

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

(IN MILLIONS OF RUSSIAN RUBLES)

| | Notes | 2020 | 2019 |
|---|---------------|---------------|---------------|
| OPERATING ACTIVITIES | | | |
| Net profit for the year | | 6 541 | 7 134 |
| Adjustments for: | | | |
| Income tax expense | 18 | 1 676 | 2 359 |
| Depreciation and amortization | 26 | 24 094 | 22 502 |
| Change in allowance for long-term advances paid | | 167 | (96) |
| Change in allowance for obsolete and slow-moving inventories and inventory losses, net of surpluses | | 609 | 976 |
| Interest income | 29 | (491) | (295) |
| Interest expenses | 29 | 12 723 | 12 949 |
| Share of (profit)/loss of an associate and a joint venture | | 2 468 | 1 955 |
| Change in provisions | | (46) | (600) |
| Other non-cash reconciling items, net | | (1 806) | (769) |
| Operating cash flows before movements in working capital | | 45 935 | 46 115 |
| Increase in inventories | | (18 488) | (16 946) |
| Increase in accounts receivable and advances issued | | (12 937) | (4 012) |
| Increase in other taxes receivable | | (4 139) | (5 895) |
| Increase in trade accounts payable | | 31 128 | 20 707 |
| Increase/(decrease) in other payables and accrued expenses | | 1 957 | (1 147) |
| Decrease in contract liabilities | | (1 508) | (3 329) |
| Increase/(decrease) in other liabilities | | 707 | (324) |
| Increase/(decrease) in other taxes payable | | 1 003 | (2 138) |
| Other changes in working capital, net | | 507 | 694 |
| Cash generated by operations | | 44 165 | 33 725 |
| Income taxes paid | | (2 613) | (3 253) |
| Interest paid | | (10 538) | (12 325) |
| Net cash from operating activities | 31 014 | 18 147 | |
| INVESTING ACTIVITIES | | | |
| Purchase of property, plant and equipment | | (3 186) | (4 763) |
| Proceeds from sale of property, plant and equipment | | 505 | 571 |
| Purchase of intangible assets | | (4 727) | (4 573) |
| Interest received | | 491 | 295 |

| | Notes | 2020 | 2019 |
|--|-------|-----------------|-----------------|
| Net cash outflow from purchase of subsidiary | | - | (134) |
| Investment in joint venture | | (3 460) | (2 380) |
| Net cash used in investing activities | | (10 377) | (10 984) |
| FINANCING ACTIVITIES | | | |
| Dividends paid | 17 | (5 341) | (5 941) |
| Proceeds from borrowings | 19 | 42 461 | 25 000 |
| Repayment of borrowings | 19 | (43 885) | (35 050) |
| Repayment of lease liabilities | 9, 19 | (11 166) | (11 926) |
| Net cash used in financing activities | | (17 931) | (27 917) |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | | 2 706 | (20 754) |
| CASH AND CASH EQUIVALENTS, at the beginning of the year | | 4 738 | 25 487 |
| Impact of foreign exchange rate changes | | 1 | 5 |
| CASH AND CASH EQUIVALENTS, AT THE END OF THE YEAR | | 7 445 | 4 738 |

The Notes form an integral part of these consolidated financial statements.

Signed on 3 March 2021 by

A. Izosimov
Chief Executive Officer



E. Sokolova
Chief Financial Officer

