EVRAZ plc

registered number: 7784342

Unaudited Interim Accounts

for the period from 1 January to 30 November 2021

Contents

EVRAZ plc

Unaudited Statement of Comprehensive Income

(In millions of US dollars)

These interim accounts are prepared only for the purposes of Sections 836 and 838 of the Companies Act 2006. They are abridged and unaudited for the reporting period.

	Notes	Period from 1 January to 30 November 2021	Year ended 31 December 2020
		unaudited	audited
General and administrative expenses		**$ (12)**	$ (12)
Operating income		**7**	10
Reversal of impairment/(impairment) of investments		**89**	(76)
Foreign exchange gains/(losses), net		**4**	(49)
Dividend income	**5**	**1,784**	2,129
Interest expense		**(172)**	(239)
Other non-operating (losses)/ gains		**(9)**	2
Profit before tax		**1,691**	1,765
Income tax expense		**(178)**	(213)
Net profit		**1,513**	1,552
Total comprehensive income		**$ 1,513**	$ 1,552

EVRAZ plc

Statement of Financial Position

(In millions of US dollars)

These interim accounts are prepared only for the purposes of Sections 836 and 838 of the Companies Act 2006. They are abridged and unaudited for the reporting period.

	Notes	30 November 2021 unaudited	31 December 2020 audited
ASSETS			
Non–current assets			
Investments in subsidiaries	3	$ **15,158**	$ 15,057
Investments in joint ventures	3	**23**	23
Receivables from related parties		**12**	12
		15,193	15,092
Current assets			
Receivables from related parties		**12**	12
Dividends receivable from related parties	5	**–**	704
Income tax receivable		**16**	16
Cash and cash equivalents		**291**	–
		319	732
TOTAL ASSETS		**15,512**	15,824
EQUITY AND LIABILITIES			
Capital and reserves			
Issued capital	4	**75**	75
Treasury shares	4	**(148)**	(154)
Reorganisation reserve	4	**(584)**	(584)
Merger reserve	4	**127**	127
Share-based payments		**185**	173
Accumulated profits		**9,811**	9,835
		9,466	9,472
LIABILITIES			
Non-current liabilities			
Trade and other payables		**–**	4
Long-term loans		**1,445**	1,961
Loans payable to related parties		**4,522**	3,201
Financial guarantee liabilities		**12**	12
		5,979	5,178
Current liabilities			
Trade and other payables		**4**	4
Payables to related parties		**–**	6
Short-term loans and current portion of long-term loans		**17**	800
Loans payable to related parties		**37**	285
Financial guarantee liabilities		**9**	9
Income tax payable		**–**	70
		67	1,174
TOTAL LIABILITIES		**6,046**	6,352
TOTAL EQUITY AND LIABILITIES		$ **15,512**	$ 15,824

These Unaudited Interim Accounts were approved by the Board of Directors on 14 December 2021 and signed on its behalf by

Alexander Frolov, director

EVRAZ plc

Unaudited Statement of Cash Flows

(In millions of US dollars)

These interim accounts are prepared only for the purposes of Sections 836 and 838 of the Companies Act 2006. They are abridged and unaudited for the reporting period.

	Notes	Period from 1 January to 30 November 2021	Year ended 31 December 2020
		unaudited	**audited**
Cash flows from operating activities			
Net profit		**$ 1,513**	$ 1,552
Adjustments to reconcile net loss to net cash flows from operating activities:			
(Reversal of Impairment)/impairment of investments		**(89)**	76
Foreign exchange (gains)/losses, net		**(4)**	49
Dividend income	5	**(1,784)**	(2,129)
Interest expense		**172**	239
Other non-operating losses/(gains)		**9**	(2)
		(183)	(215)
Changes in working capital:			
Payables to/Receivables from related parties		**1**	(64)
Trade and other payables		**(4)**	(7)
Taxes payable		**178**	213
Net cash flow used in operating activities		**(8)**	(73)
Cash flows from investing activities			
Dividends received	5	**2,243**	1,777
Payment for acquisition of investments in subsidiaries		**(6)**	(47)
Net cash flow from investing activities		**2,237**	1,730
Cash flows from financing activities			
Repayment of bank loans and notes, including interest		**(1,392)**	(188)
Payments under covenants reset		**(10)**	–
Proceeds from loans provided by related parties		**2,141**	1,345
Repayment of loans provided by related parties, including interest		**(1,146)**	(1,947)
Dividends paid to shareholders	4	**(1,531)**	(872)
Net cash flow used in financing activities		**(1,938)**	(1,662)
Effect of foreign exchange rate changes on cash and cash equivalents		**–**	5
Net increase in cash and cash equivalents		**291**	–
Cash and cash equivalents at the beginning of the period		**–**	–
Cash and cash equivalents at the end of the reporting period		**$ 291**	$ –
Supplementary cash flow information:			
Interest paid to third parties		**(148)**	(173)
Interest paid to related parties		**(46)**	(102)
Income taxes paid		**–**	–

EVRAZ plc

Unaudited Statement of Changes in Equity

(In millions of US dollars)

These interim accounts are prepared only for the purposes of Sections 836 and 838 of the Companies Act 2006. They are abridged and unaudited for the reporting period.

Audited	**Notes**	**Issued capital**	**Treasury shares**	**Reorganisation reserve**	**Merger reserve**	**Share-based payments**	**Accumulated profits**	**Total**
At 31 December 2019		$ 75	$ (169)	$ (584)	$ 127	$ 162	$ 9,170	$ 8,781
Total comprehensive income for the year		–	–	–	–	–	1,552	1,552
Dividends declared		–	–	–	–	–	(872)	(872)
Transfer of treasury shares to participants of the Incentive Plans		–	15	–	–	–	(15)	–
Share-based payments		–	–	–	–	11	–	11
At 31 December 2020		$ 75	$ (154)	$ (584)	$ 127	$ 173	$ 9,835	$ 9,472

Unaudited	**Notes**	**Issued capital**	**Treasury shares**	**Reorganisation reserve**	**Merger reserve**	**Share-based payments**	**Accumulated profits**	**Total**
At 31 December 2020		**$ 75**	**$ (154)**	**$ (584)**	**$ 127**	**$ 173**	**$ 9,835**	**$ 9,472**
Total comprehensive income for the period		**–**	**–**	**–**	**–**	**–**	**1,513**	**1,513**
Dividends declared	**4**	**–**	**–**	**–**	**–**	**–**	**(1,531)**	**(1,531)**
Transfer of treasury shares to participants of the Incentive Plans		**–**	**6**	**–**	**–**	**–**	**(6)**	**–**
Share-based payments		**–**	**–**	**–**	**–**	**12**	**–**	**12**
At 30 November 2021		**$ 75**	**$ (148)**	**$ (584)**	**$ 127**	**$ 185**	**$ 9,811**	**$ 9,466**

Notes to the Unaudited Interim Accounts

For the period from 1 January to 30 November 2021

1. Corporate Information

These unaudited interim accounts were authorised for issue by the Board of Directors of EVRAZ plc on 14 December 2021.

EVRAZ plc ("EVRAZ plc" or "the Company") was incorporated on 23 September 2011 as a public company limited by shares under the laws of the United Kingdom. The Company was incorporated under the Companies Act 2006 with the registered number in England 7784342.

2. Significant Accounting Policies

Basis of Preparation

These interim accounts and notes have been prepared to support the proposed dividends in accordance with and for the purposes of Sections 836 and 838 of the Companies Act 2006, for determining whether the proposed distribution would contravene the said Act. They have been prepared on the basis of accounting policies which are in accordance with International Financial Reporting Standards ("IFRS"). These interim accounts are abridged and unaudited.

These interim accounts do not constitute statutory accounts within the meaning of Section 434(3) of the Companies Act 2006. Statutory accounts for the year ended 31 December 2020 were published in the Company's annual report and delivered to the Registrar of Companies of England and Wales. The auditor's report on those accounts was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying the report, and did not contain any statement under Sections 498(2) or (3) of the Companies Act 2006. No statutory accounts have been delivered to the Registrar of Companies of England and Wales in respect of the period covered by these interim accounts.

Foreign Currency Transactions

The presentation and functional currency of the Company is the US dollar. Transactions in foreign currencies are initially recorded in US dollars at the rate on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the balance sheet date. Exchange gains and losses are recognised in profit or loss.

Investments

Investments in subsidiaries, associates or joint ventures are initially recorded at acquisition cost. Impairment in value is recorded if the carrying value of an investment exceeds its recoverable amount.

The initial cost of the investment in Evraz Group S.A. was measured at the carrying amount of the equity items of Evraz Group S.A. as a separate legal entity at the date of the reorganisation.

Dividend income is recognised as revenue when the Company's right to receive the payment is established.

All purchases and sales of investments are recognised on the settlement date, which is the date when the investment is delivered to or by the Company.

2. Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

Borrowings

Borrowings are initially recognised at fair value, net of directly attributable transaction costs. After initial recognition, borrowings are measured at amortised cost using the effective interest rate method; any difference between the amount initially recognised and the redemption amount is recognised as interest expense over the period of the borrowings.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Financial Guarantee Liabilities

Financial guarantee liabilities issued by the Company are those contracts that require a payment to be made to reimburse the incurred losses because the specified debtor or counterparty to a contract fails to make payments or to perform the agreed terms of a contract. Financial guarantees issued by the Company are recognised initially as a liability at fair value, being equal to the estimated future cash inflows receivable from the subsidiaries under the guarantee agreements, with a corresponding recognition of the same amount as receivables from related parties. Subsequently, the liability is amortised over the lives of the guarantees through the statement of comprehensive income, unless it is considered probable that a guarantee will be called, in which case it is measured at the value of the guaranteed amount payable, if higher.

3. Investments in Subsidiaries and Joint Ventures

Investments in subsidiaries and joint ventures consisted of the following:

	Ownership interest		Cost, net of impairment US$ million	
	30 November 2021	31 December 2020	30 November 2021	31 December 2020
Subsidiaries				
Evraz Group S.A.	100%	100%	**2,899**	2,808
EVRAZ NTMK	100%	100%	**10,791**	10,781
Raspadskaya	93.24%	90.90%	**1,468**	1,468
			15,158	15,057
Joint Ventures				
Timir	51.00001%	51.00001%	**23**	23

4. Equity

Share Capital

Number of shares	30 November 2021	31 December 2020
Ordinary shares of $0.05 each, issued and fully paid	**1,506,527,294**	1,506,527,294

EVRAZ plc does not have an authorised limit on its share capital.

Treasury Shares

Number of shares	30 November 2021	31 December 2020
Treasury shares	**47,837,582**	49,654,691

In May 2021, the Company transferred to the participants of Incentive Plans 1,817,109 treasury shares with an associated cost of $6 million.

Reorganisation Reserve

Reorganisation reserve represents the difference between the net assets of Evraz Group S.A. at the date of the Group's reorganisation (7 November 2011) and the par value of the issued shares of EVRAZ plc. This charge to equity reduced the amount of distributable reserves.

Merger Reserve

The merger reserve arose in 2013 in connection with the purchase of 50% in Corber Enterprises S.à r.l. ("Corber") in accordance with section 612 of the Companies Act 2006. Impairments of the carrying value of this investment were transferred to the merger reserve.

In 2015, the disposal of the investment in Corber to Evraz Group S.A. was made for non-cash consideration, which does not meet the criteria for qualifying consideration. The balance of the merger reserve will be presented as a separate component of equity in the Company's statement of financial position until such time as Evraz Group S.A. is sold for qualifying consideration, and the merger reserve will be re-allocated to accumulated profits and become distributable.

4. Equity (continued)

Dividends Declared

On 24 February 2021, the Board of directors of EVRAZ plc declared dividends in the amount of $437 million, which represents $0.30 per share. The dividends were fully paid in April 2021.

On 15 April 2021, the Board of directors of EVRAZ plc declared dividends in the amount of $292 million, which represents $0.20 per share. The dividends were fully paid in June 2021.

On 4 August 2021, the Board of directors of EVRAZ plc declared dividends in the amount of $802 million, which represents $0.55 per share. The dividends were fully paid in September 2021.

Distributable Reserves

$US million	**30 November 2021**	**31 December 2020**
	unaudited	**audited**
Accumulated profits	**9,811**	9,835
Unrealised profits	**(8,200)**	(8,200)
Reorganisation reserve	**(584)**	(584)
	1,027	1,051

5. Dividend Income from Subsidiaries

In the reporting period EVRAZ NTMK repaid its liabilities to EVRAZ plc under dividends declared in December 2020.

On 7 April 2021, EVRAZ NTMK, the Company's wholly-owned subsidiary, declared dividends in the amount of 24.8 billion roubles (approximately $324 million), which were fully repaid in the reporting period.

On 19 July 2021, EVRAZ NTMK declared dividends in the amount of 66.1 billion roubles (approximately $891 million), which were fully repaid in the reporting period.

On 27 October 2021, EVRAZ NTMK declared dividends in the amount of 22.5 billion roubles (approximately $325 million), which were fully repaid in the reporting period.

On 19 May 2021, Raspadskaya, the Company's subsidiary, declared to EVRAZ plc dividends in the amount of 3.5 billion roubles (approximately $48 million), which were fully repaid in the reporting period.

On 23 September 2021, Raspadskaya, the Company's subsidiary, declared to EVRAZ plc dividends in the amount of 14.3 billion roubles (approximately $196 million), which were fully repaid in the reporting period.

On 24 November 2021 the Board of directors of Raspadskaya proposed dividends of 28 roubles per share. Upon the authorisarion of these dividends by Raspadskaya's shareholders EVRAZ plc will recognise dividend income of 17.4 billion roubles.

$US million	**EVRAZ NTMK**	**Raspadskaya**	**Total**
Dividends receivable at 31 December 2020	$ 704	$ –	$ 704
Dividend income accrued in the reporting period	1,540	244	1,784
Dividends received by cash	(2,019)	(224)	(2,243)
Tax withheld	(225)	(24)	(249)
Foreign exchange gain	–	4	4
Dividends receivable at 30 November 2021	**$ –**	**$ –**	**$ –**

6. Subsequent Events

On 24 November 2021 the Board of directors of Raspadskaya proposed dividends of 28 roubles per share. Upon the authorisarion of these dividends by Raspadskaya's shareholders EVRAZ plc will recognise dividend income of 17.4 billion roubles (approximately $236 million).