

Annual Accounts
at 31 December 2019
and
Independent Auditor's Report

Evrax Group
Société anonyme

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Independent auditor's report

To the Sole Shareholder of
Evraz Group S.A.
13, avenue Monterey
L-2163 Luxembourg

Opinion

We have audited the financial statements of Evraz Group S.A. (the "Company"), which comprise the balance sheet as at 31 December 2019, and the profit and loss account for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs are further described in the "responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements" section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw your attention on the consequences on the Company of the COVID-19 pandemic. Given the dynamic nature of these circumstances and the resulting business disruption, the financial impact of this crisis cannot be reasonably estimated at this time, but will have a significant impact on the industry, activity of the Company and consequently potentially on the results, cash flow and the financial situation of the Company for the financial year 2020. The impact of these developments on the Company is described in note 16 of the annual accounts as well as in note 1. Our opinion is not modified in respect for this matter.



Responsibilities of the Board of Directors and of those charged with governance for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the “réviseur d'entreprises agréé” for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d'entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young
Société anonyme
Cabinet de révision agréé



Yves Even

Luxembourg, 13 May 2020

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BALANCE SHEET

Financial year from ₀₁ 01/01/2019 to ₀₂ 31/12/2019 (in ₀₃ EUR)

13, Avenue Monterey

L-2163 Luxembourg
Luxembourg

ASSETS

	Reference(s)		Current year		Previous year
A. Subscribed capital unpaid	1101	101	-	102	-
I. Subscribed capital not called	1103	103	-	104	-
II. Subscribed capital called but unpaid	1105	105	-	106	-
B. Formation expenses	1107	3	-	108	1,832,220.82
C. Fixed assets	1109	109	2,320,395,292.73	110	5,185,147,327.77
I. Intangible assets	1111	111	-	112	189,404,806.50
1. Costs of development	1113	113	-	114	-
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115	115	-	116	-
a) acquired for valuable consideration and need not be shown under C.I.3	1117	117	-	118	-
b) created by the undertaking itself	1119	119	-	120	-
3. Goodwill, to the extent that it was acquired for valuable consideration	1121	4	-	122	189,404,806.50
4. Payments on account and intangible assets under development	1123	123	-	124	-
II. Tangible assets	1125	125	-	126	5,334.89
1. Land and buildings	1127	127	-	128	-
2. Plant and machinery	1129	129	-	130	-

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3.	Other fixtures and fittings, tools and equipment	1131	131	-	132	5,334.89
4.	Payments on account and tangible assets in the course of construction	1133	133	-	134	-
III.	Financial assets	1135	135	2,320,395,292.73	136	4,995,737,186.38
1.	Shares in affiliated undertakings	1137 4	137	1,712,735,412.63	138	4,637,667,033.63
2.	Loans to affiliated undertakings	1139 6	139	489,206,136.83	140	128,765,491.70
3.	Participating interests	1141 5	141	118,444,493.27	142	229,283,973.06
4.	Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143	143	-	144	-
5.	Investments held as fixed assets	1145	145	-	146	-
6.	Other loans	1147	147	9,250.00	148	20,687.99
D.	Current assets	1151	151	2,848,532,755.72	152	273,005,928.59
I.	Stocks	1153	153	-	154	-
1.	Raw materials and consumables	1155	155	-	156	-
2.	Work in progress	1157	157	-	158	-
3.	Finished goods and goods for resale	1159	159	-	160	-
4.	Payments on account	1161	161	-	162	-
II.	Debtors	1163	163	2,848,360,102.98	164	272,700,743.41
1.	Trade debtors	1165	165	-	166	-
a)	becoming due and payable within one year	1167	167	-	168	-
b)	becoming due and payable after more than one year	1169	169	-	170	-
2.	Amounts owed by affiliated undertakings	1171	171	2,814,318,062.06	172	263,582,714.27
a)	becoming due and payable within one year	1173 6	173	2,814,318,062.06	174	263,582,714.27
b)	becoming due and payable after more than one year	1175	175	-	176	-
3.	Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177	177	-	178	-
a)	becoming due and payable within one year	1179	179	-	180	-
b)	becoming due and payable after more than one year	1181	181	-	182	-
4.	Other debtors	1183	183	34,042,040.92	184	9,118,029.14
a)	becoming due and payable within one year	1185	185	18,472,298.01	186	9,118,029.14
b)	becoming due and payable after more than one year	1187	187	15,569,742.91	188	-
III.	Investments	1189	189	-	190	-
1.	Shares in affiliated undertakings	1191	191	-	192	-
2.	Own shares	1209	209	-	210	-
3.	Other investments	1195	195	-	196	-
IV.	Cash at bank and in hand	1197	197	172,652.74	198	305,185.18
E.	Prepayments	1199	199	47,997.58	200	1,836,175.59
	TOTAL (ASSETS)		201	5,168,976,046.03	202	5,461,821,652.77

The accompanying notes form an integral part of the annual accounts.

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CAPITAL, RESERVES AND LIABILITIES
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	Reference(s)		Current year		Previous year
A. Capital and reserves	1301	301	2,366,654,705.59	302	1,623,303,285.27
I. Subscribed capital	1303 7	303	297,765,238.00	304	297,765,238.00
II. Share premium account	1305	305	1,732,227,434.85	306	1,732,227,434.85
III. Revaluation reserve	1307	307	-	308	-
IV. Reserves	1309	309	31,242,873.66	310	31,242,873.66
1. Legal Reserve	1311 7	311	31,242,873.66	312	31,242,873.66
2. Reserve for own shares	1313	313	-	314	-
3. Reserves provided for by the articles of association	1315	315	-	316	-
4. Other reserves, including the fair value reserve	1429	429	-	430	-
a) other available reserves	1431	431	-	432	-
b) other non available reserves	1433	433	-	434	-
V. Profit or loss brought forward	1319	319	-437,932,261.24	320	-1,178,854,012.15
VI. Profit or loss for the financial year	1321	321	8,120,105,648.46	322	740,921,750.91
VII. Interim dividends	1323 7	323	-7,376,754,228.14	324	-
VIII. Capital investment subsidies	1325	325	-	326	-
B. Provisions	1331	331	8,609,333.65	332	7,910,373.40
1. Provisions for pensions and similar obligations	1333	333	-	334	-
2. Provisions for taxation	1335	335	627,301.87	336	-
3. Other provisions	1337	337	7,982,031.78	338	7,910,373.40
C. Creditors	1435	435	2,778,868,429.79	436	3,591,702,112.49
1. Debenture loans	1437	437	-	438	2,415,330,085.65
a) Convertible loans	1439	439	-	440	-
i) becoming due and payable within one year	1441	441	-	442	-
ii) becoming due and payable after more than one year	1443	443	-	444	-

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b)	Non convertible loans	1445 8	445	-	446	2,415,330,085.65
i)	becoming due and payable within one year	1447	447	-	448	57,251,483.03
ii)	becoming due and payable after more than one year	1449	449	-	450	2,358,078,602.62
2.	Amounts owed to credit institutions	1355	355	9,804.47	356	8,692.56
a)	becoming due and payable within one year	1357	357	9,804.47	358	8,692.56
b)	becoming due and payable after more than one year	1359	359	-	360	-
3.	Payments received on account of orders in so far as they are shown separately as deductions from stocks	1361	361	-	362	-
a)	becoming due and payable within one year	1363	363	-	364	-
b)	becoming due and payable after more than one year	1365	365	-	366	-
4.	Trade creditors	1367	367	-	368	-
a)	becoming due and payable within one year	1369	369	-	370	-
b)	becoming due and payable after more than one year	1371	371	-	372	-
5.	Bills of exchange payable	1373	373	-	374	-
a)	becoming due and payable within one year	1375	375	-	376	-
b)	becoming due and payable after more than one year	1377	377	-	378	-
6.	Amounts owed to affiliated undertakings	1379 9	379	2,768,671,446.30	380	1,174,096,693.83
a).	becoming due and payable within one year	1381	381	1,923,146,484.42	382	865,359,454.35
b)	becoming due and payable after more than one year	1383	383	845,524,961.88	384	308,737,239.48
7.	Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385	385	-	386	-
a)	becoming due and payable within one year	1387	387	-	388	-
b)	becoming due and payable after more than one year	1389	389	-	390	-
8.	Other creditors	1451	451	10,187,179.02	452	2,266,640.45
a)	Tax authorities	1393	393	2,600,000.00	394	-
b)	Social security authorities	1395	395	20,157.59	396	52,950.97

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c) Other creditors	1397	10	397	7,567,021.43	398	2,213,689.48
i) becoming due and payable within one year	1399		399	7,567,021.43	400	2,213,689.48
ii) becoming due and payable after more than one year	1401		401	-	402	-
D. Deferred income	1403	2	403	14,843,577.00	404	238,905,881.61
 TOTAL (CAPITAL, RESERVES AND LIABILITIES)			405	5,168,976,046.03	406	5,461,821,652.77

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PROFIT AND LOSS ACCOUNT

Financial year from ₀₁ 01/01/2019 to ₀₂ 31/12/2019 (in ₀₃ EUR)

13, Avenue Monterey

L-2163 Luxembourg
Luxembourg

PROFIT AND LOSS ACCOUNT

	Reference(s)		Current year		Previous year	
1. Net turnover	1701	701	-	702	-	
2. Variation in stocks of finished goods and in work in progress	1703	703	-	704	-	
3. Work performed by the undertaking for its own purposes and capitalised	1705	705	-	706	-	
4. Other operating income	1713	713	8,083,170,928.96	714	17,899,665.31	
5. Raw materials and consumables and other external expenses	1671	671	-2,656,646.89	672	-1,623,323.85	
1. Raw materials and consumables	1601	601	-	602	-	
2. Other external expenses	1603	603	-2,656,646.89	604	-1,623,323.85	
6. Staff costs	1605	605	-1,093,680.32	606	-913,824.47	
a) Wages and salaries	1607	607	-1,040,738.03	608	-861,330.38	
b) Social security costs	1609	609	-52,942.29	610	-52,494.09	
i) relating to pensions	1653	653	-	654	29,592.00	
ii) other social security costs	1655	655	-52,942.29	656	-82,086.09	
c) Other staff costs	1613	613	-	614	-	
7. Value adjustments	1657	657	-191,237,027.32	658	-36,346,171.17	
a) in respect of formation expenses and of tangible and intangible fixed assets	1659	659	-191,237,027.32	660	-36,346,171.17	
b) in respect of current assets	1661	661	-	662	-	
8. Other operating expenses	1621	621	-204,806.42	622	-17,041,000.36	
9. Income from participating interests	1715	715	732,573,895.96	716	1,135,297,317.31	
a) derived from affiliated undertakings	1717	717	695,425,948.56	718	1,081,011,918.21	
b) other income from participating interests	1719	719	37,147,947.40	720	54,285,399.10	

The accompanying notes form an integral part of the annual accounts.

EVRAZ GROUP S.A.
Société Anonyme

10. Income from other investments and loans forming part of the fixed assets	1721	721	-	722	-
a) derived from affiliated undertakings	1723	723	-	724	-
b) other income not included under a)	1725	725	-	726	-
11. Other interest receivable and similar income	1727	727	259,996,762.15	728	72,807,061.10
a) derived from affiliated undertakings	1729 6	729	10,504,851.53	730	5,568,639.80
b) other interest and similar income	1731	731	249,491,910.62	732	67,238,421.30
12. Share of profit or loss of undertakings accounted for under the equity method	1663	663	-	664	-
13. Value adjustments in respect of financial assets and of investments held as current assets	1665 4	665	-314,637,666.22	666	-142,652,434.76
14. Interest payable and similar expenses	1627	627	-420,427,492.97	628	-240,090,134.44
a) concerning affiliated undertakings	1629 9	629	-88,588,197.60	630	-84,843,320.64
b) other interest and similar expenses	1631 8	631	-331,839,295.37	632	-155,246,813.80
15. Tax on profit or loss	1635	635	-	636	-
16. Profit or loss after taxation	1667	667	8,145,484,266.93	668	787,337,154.67
17. Other taxes not shown under items 1 to 16	1637 13	637	-25,378,618.47	638	-46,415,403.76
18. Profit or loss for the financial year	1669	669	8,120,105,648.46	670	740,921,750.91

EVRAZ GROUP S.A.
Société Anonyme
Notes to the annual accounts for the year ended 31 December 2019
(All monetary amounts are expressed in thousands, unless specified otherwise)

Notes to the Annual Accounts

Note 1: Corporate information

These separate financial statements were authorised for issue in accordance with a resolution of directors of Evraz Group S.A. on 13 May 2020.

In 2019, the Company has elected not to prepare its consolidated financial statements on the grounds that the Company's parent, EVRAZ plc, prepares the IFRS consolidated financial statements, in which Evraz Group S.A. and its subsidiaries are consolidated. These consolidated financial statements representing a part of the Annual Report of EVRAZ plc are available on the website <http://www.evraz.com>.

Evraz Group S.A. ("Evraz Group" or the "Company") was incorporated on 31 December 2004 and is organised under the laws of Luxemburg as a "Public limited liability company" for an unlimited period. The registered address of Evraz Group is 13, Avenue Monterey, L2163, Luxembourg.

Evraz Group, together with its subsidiaries (the "Group"), is involved in the production and distribution of steel and related products. In addition, the Group produces vanadium products. Before the sale of NTMK and Rospadskaya in 2019 (Note 4) the Group's business also included coal and iron ore mining.

EVRAZ plc is a parent entity of Evraz Group. At 31 December 2019 and 2018, EVRAZ plc held 100% in Evraz Group.

Until 3 September 2018 Lanebrook Limited ("Lanebrook") registered in Cyprus was the ultimate controlling party of the Group. On that date Lanebrook distributed all its ownership interest in EVRAZ plc to its direct shareholders in proportion to their holdings in Lanebrook. At 31 December 2019 and 2018, EVRAZ plc was jointly controlled by a group of 3 shareholders: Greenleas International Holdings Limited (BVI), Abiglaze Limited (Cyprus) and Crosland Global Limited (Cyprus).

Going Concern

These financial statements have been prepared on a going concern basis.

As disclosed in Note 16, the macroeconomic uncertainty and instability have arisen due to the COVID 19 pandemic. The management of EVRAZ plc has performed the various scenario analysis to determine the possible impact of the COVID 19 crisis on the financial results and liquidity position of the Group. The worst case scenarios have been also tested. The analysis showed that the current financing of EVRAZ plc Group and the Company is sufficient to meet the liquidity needs during the next 12 months and, therefore, no issues for the funding of Evraz Group S.A. are expected.

The Company has obtained a letter of support from EVRAZ plc, which represent a resilient business with a strong history of positive cash flows and dividend payments. The majority of the EVRAZ plc Group's businesses were relatively unaffected by the COVID 19 pandemic. The EVRAZ plc Group's projected cash flows are positive within the next 12 month period and are sufficient to serve the existing debt.

Based on the currently available facts and circumstances the directors and management have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future.

Note 2: Significant accounting policies

EVRAZ GROUP S.A.
Société Anonyme
Notes to the annual accounts for the year ended 31 December 2019
(All monetary amounts are expressed in thousands, unless specified otherwise)

2.1 Basis of preparation

The Company maintains its books and records in EURO ("EUR") and the annual accounts have been prepared in EURO in accordance with applicable legal requirements in Luxembourg and in conformity with the commercial law of 10 August 1915, as amended, including the following significant accounting policies.

2.2 Foreign currency translation

The presentation and measurement currency of the Company is EUR. Transactions expressed in currencies other than EUR are converted into EUR at the applicable exchange rate at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Realised exchange gains and losses and unrealised exchange losses are recorded in the profit and loss account. Unrealised exchange gains are deferred. As of 31 December 2019, the deferred unrealised exchange gains amounted to EUR 14,844 (2018: EUR 238,906).

For certain loans denominated in foreign currencies, the Company applied some sort of hedge accounting (Note 9) as it was demonstrated that there is an economic hedge between the derivative instrument (swap agreements) and an asset. As such, the hedged liabilities were stated at the swap USD/RUB rate and considered as USD financial liabilities for the purpose of year-end conversion to EUR.

2.3 Investments

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. Financial assets, including participations and loans granted to the companies of the Group and shareholders, are initially recorded at acquisition cost. Impairment in value is recorded if the carrying value of an investment exceeds its recoverable amount.

Loans acquired at a value below nominal are recognised at acquisition cost. Payments are recognised as a deduction from acquisition cost as received. Any amounts received in excess of the initial acquisition costs are recognised as income in the profit and loss account.

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

2.4 Accounts Receivable

Accounts receivable are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful receivables is made when collection of the full amount is no longer probable.

2.5 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.

2.6 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.

EVRAZ GROUP S.A.
Société Anonyme
Notes to the annual accounts for the year ended 31 December 2019
(All monetary amounts are expressed in thousands, unless specified otherwise)

2.7 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

2.8 Goodwill

The recognised goodwill represents the difference between the net assets of Mastercrocft S.a r.l., a merged subsidiary of the Company, and the amount of the Company's investments in Mastercrocft S.a r.l. (Note 4n) In 2019 the goodwill was fully amortised.

2.9 Prepayments

This asset item includes expenditure incurred during the accounting period that relates to a subsequent accounting period.

2.10 Deferred income

This liability includes income received during the accounting year that relates to a subsequent financial year.

EVRAZ GROUP S.A.
 Société Anonyme
 Notes to the annual accounts for the year ended 31 December 2019
 (All monetary amounts are expressed in thousands, unless specified otherwise)

Note 3: Formation Expenses

Amounts recorded under formation expenses represent premiums and transaction costs on the issue of notes and loan arrangement costs. These costs are capitalised and amortised over the life of the borrowings.

The movement in formation expenses is presented in the table below.

	2019	2018
January 1	1,832	11,121
Additions	-	-
Amortisation	(1,832)	(9,289)
December 31	-	1,832

In 2018, due to the planned transfer of all outstanding notes to EVRAZ plc in 2019, the Company accelerated the amortisation of the amounts recorded under formation expenses.

On 13 March 2019, in accordance with the Eurobonds Issuer Substitution Agreement, all outstanding notes of the Company were transferred to EVRAZ plc (Note 8) and the amounts recorded under formation expenses were amortised in full.

EVRAZ GROUP S.A.

Société Anonyme

Notes to the annual accounts for the year ended 31 December 2019

(All monetary amounts are expressed in thousands, unless specified otherwise)

Note 4: Shares in Affiliated Undertakings

At 31 December the investments held by the Company were as follows:

	Country of domiciliation	Ownership interest		31 December	
		2019	2018	2019	2018
Actionfield Limited (a)	Cyprus	60.02%	60.02%	28,479	28,446
East Metals (Cyprus) Limited (b)	Cyprus	100.00%	100.00%	2	2
East Metals AG (b)	Switzerland	100.00%	100.00%	270,360	270,360
ECS Holdings Europe B. V. (c)	Netherlands	65.00%	65.00%	-	-
Euro-Asian Energy Company LLC (b)	Russia	0.00%	100.00%	-	229
EVRAZ NIKOM, a.s.	Czech Republic	100.00%	100.00%	13,142	13,142
EvrAZ North America plc (d)	UK	100.00%	100.00%	1,281,365	1,475,208
EVRAZ NTMK (b)	Russia	0.00%	100% - 1 share	-	1,457,020
EVRAZ Palini e Bertoli S.p.A. (e)	Italy	0.00%	100.00%	-	32,729
EvrAZ Stratcor Inc. (f)	USA	0.00%	100.00%	-	-
EvrAZ Ukraine LLC (g)	Ukraine	0.00%	100.00%	-	-
EvrAZTrans Ukraine (h)	Ukraine	0.00%	100.00%	-	-
Fegilton Limited (i)	Cyprus	0.00%	100.00%	-	28,810
Industrial East European Company LLC	Russia	99.99%	99.99%	37,097	34,062
JSC OUS (b)	Russia	100.00%	100.00%	1,717	1,717
Malvero Holdings Limited (b)	Cyprus	100.00%	100.00%	8,994	8,994
Managing Company EVRAZ	Russia	100.00%	100.00%	144	144
Mezhdurechensk LLC					
Mastercroft Finance Limited (b)	Cyprus	100.00%	100.00%	18,310	-
Metallenergofinance LLC (b)	Russia	100.00%	100.00%	25,260	25,260
Nafkratos Limited	Cyprus	100.00%	100.00%	27,742	27,742
PJSC Rospadskaya (j)	Russia	-	83.84%	-	1,233,610
Sinano Shipmanagement Limited (b)	Cyprus	100.00%	100.00%	-	-
Steeltrade Limited (b)	Cyprus	100.00%	100.00%	121	190
Unicroft Limited (b)	Cyprus	100.00%	100.00%	2	2
Velcast Limited (b)	Cyprus	100.00%	100.00%	-	-
				1,712,735	4,637,667

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a) Actionfield Limited (“Actionfield”)

On 27 February 2019, the Company subscribed for 3 ordinary shares of Actionfield for cash consideration of EUR 33. In 2019, the amount was fully paid by the Company.

b) Undertakings Received on Merger

At the date of the merger with Mastercrocft the Company acquired ownership in the following affiliated undertakings: East Metals (Cyprus) Limited, East Metals AG, Euro-Asian Energy Company LLC (“EVRAZ EC”), EVRAZ NTMK, JSC OUS, Malvero Holdings Limited, Mastercrocft Finance Limited (“MFL”), Metallenergofinance LLC, Sinano Shipmanagement Limited, Steeltrade Limited (“Steeltrade”), Unicroft Limited and Velcast Ltd (“Velcast”).

On 11 January 2018, the Company subscribed for 1,000 ordinary shares of Sinano for cash consideration of EUR 76. In 2018, the amount was fully paid by the Company.

In October 2018, Velcast entered into liquidation porcedures.

On 3 December 2018, the Company contributed an amount of RUB 157,947 (EUR 2,053) to the capital of EVRAZ EC.

In 2019, EVRAZ EC was liquidated. The Company recognised a gain on liquidation in the amount of EUR 205.

On 19 February 2019, the Company acquired 1 share of EVRAZ NTMK from Sibmetinvest LLC for cash consideration of RUB 0.0173 (EUR 0.002). At 31 December 2019, the amount was unpaid.

On 18 April 2019, the Company sold all shares held in EVRAZ NTMK to EVRAZ plc for a consideration of USD 10,761,000 (EUR 9,565,333). The Company recognised a gain on sale in the amount of EUR 8,108,314.

On 25 April 2019 and 27 August 2019, the consideration due from EVRAZ plc was partially set-off against amounts payable to EVRAZ plc in the amounts of USD 2,366,147 (EUR 2,127,256) and USD 5,495,994 (EUR 4,949,563), respectively (Note 6). At 31 December 2019, the unpaid consideration for the sale of EVRAZ NTMK amounted to USD 2,898,859 (EUR 2,580,433).

On 1 August 2019, the Company subscribed for 1 share of MFL for a consideration of USD 9,591 (EUR 8,690). On 1 August 2019, the amount was fully set-off against a loan receivable from MFL.

c) ECS Holdings Europe B.V. (“ECS”)

In 2018, the Company contributed EUR 47 to the capital of ECS.

d) Evraz North America plc (“ENA”)

On 3 July 2018, the Company subscribed for 1 share of ENA for cash consideration of USD 25,000 (EUR 21,432). In 2018, the amount was fully paid by the Company.

On 25 July 2018, the Company subscribed for 1 share of ENA for cash consideration of USD 70,000 (EUR 59,880). In 2018, the amount was fully paid by the Company.

On 2 August 2018, the Company subscribed for 1 share of ENA for cash consideration of USD 60,000 (EUR 51,649). In 2018, the amount was fully paid by the Company.

On 6 September 2018, ENA allotted 1,000 shares to the Company in exchange for the transfer of a 100% interest in EMNA.

e) EVRAZ Palini e Bertoli S.p.A. (“Palini”)

On 2 December 2019, the Company sold all shares of Palini to a third party for cash consideration of EUR 32,523. The Company recognised a gain on sale in the amount of EUR 892. In 2019, the amount was partially paid to the Company.

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At 31 December 2019, the remaining consideration for the sale of Palini amounted to EUR 2,206.

f) Evraz Stratcor Inc. ("Stratcor")

On 11 October 2019, the Company contributed USD 31,351 (EUR 28,390) to the capital of Stratcor.

On 11 October 2019, the Company sold all shares of Stratcor to a third party. The Company recognised a loss on sale in the amount of EUR 28,674.

g) Evraz Ukraine LLC ("Evraz Ukraine")

On 16 February 2018, the Company acquired 100% in Evraz Ukraine from Palmrose for cash consideration of USD 1 (EUR 1). In 2018, the amount was fully paid by the Company.

In 2019, Evraz Ukraine was liquidated.

h) EvrazTrans Ukraine ("ETU")

On 20 February 2018, the Company acquired 100% in ETU from Palmrose for cash consideration of USD 12 (EUR 9). In 2018, the amount was fully paid by the Company.

On 13 February 2019, the Company sold all shares in ETU to Fegilton for cash consideration of UAH 55 (EUR 2). The Company recognised a gain on sale in the amount of EUR 2.

i) Fegilton Limited ("Fegilton")

On 2 February 2018, the Company subscribed for 1,000 ordinary share of Fegilton for cash consideration of EUR 100. In 2018, the amount was fully paid by the Company.

On 1 March 2018, the Company subscribed for 1 ordinary share of Fegilton for a consideration of EUR 28,708. On 12 December 2018, the amount was offset against dividends declared by Fegilton on 12 December 2018.

On 15 November 2019, the Company sold all shares of Fegilton to a third party for cash consideration of USD 8,000 (EUR 7,250). The Company recognised a loss on sale in the amount of EUR 21,559. At 31 December 2019, the amount of consideration was unpaid.

j) PJSC Raspadskaya ("Raspadskaya")

During 2018 the Company acquired 1.89% of shares in Raspadskaya from third parties for RUR 1,613,769 (EUR 21,138). In 2018, the amount was fully paid by the Company.

During 2019 the Company acquired 1.81% of shares in Raspadskaya from third parties for RUR 1,540,061 (EUR 22,843). In 2019, the amount was fully paid by the Company.

On 18 April 2019, the Company sold 84.33% shares held in Raspadskaya to EVRAZ plc for consideration of USD 1,423,000 (EUR 1,264,889). The Company recognised a gain on sale in the amount of EUR 25,388. On 27 August 2019, the consideration due from EVRAZ plc was fully set-off against amounts payable to EVRAZ plc (Note 6).

In June 2019, Raspadskaya purchased its own shares in course of the tender offer thus reducing the number of outstanding shares. This resulted in a 0.01% increase of the Company's ownership interest in Raspadskaya.

On 20 September 2019, the Company acquired 0.01% of shares in Raspadskaya from Raspadskaya for cash consideration of RUB 10,119 (EUR 143). In 2019, the amount was fully paid by the Company.

On 25 September 2019, the Company sold 1.33% shares held in Raspadskaya to EVRAZ plc for consideration of RUB 1,108,198 (EUR 15,760). The Company recognised a loss on sale in the amount of EUR 1,192. At 31 December 2019,

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the amount of consideration was unpaid.

At 31 December 2019, the Company held 0.01% of shares in Rospadskaya. Rospadskaya was classified as an undertaking with which the Company is linked by virtue of participating interests (Note 5).

k) Drampisco Limited (“Drampisco”)

On 26 January 2018, the Company sold all shares held in Drampisco to Fegilton for cash consideration of EUR 3. The Company recognised a gain on sale in the amount of EUR 3.

l) East Metals North America LLC (“EMNA”)

On 6 September 2018, the Company transferred a 100% interest in EMNA to Evraz North America plc (“ENA”) in exchange for 1,000 ordinary shares allotted from ENA to the Company.

m) Kadish Limited (“Kadish”)

In 2017, the Company sold all shares of Kadish to a third party for cash consideration of USD 109,005 (EUR 97,161).

In 2018, the Company recognised interest income accrued on the balance of unpaid consideration in the amount of EUR 71. In 2018, the Company received the full amount of consideration and interest in cash.

n) Mastercroft S.á r.l.

On 1 March 2016, the shareholder of the Company approved the merger by absorption of Mastercroft with the accounting effective date as of 1 January 2016.

As a result of the merger, the amount of EUR 270,578, being the difference between Mastercroft’s net assets and the amount of the Company’s investments in Mastercroft, was recognised as goodwill.

This goodwill was amortised on a straight-line basis until 2018. In 2018, the amortisation expenses amounted to EUR 27,058.

In 2019, due to the sale of the undertakings received at the merger, the remaining goodwill in the amount of EUR 189,405 was amortised in full.

o) Palmrose B.V. (“Palmrose”)

On 22 January 2018, the share premium account of Palmrose was reduced by USD 46,500 (EUR 37,479). In January 2018, the Company received the full amount in cash.

On 26 December 2018, Palmrose was liquidated. The Company recognised a loss on liquidation in the amount of EUR 17,041.

The details of impairment were as follows:

	Accumulated impairment charge at 1 January 2019	Impairment (charge) / reversal	Change due to disposal / liquidation	Accumulated impairment charge at 31 December 2019
ECS Holdings Europe B. V.	(7,293)	(35)	-	(7,328)
Euro-Asian Energy Company LLC	(25,155)	1	25,154	-
Evraz North America plc	(1,119,065)	(193,844)	-	(1,312,909)
EVRAZ Palini e Bertoli S.p.A.	(127,954)	(1,755)	129,709	-
Evraz Stratcor Inc.	(22,243)	-	22,243	-
Evraz Ukraine LLC	(1)	-	1	-
EvrazTrans Ukraine	(9)	-	9	-

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	Accumulated impairment charge at 1 January 2019	Impairment (charge) / reversal	Change due to disposal / liquidation	Accumulated impairment charge at 31 December 2019
Industrial East European Company LLC	(103,860)	3,035	-	(100,825)
Mastercroft Finance Limited	(9,620)	9,620	-	-
Sinano Shipmanagement Limited	(5,703)	-	-	(5,703)
Steeltrade Limited	(45,478)	(69)	-	(45,547)
Velcast Limited	(51,379)	-	-	(51,379)
	(1,517,760)	(183,047)	177,116	(1,523,691)

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Note 5: Shares in Undertakings with which the Company is Linked by Virtue of Participating Interests and Investments Held as Fixed Assets

	Country of domiciliation	Ownership interest		31 December	
		2019	2018	2019	2018
EvrAZ Inc. N.A. Canada	Canada	39.34%	39.34%	61,778	175,315
EVRAZ Yuzhny Stan LLC	Russia	28.45%	28.45%	234	254
PJSC Rospadskaya	Russia	0.01%	-	143	-
RVK Invest Limited	Cyprus	42.63%	42.63%	1,145	900
Streamcore Limited	Cyprus	50.00%	50.00%	55,144	52,815
EVRAZ Highveld Steel and Vanadium Limited	South Africa	85.11%	85.11%	-	-
				118,444	229,284

Shares in Undertakings with which the Company is Linked by Virtue of Participating Interests

During the merger with Mastercrocft (Note 4n) the Company took over the participating interests in the following companies: EVRAZ Yuzhny Stan LLC ("Yuzhny Stan"), RVK Invest Limited, Streamcore Limited ("Streamcore") and EVRAZ Highveld Steel and Vanadium Limited ("Highveld").

In 2015, Highveld was placed under business rescue procedures and the control and management of Highveld was transferred to a business rescue practitioner. Until Highveld is successfully refinanced/restructured, the Company will not be able to control or exercise significant influence over Highveld, therefore it is classified as an undertaking linked by virtue of participating interests.

In March 2018, Evraz Inc. N.A. Canada issued new common shares to ENA. As the result of this transaction the Company's ownership interest in EICA changed to 39.34%. Due to this change EICA was classified as an undertaking with which the Company is linked by virtue of participating interests.

In December 2018, Sibmetinvest LLC made a contribution in the share capital of Yuzhny Stan. As a result of this contribution, the Company's ownership interest in Yuzhny Stan changed to 28.45%. Due to this change Yuzhny Stan was classified as an undertaking with which the Company is linked by virtue of participating interests.

On 15 May 2019, the Company subscribed for 2 shares of Streamcore for cash consideration of USD 2,605 (EUR 2,329). In 2019, the amount was fully paid by the Company.

In 2019, Rospadskaya was classified as an undertaking with which the Company is linked by virtue of participating interests (Note 4j).

The details of impairment were as follows:

	Accumulated impairment charge at 1 January 2019	Impairment (charge) / reversal	Change due to disposal / liquidation	Accumulated impairment charge at 31 December 2019
EVRAZ Highveld Steel and Vanadium Limited	(615,413)	-	-	(615,413)
EvrAZ Inc. N.A. Canada	(268,143)	(113,537)	-	(381,680)
EVRAZ Yuzhny Stan LLC	(73,228)	(20)	-	(73,248)
RVK Invest Limited	(11,972)	245.00	-	(11,727)
	(968,756)	(113,312)	-	(1,082,068)

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Investments Held as Fixed Assets

The investments in Delong Holdings Limited (“Delong”) were measured at market quotations as below acquisition cost.

In 2018, the Company recognised an impairment reversal in the amount of EUR 32,502 due to the increase in market prices for the shares of Delong.

On 12 June 2018, the Company sold all shares of Delong to a third party for cash consideration of USD 91,714 (EUR 77,803). As a result, the Company recognised a gain on sale in the amount of EUR 17,897.

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Note 6: Loans to Affiliated Undertakings and Amounts Owed by Affiliated Undertakings

Becoming due and payable within one year:

	<u>Type of receivables</u>	<u>2019</u>	<u>2018</u>
ENA	loan	338	331
EVRAZ plc	loan	5,446	-
Stratcor	loan	-	702
Fegilton	loan	-	912
Malvero Holdings	loan	1,491	81
Mastercroft Finance	loan	1	8
Nafkratos	loan	-	1
Sinano Shipmanagement	loan	1,725	-
EVRAZ plc	other receivables	2,804,920	-
EvrazHolding Finance	other receivables	397	347
Palini e Bertoli	other receivables	-	4
Palmrose	other receivables	-	244
NTMK	dividends	-	260,953
		<u>2,814,318</u>	<u>263,583</u>

Becoming due and payable after more than one year:

	<u>Type of receivables</u>	<u>2019</u>	<u>2018</u>
ENA	loan	24,924	24,454
Stratcor	loan	-	29,028
Fegilton	loan	-	65,362
EVRAZ plc	loan	464,282	-
Malvero Holdings	loan	-	1,319
Mastercroft Finance	loan	-	8,559
Nafkratos	loan	-	26
Sinano Shipmanagement	loan	-	17
		<u>489,206</u>	<u>128,765</u>
		<u>3,303,524</u>	<u>392,348</u>

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Industrial East European Company LLC ("IEEC")

In 2018, IEEC fully repaid its debt to the Company for the loans transferred from MFL under the assignment agreement dated 30 April 2011. The debt was repaid at its nominal value in the amount of EUR 35,598. The amount of EUR 2,413 was recognised as the repayment of the accrued interest. The amount of EUR 33,185 was recognised as a gain by the Company.

EVRAZ plc

On 15 April 2019, the Company assumed all rights and obligations of EVRAZ plc as a borrower under loan contracts with EVRAZ Vanady Tula and EVRAZ ZSMK for consideration of USD 483,836 (EUR 428,555). The Company recognised a loss on transfer in the amount of EUR 1,150.

On 25 April 2019, the total consideration for the transferred loans and the partial consideration for the sale of EVRAZ NTMK (Note 4b) were set-off against the total consideration due to EVRAZ plc for the transfer of the Company's notes (Note 8).

On 9 July 2019, the Company assumed all rights and obligations of EVRAZ plc as a borrower under loan contracts with EVRAZ ZSMK, EVRAZ KGOK and Sibmetinvest LLC for consideration of USD 1,281,006 (EUR 1,143,245). The Company recognised a loss on transfer in the amount of EUR 25,882.

On 27 August 2019, the full amount of consideration for the transferred loans and for the sale of 84.33% shares of Raspadskaya (Note 4j) and the partial consideration for the sale of EVRAZ NTMK (Note 4b) were set off against dividends payable to EVRAZ plc (Note 7).

On 23 October 2019, the Company assumed all rights and obligations of EVRAZ plc as a borrower under loan contracts with EVRAZ Vanady Tula and EVRAZ ZSMK for consideration of USD 234,234 (EUR 210,166). The Company recognised a loss on transfer in the amount of EUR 1,781.

Loans receivable

In the year ended 31 December 2019 and 2018, the movements of loans issued to related parties were as follows:

Loans denominated in USD

Year ended 31 December 2019

	Interest rate	Maturity date	Balance at 31 December 2018	Loans issued	Interest income	Settlement of loans	Balance at 31 December 2019
ENA	5.30%	05.04.2023	28,379	-	1,505	(1,505)	28,379
EVRAZ plc	3.50%	01.04.2022	-	495,294	5,716	(21,220)	479,790
EVRAZ plc	3.15%	01.04.2022	-	47,500	402	-	47,902
Stratcor	4.85%	31.03.2020	28,985	-	1,068	(30,053)	-
Stratcor	4.85%	31.03.2020	5,056	-	185	(5,241)	-
Fegilton	4.70%	30.08.2020	75,883	-	583	(76,466)	-
Fegilton	3.55%	30.09.2020	-	53,020	270	(53,290)	-
Malvero Holdings	3.32%	20.01.2020	1,602	23	50	(1)	1,674
MFL	5.02%	31.03.2020	9,809	490	277	(10,576)	-
MFL	3.50%	31.12.2020	-	100	1	(100)	1
Nafkratos	4.75%	31.12.2020	30	-	-	(30)	-
Sinano	5.40%	31.12.2020	20	40	2	-	62
Sinano	2.50%	31.05.2020	-	1,865	11	-	1,876
			149,764	598,332	10,070	(198,482)	559,684
Translation into EUR			130,800	542,243	8,994	(177,339)	498,207
Effect of exchange rate changes							(6,491)

Year ended 31 December 2018

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	Interest rate	Maturity date	Balance at 31 December 2017	Loans issued	Interest income	Settlement of loans	Balance at 31 December 2018
ENA	5.30%	22.06.2020	28,000	-	1,505	(1,126)	28,379
EVRAZ plc	3.50%	03.04.2020	-	92,600	616	(93,216)	-
Stratcor	4.85%	31.03.2020	28,306	-	679	-	28,985
Stratcor	4.85%	31.03.2020	4,937	-	119	-	5,056
Fegilton	4.70%	30.08.2020	-	109,290	1,056	(34,463)	75,883
Malvero Holdings	3.32%	20.01.2020	1,488	65	49	-	1,602
MFL	5.02%	31.03.2020	-	9,800	9	-	9,809
Nafkratos	4.75%	31.12.2020	-	30	-	-	30
Sinano	5.40%	31.12.2020	-	20	-	-	20
			62,731	211,805	4,033	(128,805)	149,764
Translation into EUR			52,307	177,858	3,415	(110,862)	130,800
Effect of exchange rate changes							8,082

Loans denominated in Russian rubles

IEEC Loans

Year ended 31 December 2018

	Balance at 31 December 2017	Loans issued	Interest income	Settlement of loans	Gain from receipts	Balance at 31 December 2018
IEEC*	1,778	-	635	(35,598)	33,185	-
	1,778	-	635	(35,598)	33,185	-

*IEEC loans denominated in Euro, Russian rubles and US dollars are shown together.

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Note 7: Capital and Reserves

Subscribed Capital

Number of shares	2019	2018
<i>Authorised</i>		
Ordinary shares of EUR 0.002 each	257,204,326	257,204,326
<i>Issued and fully paid</i>		
Ordinary shares of EUR 0.002 each	148,882,619	148,882,619

Shareholders of the Company are entitled to standard rights provided under the laws of Luxembourg to shareholders of stock companies ("société anonyme"). These rights comprise the right to vote at the shareholders meetings and the right to receive dividends.

Legal Reserve

According to the Luxembourg Company Law, the Company is required to appropriate a minimum of 5% of its net profit to the legal reserve until such reserve is equal to 10% of the issued share capital. The legal reserve is not available for distribution except upon dissolution of the Company.

No allocation to the legal reserve was made in 2019 and 2018.

Dividends

The Company did not declare dividends in 2018.

On 27 August 2019, the Company declared dividends to EVRAZ plc in the amount of USD 8,200,000 (EUR 7,376,754). On 27 August 2019, the amount payable to EVRAZ plc was set off against amounts receivable from EVRAZ plc (Note 6).

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Note 8: Non-convertible Loans

	Year of issue	Maturity date	Nominal at the issue date,	Nominal at the last reporting date,	December 31, EUR	
			US\$ million	US\$ million	2019	2018
6.50% notes due 2020	2013	22.04.2020	1,000	-	-	611,354
8.25% notes due 2021	2015	28.01.2021	750	-	-	655,022
6.75% notes due 2022	2016	31.01.2022	500	-	-	436,681
5.375% notes due 2023	2017	20.03.2023	750	-	-	655,022
Accrued interest					-	57,251
					-	2,415,330

The notes were listed on the Irish Stock Exchange (EU Regulated market).

Interest on the notes was payable semi-annually in arrears. In 2019 and 2018, the Company recognised interest expense on the notes in the amounts of USD 31,218 (EUR 27,886) and USD 183,326 (EUR 155,229), respectively.

On 13 March 2019, in accordance with the terms and conditions of outstanding notes and Eurobonds Issuer Substitution Agreement, all outstanding notes of the Company were transferred to EVRAZ plc for a consideration of USD 2,849,983 (EUR 2,562,243). The Company recognised a loss on transfer in the amount of USD 101,024 (EUR 89,600).

On 25 April 2019, the amount due to EVRAZ plc was fully set-off against amounts receivable from EVRAZ plc (Note 6).

During 2019 and 2018 the Company was in compliance with all financial and non-financial covenants when they were tested on its level. Since the transfer of the notes to EVRAZ plc this testing is no longer applicable.

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Note 9: Amounts Owed to Affiliated Undertakings

Becoming due and payable within one year:

	Type of payables	2019	2018
East Metals A.G.	loan	153,439	210,377
EVRAZ KGOK	loan	782,277	145,281
EVRAZ Palini	loan	-	16
EVRAZ Vanady Tula	loan	44,654	27,131
EVRAZ ZSMK	loan	417,183	1
EvrzEnergTrans	loan	12,953	-
Kuznetskaya	loan	1,546	-
Sibmetinvest	loan	355,904	248,338
EvrzHolding Finance	loan	146,354	1,894
EvrzHolding Finance	hedged loan	-	232,182
EVRAZ plc	guarantee fee	400	5
EvrzHolding LLC	other payables	4	79
OUS	other payables	3,722	-
Sinano Shipmanagement	other payables	2	-
Steeltrade	other payables	76	-
Streamcore	other payables	4,632	-
ENA	payables for shares	-	56
		1,923,146	865,360

Becoming due and payable after more than one year:

	Type of payables	2019	2018
East Metals A.G.	loan	-	40,873
EVRAZ KGOK	loan	516,338	80,427
EVRAZ Palini	loan	-	5,000
EVRAZ Vanady Tula	loan	76,803	37,252
EVRAZ ZSMK	loan	128,228	1,510
EvrzHolding Finance	loan	-	125,728
Kuznetskaya	loan	124,156	-
Sibmetinvest	loan	-	17,947
		845,525	308,737
		2,768,671	1,174,097

Swap agreements

The Company accounted for loans payable to EvrazHolding Finance and the swap agreements with banks as an economic hedge, i.e. the rouble-denominated receivables from banks under the swap agreements and the respective portion of the rouble-denominated loans payable to EvrazHolding Finance were offset in the balance sheet. The USD-denominated payables to banks, which could be matched with the loans owed to EvrazHolding Finance were presented as loans to affiliated companies ("hedged loans").

The loans payable to EvrazHolding Finance, denominated in roubles, were as follows as of 31 December:

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Notes to the annual accounts for the year ended 31 December 2019

(All monetary amounts are expressed in thousands, unless specified otherwise)

	Year of repayment	2019		2018		Interest rates
		Principal, millions of roubles	Principal at swap rate, USD million	Principal, millions of roubles	Principal at swap rate, USD million	
EvrzHolding Finance	2019	-	-	8,230	150	13.25%
EvrzHolding Finance	2019	-	-	6,718	115	13.10%

Loans payable

In 2019 and 2018, the movement in loans received from related parties was as follows:

Loans denominated in USD

Year ended 31 December 2019

	Interest rate	Maturity date	Balance at 31 December 2018	Loans received	Interest expense	Repayment of loans	Balance at 31 December 2019
East Metals A.G.	4.70%	31.07.2020	240,809	1,500	2,732	(245,041)	-
East Metals A.G.	5.10%	31.03.2020	46,873	308,200	5,730	(188,429)	172,374
			287,682	309,700	8,462	(433,470)	172,374
Translation into EUR			251,250	276,879	7,558	(386,514)	153,439
Effect of exchange rate changes							4,266

Year ended 31 December 2018

	Interest rate	Maturity date	Balance at 31 December 2017	Loans received	Interest expense	Repayment of loans	Balance at 31 December 2018
East Metals A.G.	2.50%	31.07.2018	933	-	-	(933)	-
East Metals A.G.	3.00%	31.01.2019	-	386,500	3,561	(149,252)	240,809
East Metals A.G.	5.10%	31.03.2020	-	46,800	73	-	46,873
KGOK	3.36%	30.04.2020	135,135	-	588	(135,723)	-
KGOK	2.30%	25.06.2018	201,160	-	743	(201,903)	-
Vanady Tula	5.30%	01.04.2019	7,093	-	297	(7,390)	-
MFL	2.625%	30.06.2018	2,376	-	8	(2,384)	-
			346,697	433,300	5,270	(497,585)	287,682
Translation into EUR			289,083	368,263	4,462	(409,736)	251,250
Effect of exchange rate changes							(822)

Loans denominated in Euro

Year ended 31 December 2019

	Interest rate	Maturity date	Balance at 31 December 2018	Loans received	Interest expense	Repayment of loans	Balance at 31 December 2019
EVRAZ Palini	1.90%	31.05.2021	5,016	29,000	377	(34,393)	-
			5,016	29,000	377	(34,393)	-

Year ended 31 December 2018

	Interest rate	Maturity date	Balance at 31 December 2017	Loans received	Interest expense	Repayment of loans	Balance at 31 December 2018
EVRAZ Palini	1.90%	31.08.2020	-	40,000	340	(40,340)	-
EVRAZ Palini	1.90%	31.05.2021	-	5,000	16	-	5,016
			-	45,000	356	(40,340)	5,016

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(All monetary amounts are expressed in thousands, unless specified otherwise)

Loans denominated in Russian rubles

Year ended 31 December 2019

	Interest rate	Maturity date	Balance at 31 December 2018	Loans received	Interest expense	Repayment of loans	Balance at 31 December 2019
Kuznetskaya	4.75%	01.07.2022	-	8,609,081	142,986	(35,776)	8,716,291
KGOK	7.00%	30.04.2020	6,503,564	-	26,964	(6,530,528)	-
KGOK	4.75%	05.06.2020	11,431,307	-	409,855	(4,710,206)	7,130,956
KGOK	4.75%	29.05.2020	-	6,668,531	162,829	-	6,831,360
KGOK	4.75%	29.05.2020	-	10,165,054	248,206	-	10,413,260
KGOK	4.75%	29.05.2020	-	16,486,295	402,555	-	16,888,850
KGOK	4.75%	01.10.2020	-	12,406,028	301,512	(406,953)	12,300,587
KGOK	4.75%	29.01.2020	-	12,153,290	300,696	(186,688)	12,267,298
KGOK	4.75%	29.01.2020	-	4,333,079	107,236	(65,499)	4,374,816
KGOK	4.75%	01.07.2022	-	19,591,746	340,220	(92,398)	19,839,568
Vanady Tula	6.84%	28.06.2019	90,717	-	255	(90,972)	-
Vanady Tula	5.89%	02.11.2020	3,000,904	-	8,120	(3,009,024)	-
Vanady Tula	5.89%	31.01.2020	2,024,280	-	30,364	(2,054,644)	-
Vanady Tula	4.75%	31.07.2020	-	2,040,662	76,544	(110,410)	2,006,796
Vanady Tula	4.75%	29.05.2020	-	6,588,790	4,563	(6,494,097)	99,256
Vanady Tula	5.70%	29.05.2020	-	6,380,863	31,853	(5,536,000)	876,716
Vanady Tula	4.75%	29.01.2021	-	2,416,062	21,959	-	2,438,021
Vanady Tula	4.75%	27.05.2022	-	2,963,628	44,629	(7,141)	3,001,116
ZSMK	6.27%	01.10.2020	120,082	5,552,638	61,992	(5,734,712)	-
ZSMK	5.89%	31.05.2019	-	4,403,394	868	(4,404,262)	-
ZSMK	4.75%	29.05.2020	-	5,726,361	37,483	(5,141,020)	622,824
ZSMK	4.75%	29.05.2020	-	6,159,560	39,401	(5,298,032)	900,929
ZSMK	4.75%	31.07.2020	-	5,047,069	103,394	(2,548,912)	2,601,551
ZSMK	5.89%	01.07.2020	-	12,615,123	137,894	-	12,753,017
ZSMK	4.75%	01.10.2020	-	12,018,452	292,536	(376,621)	11,934,367
ZSMK	4.75%	27.05.2022	-	3,303,156	49,370	(266,264)	3,086,262
ZSMK	4.75%	01.07.2022	-	5,846,275	100,239	(26,287)	5,920,227
EvrzEnergTrans	4.75%	01.09.2020	-	892,217	5,963	-	898,180
EHF	6.27%	01.10.2020	10,140,896	-	626,396	(619,033)	10,148,259
Sibmetinvest	4.75%	29.05.2020	18,844,585	-	837,159	(6,510,870)	13,170,874
Sibmetinvest	6.84%	28.06.2019	852,972	-	2,596	(855,568)	-
Sibmetinvest	6.27%	02.11.2020	1,461,571	-	4,165	(1,465,736)	-
Sibmetinvest	4.75%	01.10.2020	-	7,097,821	136,527	(101,534)	7,132,814
Sibmetinvest	4.75%	29.05.2020	-	4,320,270	114,645	(59,997)	4,374,918
			54,470,878	183,785,445	5,211,974	(62,739,184)	180,729,113
Translation into EUR			685,509	2,543,369	71,887	(856,800)	2,606,396
Effect of exchange rate changes							162,431

Year ended 31 December 2018

	Interest rate	Maturity date	Balance at 31 December 2017	Loans received	Interest expense	Repayment of loans	Balance at 31 December 2018
KGOK	7.60%	31.01.2018	178,910	-	1,097	(180,007)	-
KGOK	7.00%	30.04.2020	12,164,962	-	579,060	(6,240,458)	6,503,564
KGOK	5.51%	07.06.2019	-	11,316,758	534,798	(420,249)	11,431,307
Vanady Tula	6.84%	28.06.2019	2,457,716	-	134,382	(2,501,381)	90,717
Vanady Tula	5.89%	02.11.2020	2,076,106	889,977	171,465	(136,644)	3,000,904
Vanady Tula	5.51%	22.02.2019	-	1,996,551	81,679	(53,950)	2,024,280
ZSMK	6.84%	28.06.2019	15,258,410	-	342,127	(15,600,537)	-
ZSMK	6.27%	01.10.2020	9,145,474	7,495,307	562,708	(17,083,407)	120,082
EHF	6.27%	01.10.2020	5,862,189	4,159,683	519,019	(399,995)	10,140,896
Alardinskaya	6.46%	01.08.2018	2,326,491	-	74,377	(2,400,868)	-
Esaulskaya	7.00%	30.04.2020	2,268,742	-	67,173	(2,335,915)	-
Uskovskaya	7.00%	30.04.2020	1,189,567	-	35,047	(1,224,614)	-
Uskovskaya	6.46%	01.08.2018	4,575,692	-	126,670	(4,702,362)	-

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	Interest rate	Maturity date	Balance at 31 December 2017	Loans received	Interest expense	Repayment of loans	Balance at 31 December 2018
YuKU	5.51%	29.06.2019	9,891,078	6	128,478	(10,019,562)	-
Sibmetinvest	5.89%	28.06.2019	20,045,630	257,000	1,095,830	(2,553,875)	18,844,585
Sibmetinvest	6.84%	28.06.2019	-	2,412,197	23,994	(1,583,219)	852,972
Sibmetinvest	6.27%	02.11.2020	-	3,968,680	203,570	(2,710,679)	1,461,571
TH EAH	6.84%	28.06.2019	2,439,158	-	137,050	(2,576,208)	-
			89,880,125	32,496,159	4,818,524	(72,723,930)	54,470,878
Translation into EUR			1,305,130	453,410	65,155	(982,771)	685,509
Effect of exchange rate changes							(155,415)

Note 10: Other creditors

Other creditors comprise the following:

Becoming due and payable within one year

	2019	2018
Other payables	7,567	2,214
TOTAL	7,567	2,214

Note 11: Income from Participating interests Derived from Affiliated Undertakings

In 2018, EVRAZ Palini e Bertoli declared and paid dividends in the amount of EUR 9,800.

In 2018, Fegilton declared dividends in the amount of USD 34,941 (EUR 30,796). The amount was offset against consideration for the subscription for 1 ordinary share of Fegilton.

In 2019 and 2018, EVRAZ NTMK declared and paid dividends in the amount of RUB 27,889,816 (EUR 382,637) and RUB 67,865,220 (EUR 912,054), respectively.

In 2019 and 2018, EMAG declared and paid dividends in the amount of CHF 269,800 (EUR 239,780) and CHF 138,000 (EUR 117,557), respectively.

In 2019, Nafkratos Limited declared and paid dividends in the amount of USD 6,440 (EUR 5,706).

In 2019, MC EVRAZ Mezhdurechensk declared and paid dividends in the amount of RUB 3,969,734 (EUR 54,402).

Note 12: Income from Financial Fixed Assets Derived from Undertakings with which the Company is Linked by Virtue of Participating Interests

In 2017, PJSC Yuzhny GOK declared dividends in the amount of UAH 172,751 (EUR 5,605). In 2018, the amount was fully paid to the Company.

In 2019, Rspadskaya declared and paid dividends in the amount of RUB 201 (EUR 3).

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(All monetary amounts are expressed in thousands, unless specified otherwise)

Note 13: Taxation

The Company is subject to all taxes applicable to Luxembourg commercial companies.

Note 14: Staff

The Company employed an average of 6 persons during the year broken down by category as follows:

	2019 Fulltime staff members	2018 Fulltime staff members
Employees	6	7
TOTAL	6	7

In 2019 and 2018, staff costs amounted to EUR 1,041 and EUR 861, respectively.

Note 15: Guarantees

At 31 December 2019, the Company had the following contingent liabilities with respect to the issued guarantees:

Name of affiliated entity which debt was guaranteed by the Company	Subject of guarantee	Principal and Maturity accrued interest
EvrazHolding Finance	12.60% bonds due 2021	222,482 6/23/2021
East Metals North America, LLC	Customs Bond	445 12/31/2019
TOTAL		222,927

In 2019 and 2018, the total income with respect to the issued guarantees amounted to EUR 1,510 and EUR 1,518, respectively.

These amounts were recorded in the caption "Other interest receivable and similar income", and represent accrued fees for a guarantee given in respect of EvrazHolding Finance.

Note 16: Subsequent Events

On 16 March 2020, the Company converted the amounts receivable due from EVRAZ plc to a loan in the total amount of USD 3,148,234, which bears interest at 2.55% per annum and is repayable on 31 December 2021.

The coronavirus (COVID-19) pandemic outbreak happened in 2020 significantly affected the world economy, including steel production, oil and gas, construction industry. The increased market volatility may have an impact on the Company's and EVRAZ plc Group's financial position, earnings and cash flows in 2020. The Company's management closely monitors the development of the economic situation and undertakes all necessary measures to maintain the sustainability of the Company in the current circumstances.