

**PUBLIC JOINT STOCK COMPANY  
“ACRON”**

**Consolidated Condensed Interim  
Financial Information for the six months  
ended 30 June 2021**



## Contents

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

Consolidated Condensed Interim Statement of Financial Position.....	1
Consolidated Condensed Interim Statement of Profit or Loss and Other Comprehensive Income .....	2
Consolidated Condensed Interim Statement of Cash Flows.....	3
Consolidated Condensed Interim Statement of Changes in Equity.....	4

### Notes to the Consolidated Condensed Interim Financial Information

1	Acron Group and its Operations .....	5
2	Basis of Preparation .....	5
3	Significant Accounting Policies .....	5
4	Seasonality .....	5
5	Segment Information .....	5
6	Balances and Transactions with Related Parties .....	7
7	Cash and Cash Equivalents .....	7
8	Accounts Receivable .....	8
9	Inventories .....	8
10	Property, Plant and Equipment.....	8
11	Subsoil licences and related costs.....	8
12	Investment in Equity Instruments Measured at Fair Value through Other Comprehensive Income ...	9
13	Derivative Financial Assets and Liabilities .....	9
14	Accounts Payable .....	9
15	Short-Term and Long-Term Borrowings .....	9
16	Share Capital.....	11
17	Finance Income / (Expenses), net .....	12
18	Other Operating (Expense) / Income, net.....	12
19	Earnings / (Loss) per Share.....	12
20	Income Taxes .....	13
21	Contingencies, Commitments and Operating Risks.....	13
22	Fair Value of Financial Instruments .....	14
23	Subsequent Events.....	15



# 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 June 2021, and the related consolidated condensed interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, 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 number in the Unified State Register of Legal Entities:  
No. 1025300786610.  
Veliky Novgorod, Russia

Audit firm: JSC "KPMG", a company incorporated under the Laws of the Russian Federation.

Registration number in the Unified State Register of Legal Entities:  
No. 1027700125628.

Member of the Self-regulatory Organization of Auditors Association  
"Sodruzhestvo" (SRO AAS). Principal registration number of the entry in the  
Register of Auditors and Audit Organizations: No. 12006020351.

## 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 June 2021 and for the six-month period then ended is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.

## Other Matter

The consolidated condensed interim financial statement of profit or loss and other comprehensive income for the three-month period ended 30 June 2021 and the corresponding figures for the three-month period ended 30 June 2020 are not reviewed.



Andrey V. Ryazantsev

JSC "KPMG"  
Moscow, Russia

20 August 2021

**Public Joint Stock Company "Acron"**  
**Consolidated Condensed Interim Statement of Financial Position at 30 June 2021**  
*(in millions of Russian Roubles)*



	Note	30 June 2021	31 December 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	112,723	110,601
Subsoil licences and related costs	11	43,470	42,614
Investment in equity instruments measured at fair value through other comprehensive income	12	12,854	11,264
Long-term derivative financial instruments	13	4,393	2,030
Right-of-use assets		2,219	2,302
Deferred tax assets		125	179
Other non-current assets		3,443	3,540
<b>Total non-current assets</b>		<b>179,227</b>	<b>172,530</b>
<b>Current assets</b>			
Inventories	9	22,221	19,301
Accounts receivable	8	15,272	12,438
Cash and cash equivalents	7	15,143	15,537
Other current assets		366	283
<b>Total current assets</b>		<b>53,002</b>	<b>47,559</b>
<b>TOTAL ASSETS</b>		<b>232,229</b>	<b>220,089</b>
<b>EQUITY</b>			
Share capital	16	3,046	3,046
Treasury shares		(17)	(17)
Retained earnings		86,372	57,910
Revaluation reserve		(13,073)	(14,663)
Other reserves		(16,307)	(13,030)
Cumulative currency translation difference		9,102	9,457
<b>Equity attributable to the Company's owners</b>		<b>69,123</b>	<b>42,703</b>
Non-controlling interest		26,286	26,100
<b>TOTAL EQUITY</b>		<b>95,409</b>	<b>68,803</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term borrowings	15	81,813	78,205
Long-term derivative financial instruments	13	1,000	1,560
Long-term lease liabilities		2,076	2,249
Deferred tax liabilities		9,012	8,467
Other long-term liabilities		2,224	1,402
<b>Total non-current liabilities</b>		<b>96,125</b>	<b>91,883</b>
<b>Current liabilities</b>			
Accounts payable	14	13,067	12,230
Short-term borrowings	15	18,231	36,911
Advances received		3,975	7,850
Short-term lease liabilities		487	456
Other current liabilities		4,935	1,956
<b>Total current liabilities</b>		<b>40,695</b>	<b>59,403</b>
<b>TOTAL LIABILITIES</b>		<b>136,820</b>	<b>151,286</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>232,229</b>	<b>220,089</b>

The Consolidated Condensed Interim Financial Information was approved on 20 August 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 six months ended 30 June 2021**  
*(in millions of Russian Roubles, except for per share amounts)*



	Note	Six months ended		Three months ended	
		30 June 2021	30 June 2020	30 June 2021	30 June 2020
Revenue	5	85,982	56,432	47,030	28,353
Cost of sales		(32,465)	(31,936)	(14,591)	(14,362)
<b>Gross profit</b>		<b>53,517</b>	<b>24,496</b>	<b>32,439</b>	<b>13,991</b>
Transportation expenses		(13,890)	(10,373)	(8,527)	(5,945)
Selling, general and administrative expenses		(5,390)	(4,665)	(2,514)	(2,482)
Profit on sale of potash leases		-	891	-	891
Other operating (expenses) / income, net	18	(793)	83	(674)	(1,733)
<b>Operating profit</b>		<b>33,444</b>	<b>10,432</b>	<b>20,724</b>	<b>4,722</b>
Finance income / (expenses), net	17	2,465	(7,376)	2,946	6,818
Interest expense		(1,675)	(1,821)	(1,102)	(1,335)
Gain / (loss) on derivatives, net		2,922	(2,442)	1,478	(1,464)
<b>Profit / (loss) before taxation</b>		<b>37,156</b>	<b>(1,207)</b>	<b>24,046</b>	<b>8,741</b>
Income tax (expense) / benefit	20	(7,478)	221	(4,983)	399
<b>Profit / (loss) for the period</b>		<b>29,678</b>	<b>(986)</b>	<b>19,063</b>	<b>9,140</b>
<i>Other comprehensive 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>					
- Gains arising during the period	12	1,590	1,262	1,059	2,971
<i>Other comprehensive (loss) / income on items that are or may be reclassified subsequently to profit or loss:</i>					
Currency translation differences		(349)	1,309	(627)	(1,320)
<b>Other comprehensive income for the period</b>		<b>1,241</b>	<b>2,571</b>	<b>432</b>	<b>1,651</b>
<b>Total comprehensive income for the period</b>		<b>30,919</b>	<b>1,585</b>	<b>19,495</b>	<b>10,791</b>
<b>Profit / (loss) is attributable to:</b>					
Owners of the Company		29,321	(1,295)	18,843	8,955
Non-controlling interest		357	309	220	185
<b>Profit / (loss) for the period</b>		<b>29,678</b>	<b>(986)</b>	<b>19,063</b>	<b>9,140</b>
<b>Total comprehensive income is attributable to:</b>					
Owners of the Company		30,556	1,218	19,319	10,544
Non-controlling interest		363	367	176	247
<b>Total comprehensive income for the period</b>		<b>30,919</b>	<b>1,585</b>	<b>19,495</b>	<b>10,791</b>
<b>Earnings / (loss) per share</b>					
Basic (expressed in RUB)	19	782.23	(33.70)	502.70	237.43
Diluted (expressed in RUB)	19	782.23	(33.70)	502.70	227.53

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 six months**  
**ended 30 June 2021**  
*(in millions of Russian Roubles)*



	Note	Six months ended	
		30 June 2021	30 June 2020
<b>Cash flows from operating activities</b>			
Profit / (loss) before taxation		<b>29,678</b>	<b>(986)</b>
<i>Adjustments for:</i>			
Income tax expense / (benefit)	20	7,478	(221)
Depreciation and amortisation		5,907	6,100
(Reversal of) / provision for impairment of accounts receivable		(1)	1
Reversal of provision for inventory obsolescence		(1)	(68)
Loss on disposal of property, plant and equipment		231	47
Interest expense		1,675	1,821
Interest income	17	(49)	(66)
(Gain) / loss on derivatives, net		(2,922)	2,442
Profit on sale of potash leases		-	(891)
Foreign exchange effect on non-operating balances		(2,302)	5,971
<b>Operating cash flows before working capital changes</b>		<b>39,694</b>	<b>14,150</b>
Increase in gross trade receivables		(3,703)	(2,409)
Increase in advances to suppliers		(7)	(960)
Decrease in other receivables		524	1,571
Increase in inventories		(3,067)	(678)
Decrease in trade payables		(759)	(715)
(Decrease) / increase in other payables		(461)	155
Decrease in advances from customers		(3,875)	(3,128)
(Increase) / decrease in other current assets		(83)	882
Decrease in other current liabilities		(271)	(808)
<b>Cash generated from operations</b>		<b>27,992</b>	<b>8,060</b>
Income taxes paid		(5,452)	(756)
Interest paid		(2,109)	(2,190)
<b>Net cash generated from operating activities</b>		<b>20,431</b>	<b>5,114</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment and intangible assets		(7,587)	(7,410)
Proceeds from sale of potash leases		-	1,067
Interest received		13	15
Purchase of investment in equity instruments measured at fair value through other comprehensive income		-	(40)
Net change in other non-current assets and liabilities		659	129
<b>Net cash used in investing activities</b>		<b>(6,915)</b>	<b>(6,239)</b>
<b>Cash flows from financing activities</b>			
Acquisition of non-controlling interest		-	(10)
Contribution of non-controlling interest		-	36
Extension of options on shares of subsidiary		-	(381)
Proceeds from sale of shares of subsidiary		-	5,779
Acquisition of treasury shares		(177)	(8,040)
Dividend paid to shareholders		-	(6,378)
Dividend paid to non-controlling interest		(69)	(186)
Proceeds from borrowings	15	15,184	26,159
Repayment of borrowings	15	(28,238)	(4,288)
Payment of lease liabilities		(333)	(291)
<b>Net cash (used in) / generated from financing activities</b>		<b>(13,633)</b>	<b>12,400</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(117)</b>	<b>11,275</b>
Effect of exchange rate changes on cash and cash equivalents		(277)	1,521
<b>Cash and cash equivalents at the beginning of the period</b>	7	<b>15,537</b>	<b>11,356</b>
<b>Cash and cash equivalents at the end of the period</b>	7	<b>15,143</b>	<b>24,152</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 six months ended 30 June 2021**  
*(in millions of Russian Roubles)*



	<b>Capital and reserves attributable to the Company's owners</b>							
	Share capital	Treasury shares	Retained earnings	Revaluation reserve	Other reserves	Cumulative currency translation difference	Non- controlling interest	Total equity
<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 income</b>								
Loss for the period	-	-	(1,295)	-	-	-	309	(986)
<i>Other comprehensive income</i>								
Gain on investment in equity instruments measured at fair value through other comprehensive income (Note 12)	-	-	-	1,262	-	-	-	1,262
Currency translation differences	-	-	-	-	-	1,251	58	1,309
<b>Total other comprehensive income</b>	-	-	-	<b>1,262</b>	-	<b>1,251</b>	<b>58</b>	<b>2,571</b>
<b>Total comprehensive income</b>	-	-	<b>(1,295)</b>	<b>1,262</b>	-	<b>1,251</b>	<b>367</b>	<b>1,585</b>
Dividend declared	-	-	(16,364)	-	-	-	(186)	(16,550)
Acquisition of treasury shares	-	(8)	-	-	(8,032)	-	-	(8,040)
Acquisition of non-controlling interest	-	-	958	-	640	-	4,811	6,409
Other	-	-	(449)	-	-	-	36	(413)
<b>Balance at 30 June 2020</b>	<b>3,046</b>	<b>(16)</b>	<b>56,007</b>	<b>(14,821)</b>	<b>(12,683)</b>	<b>7,431</b>	<b>25,992</b>	<b>64,956</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	-	-	29,321	-	-	-	357	29,678
<i>Other comprehensive income</i>								
Gain on investment in equity instruments measured at fair value through other comprehensive income (Note 12)	-	-	-	1,590	-	-	-	1,590
Currency translation differences	-	-	-	-	-	(355)	6	(349)
<b>Total other comprehensive income</b>	-	-	-	<b>1,590</b>	-	<b>(355)</b>	<b>6</b>	<b>1,241</b>
<b>Total comprehensive income for the period</b>	-	-	<b>29,321</b>	<b>1,590</b>	-	<b>(355)</b>	<b>363</b>	<b>30,919</b>
Dividend declared	-	-	(1,107)	-	-	-	(229)	(1,336)
Acquisition of treasury shares	-	-	-	-	(177)	-	-	(177)
Option to buyback own shares (Note 16)	-	-	-	-	(3 100)	-	-	(3 100)
Other	-	-	248	-	-	-	52	300
<b>Balance at 30 June 2021</b>	<b>3,046</b>	<b>(17)</b>	<b>86,372</b>	<b>(13,073)</b>	<b>(16,307)</b>	<b>9,102</b>	<b>26,286</b>	<b>95,409</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 six months ended 30 June 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 June 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 six months ended 30 June 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;



(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 six months ended 30 June 2021 is set out below:

	Segment sales	Intersegment sales	External sales	EBITDA
Acron	54,605	(50,445)	4,160	24,919
Dorogobuzh	17,895	(17,154)	741	7,344
Logistics	2,073	(2,046)	27	623
Trading	83,713	(3,191)	80,522	4,261
Mining NWPC	6,774	(6,748)	26	2,861
Mining excluding NWPC	-	-	-	-
Other	837	(331)	506	263
<b>Total</b>	<b>165,897</b>	<b>(79,915)</b>	<b>85,982</b>	<b>40,271</b>

Information for the reportable segments for the six months ended 30 June 2020 is set out below:

	Segment sales	Intersegment sales	External sales	EBITDA
Acron	31,131	(28,024)	3,107	9,424
Dorogobuzh	12,211	(11,623)	588	2,203
Logistics	1,485	(1,369)	116	374
Trading	53,939	(1,751)	52,188	2,644
Mining NWPC	5,018	(4,999)	19	554
Mining excluding NWPC	-	-	-	-
Other	860	(446)	414	109
<b>Total</b>	<b>104,644</b>	<b>(48,212)</b>	<b>56,432</b>	<b>15,308</b>

Reconciliation of EBITDA to Profit Before Tax:

	Six months ended	
	30 June 2021	30 June 2020
<b>Operating Profit</b>	<b>33,444</b>	<b>10,432</b>
Depreciation and amortisation	5,907	6,100
Profit on sale of potash leases	-	(891)
Foreign currency loss / (gain) on operating activities, net	689	(380)
Loss on disposal of property, plant and equipment	231	47
<b>Total consolidated EBITDA</b>	<b>40,271</b>	<b>15,308</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.



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

	Six months ended	
	30 June 2021	30 June 2020
<b>Revenue</b>		
Latin America	25,844	13,882
Russian Federation	14,457	11,870
USA and Canada	14,333	8,456
Asia (excluding PRC)	10,048	7,436
European Union	8,936	6,838
Other regions	6,520	4,149
PRC	4,792	2,938
Commonwealth of Independent States	1,052	863
<b>Total</b>	<b>85,982</b>	<b>56,432</b>

Revenue from sales of chemical fertilisers accounts for 84% of total revenues (for the six months ended 30 June 2020: 85%).

For the six months ended 30 June 2021, revenues from logistics activities representing a separate performance obligation under IFRS 15 amounted to RUB 6,368 (for the six months ended 30 June 2020: RUB 3,735). 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 six months ended 30 June 2021.

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

## 6 Balances and Transactions with Related Parties

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

Balances and transactions with related parties are not significant.

## 7 Cash and Cash Equivalents

	30 June 2021	31 December 2020
Cash on hand and bank balances denominated in RUB	2,144	3,841
Bank balances denominated in USD	10,979	9,513
Bank balances denominated in EUR	1,457	1,455
Bank balances denominated in CNY	358	548
Bank balances denominated in other currency	205	180
<b>Total cash and cash equivalents</b>	<b>15,143</b>	<b>15,537</b>

Cash and cash equivalents include term deposits of RUB 5,595 (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 June 2021	31 December 2020
Trade accounts receivable	9,943	6,240
Notes receivable	192	307
Other accounts receivable	188	168
Less: impairment provision	(39)	(39)
<b>Total financial assets</b>	<b>10,284</b>	<b>6,676</b>
Advances to suppliers	1,616	1,609
Value-added tax recoverable	2,898	3,212
Income tax prepayment	43	432
Other taxes receivable	461	540
Less: impairment provision	(30)	(31)
<b>Total accounts receivable</b>	<b>15,272</b>	<b>12,438</b>

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

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

There is one individual customer with accounts receivable balance more than 10% of the total amount.

## 9 Inventories

	30 June 2021	31 December 2020
Raw materials and spare parts	12,145	10,289
Work in progress	999	510
Finished products	9,077	8,502
	<b>22,221</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 June 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	8,028	7,837
Disposals	(231)	(47)
Depreciation charge	(5,469)	(5,749)
Currency translation difference	(206)	459
<b>Carrying amount at 30 June</b>	<b>112,723</b>	<b>104,657</b>

Included in the six months ended 30 June 2021 additions to assets under constructions is approximately RUB 579 of capitalised borrowing costs in accordance with IAS 23, Borrowing costs (for the six months ended 30 June 2020: RUB 573) at the average borrowing rate from 3.6% to 8.0% (for the six months 2020: from 3.53% to 8.0%).

As at 30 June 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 June 2021	31 December 2020
Apatite-nepheline deposits (production / development stage)	782	788
Potash deposits (development stage)	35,232	34,580
Potash leases and exploration permits	5,818	5,604
Licence and expenditure on deposit in exploration and evaluation stage	1,287	1,287
Asset related to the discharge of license obligations	351	355
	<b>43,470</b>	<b>42,614</b>

The Group capitalised borrowing costs for the six months 2021 in the amount of RUB 652 applying average borrowing rate of 8.0% (for the six months ended 30 June 2020: RUB 667 applying average borrowing rate of 8.0%).



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

## 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>
Additions	-	40
Fair value gain recognised directly in OCI	1,590	1,262
<b>Carrying amount at 30 June</b>	<b>12,854</b>	<b>11,086</b>

The Group has investment in the following companies:

Name	Activity	Country of registration	30 June 2021	31 December 2020
<b>Non-current</b>				
Grupa Azoty S.A.	Fertilisers manufacture	Poland	12,386	10,796
Other		Russian Federation	468	468
<b>Total non-current</b>			<b>12,854</b>	<b>11,264</b>
<b>Total</b>			<b>12,854</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 June 2021, the share price quoted at Warsaw Stock Exchange for Grupa Azoty S.A. amounted to RUB 630.1 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 June 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 June 2021			
	Assets		Liabilities	
	Non-Current	Current	Non-Current	Current
Put/call options on JSC VPC shares	4,393	-	(1,000)	-
	<b>4,393</b>	<b>-</b>	<b>(1,000)</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 June 2021	31 December 2020
Trade accounts payable	6,860	7,619
Dividend payable	1,388	121
<b>Total financial payables</b>	<b>8,248</b>	<b>7,740</b>
Payables to employees	1,840	1,869
Accrued liabilities and other creditors	989	966
Taxes payable	1,990	1,655
<b>Total accounts payable and accrued expenses</b>	<b>13,067</b>	<b>12,230</b>

## 15 Short-Term and Long-Term Borrowings

Borrowings consist of the following:

	30 June 2021	31 December 2020
Bonds issued	19,494	23,266
Credit lines	7,245	19,976
Term loans	74,772	73,081
	<b>101,511</b>	<b>116,323</b>



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

The Group's borrowings mature as follows:

	<b>30 June 2021</b>	<b>31 December 2020</b>
Borrowings due:		
- within 1 year	18,231	36,911
- between 1 and 5 years	83,280	79,412
	<b>101,511</b>	<b>116,323</b>

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

	<b>30 June 2021</b>	<b>31 December 2020</b>
Borrowings denominated in:		
- RUB	28,642	41,956
- EUR	8,401	11,794
- USD	64,468	62,573
	<b>101,511</b>	<b>116,323</b>

At 30 June 2021, unused credit lines available under the loan facilities were RUB 114,830 (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:

	<b>30 June 2021</b>	<b>31 December 2020</b>
<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 the key rate of the Bank of Russia +1.35% to 90% of the key rate of the Bank of Russia +2% (2020: from 90% of the key rate of the Bank of Russia +1.8% to 90% of the key rate of the Bank of Russia +2%) per annum	2,368	715
Loans with fixed interest rate of 8.34% (2020: from 7.35% to 8.34%) per annum	3,000	5,950
<b>EUR</b>		
Loans with floating interest rate from 6M EURIBOR +0.65% to 6M EURIBOR+1.9% per annum	450	473
Loans with floating interest rate of 3M EURIBOR +1.25% per annum	7,413	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>18,231</b>	<b>36,911</b>
<b>Bank commission</b>	-	-
<b>Total short-term liabilities</b>	<b>18,231</b>	<b>36,911</b>

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

	<b>30 June 2021</b>	<b>31 December 2020</b>
<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% (2020: from the key rate of the Bank of Russia +1.35% to the key rate of the Bank of Russia +2%) per annum	3,780	12,025
<b>EUR</b>		
Loans with floating interest rate from 6M EURIBOR +0.65% to 6M EURIBOR +1.9% per annum	538	802
<b>USD</b>		
Loans with floating interest rate from 1M LIBOR +0.5% to 1M LIBOR +4.5% (2020: from 1M LIBOR +2.5% to 1M LIBOR +4.5%) per annum	61,573	49,136
Loans with fixed interest rate of 2.6% per annum	2,895	2,955
<b>Total long-term borrowings</b>	<b>83,280</b>	<b>79,412</b>
<b>Bank commission</b>	<b>(1,467)</b>	<b>(1,207)</b>
<b>Total long-term liabilities</b>	<b>81,813</b>	<b>78,205</b>



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

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's 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 June 2021 was RUB 19,566 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	15,184	-	<b>15 184</b>
Repayment of borrowings	(24 466)	(3 772)	<b>(28 238)</b>
<b>Total changes from financing cash flows</b>	<b>82,568</b>	<b>19,494</b>	<b>102,062</b>
<b>The effect of changes in foreign exchange rates</b>	<b>(1,758)</b>	-	<b>(1,758)</b>
<b>Bank commission</b>	<b>(260)</b>	-	<b>(260)</b>
<b>Balance at 30 June 2021</b>	<b>80,550</b>	<b>19,494</b>	<b>100,044</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	-	(1,502,230)	-	(8)	(8)
<b>30 June 2020</b>	<b>40,534,000</b>	<b>(3,079,160)</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	-	(28,818)	-	-	-
<b>30 June 2021</b>	<b>40,534,000</b>	<b>(3,347,146)</b>	<b>3,046</b>	<b>(17)</b>	<b>3,029</b>

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

In June 2021, Board of Directors of the Group resolved that the Company repurchase its outstanding shares. The number of shares sought shall not exceed 4,053,400, which is 10 per cent of the authorised capital. The repurchase price shall be RUB 6,050 per share. The corresponding liability, net of quasi-treasury shares, was accrued and recorded as Other current liability through Other reserves in the Statement of Changes in Equity. Shareholders applications for the sale of their shares to Acron PJSC were accepted from 8 July 2021 to 6 August 2021.



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



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

In August 2021, subsequent to the reporting period, Board of Directors of the Group approved the report on shares 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.

The repurchased shares were paid subsequent to the reporting period.

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

	Six months ended		Three months ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Interest income from loans provided and term deposits	49	66	29	51
Other finance (costs) / income, net	(163)	50	(118)	(3)
Foreign exchange gain / (loss) gain on financial transactions, net	2,579	(7,492)	3,035	6,770
	<b>2,465</b>	<b>(7,376)</b>	<b>2,946</b>	<b>6,818</b>

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

	Six months ended		Three months ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Charity expenses	(270)	(347)	(142)	(185)
Other operating income, net	166	50	109	33
Foreign exchange (loss) / gain on operating activities, net	(689)	380	(641)	(1,581)
	<b>(793)</b>	<b>83</b>	<b>(674)</b>	<b>(1,733)</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 June 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.

	Six months ended	
	30 June 2021	30 June 2020
Weighted average number of shares outstanding	40,534,000	40,534,000
Adjusted for weighted average number of treasury shares	(3,262,211)	(2,102,799)
<b>Weighted average number of shares outstanding (basic)</b>	<b>37,271,789</b>	<b>38,431,201</b>
Effect of settlement in own equity instruments	-	111,223
Effect of settlement in potentially acquired shares	(58 549)	-
<b>Weighted average number of shares outstanding (diluted)</b>	<b>37,213,240</b>	<b>38,542,424</b>
Profit / (loss) attributable to the equity holders of the Company	29,321	(1,295)
Profit attributable to the equity holders of the Company on potentially acquired shares	(212)	-
Total profit attributable to the equity holders of the Company	29,109	-
<b>Basic per share (in Russian Roubles)</b>	<b>782.23</b>	<b>(33.70)</b>
<b>Diluted per share (in Russian Roubles)</b>	<b>782.23</b>	<b>(33.70)</b>





## 20 Income Taxes

	Six months ended		Three months ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Income tax expense – current	6,879	1,491	4,573	1,106
Deferred tax charge – origination and reversal of temporary differences	599	(1,712)	410	(1,505)
<b>Income tax expense / (benefit)</b>	<b>7,478</b>	<b>(221)</b>	<b>4,983</b>	<b>(399)</b>

## 21 Contingencies, Commitments and Operating Risks

### i Contractual commitments and guarantees

As at 30 June 2021, the Group had outstanding capital commitments in relation to property, plant and equipment for the amount of RUB 8,278 (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 June 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 statement of financial position at their fair value.

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

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

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

Investment in equity instruments was included in Level 1 category in the amount of RUB 12,386 (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.

**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 June 2021, the fair value of borrowings was RUB 45 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 July 2021, the Group paid dividend for 2020 in the amount of RUB 30 per ordinary share (Note 16).

In August 2021, the Group repurchased its outstanding shares as a result of buyback of the total number of 3,776,844 shares or 9.32% of PJSC Acron's share capital, including all 3,347,146 quasi-treasury shares tendered by PJSC Acron's subsidiaries (Note 16). This means that the Group will no longer have quasi-treasury shares.