>	<b>159</b>	<b>2,940</b>

**19 Earnings / (Loss) 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 year, excluding treasury shares. Ordinary shares of the Company have a potential dilutive effect associated with the right to exercise obligations under the redemption put-options on JSC VPC shares by transferring its own ordinary shares. At 30 September 2021, ordinary shares of the Company do not have a potential dilutive effect associated with the right to exercise obligations under the redemption put-options by transferring its own ordinary shares, so diluted earnings per share are equal to basic earnings per share.

	Nine months ended	
	30 September 2021	30 September 2020
Weighted average number of shares outstanding	40,534,000	40,534,000
Adjusted for weighted average number of treasury shares	(3,401,748)	(2,461,803)
<b>Weighted average number of shares outstanding (basic)</b>	<b>37,132,252</b>	<b>38,072,197</b>
Effect of settlement in own equity instruments	-	-
<b>Weighted average number of shares outstanding (diluted)</b>	<b>37,132,252</b>	<b>38,072,197</b>
Profit / (loss) attributable to the equity holders of the Company	50,360	(4,562)
<b>Basic per share (in Russian Roubles)</b>	<b>1,356.23</b>	<b>(119.82)</b>
<b>Diluted per share (in Russian Roubles)</b>	<b>1,356.23</b>	<b>(119.82)</b>

**20 Income Taxes**

	Nine months ended		Three months ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
Income tax expense – current	12,509	1,638	5,630	147
Deferred tax charge – origination and reversal of temporary differences	889	(2,448)	290	(736)
<b>Income tax expense / (benefit)</b>	<b>13,398</b>	<b>(810)</b>	<b>5,920</b>	<b>(589)</b>



## **21 Contingencies, Commitments and Operating Risks**

### **i Contractual commitments and guarantees**

As at 30 September 2021, the Group had outstanding capital commitments in relation to property, plant and equipment for the amount of RUB 9,096 (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. To the extent necessary, the Group has already allocated the 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 30 September 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 Russian 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 situation with the spread of coronavirus and quarantine measures taken by countries does not have a significant impact on fertilizer demand. 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. 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.

Current Russian transfer pricing legislation requires transfer pricing analysis for the majority of cross-border intercompany and major domestic intercompany transactions. Starting from 2019, transfer pricing control, as a general rule, is applied to domestic transactions only if both criteria are met: the parties apply different tax rates, and the annual turnover of transactions between them exceeds RUB 1 billion.

The Russian transfer pricing rules are close to OECD guidelines, but have certain differences that create uncertainty in practical application of tax legislation in specific circumstances. A very limited number of publicly available transfer pricing court cases in Russia does not provide enough certainty as to the approach to applying transfer pricing rules in Russia. The impact of any transfer pricing assessment may be material to financial statements of the Group, however, the probability of such impact cannot be reliably assessed.

Russian tax authorities may review prices used in intra-group transactions, in addition to transfer pricing audits. They may assess additional taxes if they conclude that taxpayers have received unjustified tax benefits as a result of those transactions.



Russian tax authorities continue to exchange transfer pricing as well as other tax related information with tax authorities of other countries. This information may be used by the tax authorities to identify transactions for additional in-depth analysis.

In addition, changes aimed at regulating tax consequences of transactions with foreign companies have been introduced, such as concept of beneficial ownership of income, taxation of controlled foreign companies, tax residency rules, etc. These changes may potentially impact the Group's tax position and create additional tax risks.

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 the 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 could differ and the effect on this consolidated condensed interim financial information, if the tax authorities are successful in enforcing their interpretations, could be significant.

#### **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 Condensed Interim Statement of Financial Position at their fair value.

This Group discloses the value of financial instruments that are measured in the Consolidated Condensed Interim 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.

Investment in equity instruments was included in Level 1 category in the amount of RUB 10,093 (31 December 2020: RUB 10,796). Other investment included in Level 3.

All liabilities on bonds issued were included in Level 1 category in the amount of RUB 19,494 (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 included in level 3 (31 December 2020: Level 3). Determination method is equal to applied in 2020.

The spot price of JSC VPC is one of the inputs to the valuation using Black–Scholes Option Pricing Model. Since the shares are not quoted, management applied discounted cash flows method. The appraisal model provides for the calculation of the present value of the JSC VPC CGU using the risk-adjusted discount rate. The calculation was based on the cash flow forecast prepared in nominal terms and derived from financial budgets. Independent appraiser was not attracted in preparing this consolidated condensed interim financial information.



Significant unobservable inputs	Inter-relationship between significant unobservable inputs data and fair value measurement
<ul style="list-style-type: none"> <li>• Forecast annual revenue growth rate: 2.9%.</li> <li>• Forecast EBITDA margin after reaching the designed capacity: 78-80%.</li> <li>• Risk-adjusted discount rate: 12.2-12.6%.</li> <li>• Production start year: 2025.</li> <li>• Non-controlling discount: 16.58%.</li> </ul>	<p>The estimated fair value of the shares of JSC VPC would increase (decrease) if:</p> <ul style="list-style-type: none"> <li>• The annual revenue growth rate were higher (lower);</li> <li>• The EBITDA margin were higher (lower); or</li> <li>• risk-adjusted discount rate were lower (higher) ; or</li> <li>• production began earlier (later); or</li> <li>• non-controlling discount were lower (higher).</li> </ul> <p>Generally, EBITDA margin follows any changes in the trend set by the annual revenue growth rate.</p>

Significant unobservable inputs of Black–Scholes Option Pricing Model are shown in the following table:

Financial instrument	Significant unobservable inputs	Inter-relationship between significant unobservable inputs data and estimate of fair value
Put option on shares of JSC VPC (liability)	<ul style="list-style-type: none"> <li>• The current fair value of the shares (calculated as above)</li> <li>• Volatility: 42.4%.</li> <li>• Risk-free rate of return: (0.11)%.</li> <li>• No dividend assumed</li> </ul>	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> <li>• current fair value of the shares were lower (higher);</li> <li>• volatility were higher (lower); or</li> <li>• the risk-free rate of return were lower (higher).</li> </ul>

**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 30 September 2021, the fair value of borrowings was RUB 678 lower 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 November 2021, the Board of Directors of PJSC Acron recommended to the extraordinary general meeting of shareholders to pay (declare) dividend for the nine months of 2021 in the amount of RUB 720 per ordinary share.