

EVRAZ plc

Notes to the separate financial statements

Year ended 31 December 2019

1. CORPORATE INFORMATION

These separate financial statements were authorised for issue by the Board of Directors of EVRAZ plc on 26 February 2020.

EVRAZ plc (“EVRAZ plc” or “the Company”) was incorporated on 23 September 2011 as a public company limited by shares under the laws of the United Kingdom. The Company was incorporated under the Companies Act 2006 with the registered number in England 7784342. Until 1 August 2019 the registered address of EVRAZ plc was 5th Floor, 6 St. Andrew Street, London, EC4A 3AE, United Kingdom. The new Company’s address is 2 Portman street, London, W1H 6DU, United Kingdom.

The Company, together with its subsidiaries (the “Group”), is involved in the production and distribution of steel and related products, vanadium products and coal and iron ore mining. The Group is one of the largest steel producers globally.

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 2018 and 2019, EVRAZ plc was jointly controlled by a group of 3 shareholders: Greenleas International Holdings Limited (BVI), Abiglaze Limited (Cyprus) and Crosland Global Limited (Cyprus).

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as adopted by the European Union and in accordance with the Companies Act 2006.

International Financial Reporting Standards are issued by the International Accounting Standard Board (“IASB”). IFRSs that are mandatory for application as of 31 December 2019, but not adopted by the European Union, are not expected to have a significant impact on the Company’s financial statements.

These financial statements have been prepared on a going concern basis as the directors believe that there are no material uncertainties which could create a significant doubt as to the Company’s ability to continue as a going concern in the foreseeable future.

Foreign Currency Transactions

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

Investments

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

The initial cost of the investment in Evraz Group S.A. was measured at the carrying amount of the equity items of Evraz Group S.A. as a separate legal entity at the date of the reorganisation (Note 3).

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

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

Cash and Cash Equivalents

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

Borrowings

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

Provisions

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Guarantee Liabilities

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

3. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES

Investments in subsidiaries and joint ventures consisted of the following as of 31 December:

	Ownership interest		Cost, net of impairment US\$ million	
	2019	2018	2019	2018
<i>Subsidiaries</i>				
Evraz Group S.A.	100%	100%	2,884	3,197
NTMK	100%	-	10,771	-
Raspadskaya	88.16%	-	1,440	-
			15,095	3,197
<i>Joint Ventures</i>				
Timir	51.00001%	51.00001%	22	24

The movement in investments was as follows:

<i>US\$ million</i>	Evraz Group S.A.	NTMK	Raspadskaya	Timir	Total
31 December 2017	\$ 3,182	\$ -	\$ -	\$ 24	\$ 3,206
Share-based compensations	15	-	-	-	15
31 December 2018	\$ 3,197	\$ -	\$ -	\$ 24	\$ 3,221
Additional investments	-	10,761	1,440	-	12,201
Impairment loss (recognition)/reversal	(316)	-	-	(2)	(318)
Share-based compensations	3	10	-	-	13
31 December 2019	\$ 2,884	\$ 10,771	\$ 1,440	\$ 22	\$ 15,117

The Company recognises share-based payments made to employees of subsidiaries under control of Evraz Group S.A., EVRAZ NTMK and Raspadskaya as an addition to the cost of its investments in these subsidiaries (Note 5).

Evraz Group S.A.

The Company acquired Evraz Group S.A. in 2011 by means of the share exchange offer made by the Company to the shareholders of Evraz Group S.A. At that date the cost of investments in Evraz Group S.A. was measured at the carrying amount of the equity items shown in the separate accounts of Evraz Group S.A. at the dates of the share exchange. In 2019, the Company impaired its investment in Evraz Group S.A. largely as a consequence of the decline in value of the Large diameter pipes cash-generating unit. More details are provided in Note 6 of the consolidated financial statements.

NTMK

On 18 April 2019, the Company acquired 100% ownership interest in NTMK from Evraz Group S.A. for consideration of \$10,761 million, which was partially settled by non-cash consideration (Note 6). At 31 December 2019, the Company owed \$2,899 million to Evraz Group S.A. in respect of this acquisition.

Raspadskaya

On 18 April 2019, the Company acquired 84.33% ownership interest in Raspadskaya from Evraz Group S.A. for consideration of \$1,423 million, which was settled wholly by non-cash consideration (Note 6). On 30 September 2019, the Company acquired 1.33% in Raspadskaya from Evraz Group S.A. for cash consideration of \$17 million.

3. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES (CONTINUED)

OJSC Mining and Metallurgical Company Timir

Since 2013 the Company has owned a 51% ownership interest in the joint venture with Alrosa for the development of iron ore deposits in the Yakutia region in Russia. The Company's consideration for this stake of 4,950 million roubles was recognised as \$149 million being the present value of the expected cash outflows at the exchange rate as of the date of the transaction. During 2013-2019 the Company paid deferred installments for this acquisition.

In 2019 and 2018, the Company paid 480 million roubles and 500 million roubles (\$7 million and \$9 million, respectively) of purchase consideration and \$1 million and \$2 million, respectively, of interest charges. In 2019 and 2018, the Company recognised interest charges on deferred installments of \$Nil and \$1 million, respectively, within interest expense.

At 31 December 2018, trade and other accounts payable included liabilities relating to this acquisition in the amount of \$8 million, which were fully settled in 2019.

In 2016 and before, due to the postponement of the major project activities, the Company impaired its investment in Timir. In 2019, the Company additionally impaired \$2 million.

Additional information regarding Timir is provided in Note 11 of the consolidated financial statements.

Indirect Subsidiaries and Other Significant Holdings

The full list of indirect subsidiaries and other significant holdings of EVRAZ plc is presented in Note 34 of the consolidated financial statements.

4. EQUITY

Share Capital

Number of shares	31 December	
	2019	2018
Ordinary shares of \$0.05 each, issued and fully paid	1,506,527,294	1,506,527,294

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

On 10 July 2018 the High Court of England and Wales approved the reduction of the nominal value of each share from \$1.00 to \$0.05. The amount of the cancelled share capital amounting to \$1,432 million increased the Company's distributable reserves.

Treasury Shares

Number of shares	31 December	
	2019	2018
Treasury shares	54,620,233	63,177,187

In 2015, EVRAZ plc purchased 108,458,508 of its own shares. These shares are used for the Company's Incentive Plans (Note 21 of the consolidated financial statements). Under these plans, in 2019 and 2018, the Company transferred to the participants of Incentive Plans 8,556,954 and 11,297,476 shares, respectively.

Reorganisation Reserve

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

Merger Reserve

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

In 2015, the disposal of the investment in Corber to Evraz Group S.A. (Note 3) was made for non-cash consideration, which does not meet the criteria for qualifying consideration. The balance of the merger reserve will be presented as a separate component of equity in the Company's statement of financial position until such time as Evraz Group S.A. is sold for qualifying consideration, and the merger reserve will be re-allocated to accumulated profits and become distributable.

4. EQUITY (CONTINUED)

Dividends

In 2019 and 2018, the Company declared dividends in the amount of \$1,086 million and \$1,556 million, respectively (Note 20 of the consolidated financial statements).

Distributable Reserves

<i>\$US million</i>	2019	2018
Accumulated profits	9,170	1,393
Reorganisation reserve	(584)	(584)
Unrealised profits	(8,200)	-
31 December	386	809

Dividend income from Evraz Group S.A. (Note 6) did not constitute a qualifying consideration and was distributed out of the profit resulting from sale of assets (EVRAZ NTMK and Rospadskaya) to parent and, therefore, this income is excluded from the Company's distributable reserves at 31 December 2019.

Although distributable reserves are currently calculated at \$386 million (2018: \$809 million), the Company has also considered the impact of further restrictions on distributions for public companies within Section 831 of the Companies Act. Under these restrictions the amount of reserves available for distribution at 31 December 2019 would be \$379 million (2018: \$762 million).

During February 2020 the directors became aware that certain dividends paid in 2018 and 2019 totaling \$1,447 million had been made otherwise than in accordance with the Companies Act 2006. The directors duly checked the sufficiency of distributable reserves before each distribution, but due to an administrative error the interim accounts were not filed at Companies House prior to payment.

To rectify these breaches, in February 2020 the Company filed the interim accounts in respect of each dividend payment. A special resolution will be proposed at the Annual General Meeting of the Company's shareholders in June 2020 to authorise the appropriation of distributable profits to the payment of the relevant dividends and remove any right for the Company to pursue shareholders or directors (the 'Director Release') for repayment. The Director Release will constitute a related party transaction under the Listing Rules of the UK Listing Authority and under IFRS. The overall effect of the special resolution being passed will be to return all parties to the position they would have been in had the relevant dividends been made in full compliance with the Companies Act 2006.

5. SHARE-BASED PAYMENTS

As disclosed in Note 21 of the consolidated financial statements, the Group has incentive plans under which certain employees ("participants") can be gifted shares of the Company.

In 2019 and 2018, the Company recognised share-based compensation expense amounting to \$13 million and \$15 million, respectively, as a cost of investments in subsidiaries with a corresponding increase in equity.

6. RELATED PARTY TRANSACTIONS

Related parties of the Company include its direct and indirect subsidiaries, associates and joint venture partners, key management personnel and other entities that are under the control or significant influence of the key management personnel, the Company's parent or its shareholders.

Loans Received from Related Parties

The following movements in loans payable to related parties were in 2018-2019.

<i>US\$ million</i>	Currency	Interest rate	Maturity	Balance at 31 December 2018	Loans received from related parties	Interest expense	Repayment of loans	Non-cash transactions	Forex (gain)/loss	Balance at 31 December 2019
<i>Direct subsidiary</i>										
Evraz Group S.A.	USD	3.50%	2022	\$ -	\$ 543	\$ 6	\$ (21)	\$ -	\$ -	\$ 528
<i>Indirect subsidiaries</i>										
East Metals A.G.	USD	2.73-5.06%	2018-2020	62	466	11	(121)	-	-	418
EVRAZ KGOK	RUB	5.89%	2019-2020	648	368	27	(126)	(973)	56	-
Sibmetinvest	RUB	5.51%	2020	-	65	2	-	(69)	2	-
EVRAZ Vanady Tula	RUB	5.51-5.89%	2019	244	100	7	(101)	(271)	21	-
EVRAZ ZSMK	RUB	5.51-5.89%	2019-2021	1,263	194	44	(872)	(719)	90	-
				\$ 2,217	\$ 1,736	\$ 97	\$ (1,241)	\$ (2,032)	\$ 169	\$ 946

6. RELATED PARTY TRANSACTIONS (CONTINUED)

Loans Received from Related Parties (continued)

US\$ million	Currency	Interest rate	Maturity	Balance at 31 December 2017	Loans received from related parties	Interest expense	Repayment of loans	Non-cash transactions	Forex (gain)/loss	Balance at 31 December 2018
<i>Direct subsidiary</i>										
Evrax Group S.A.	USD	3.50%	2020	\$ -	\$ 92	\$ 1	\$ (93)	\$ -	\$ -	\$ -
<i>Indirect subsidiaries</i>										
East Metals A.G	USD	2.73-5.06%	2018-2020	738	552	16	(1,244)	-	-	62
EVRAZ KGOK	RUB	5.89%	2019-2020	-	664	10	-	-	(26)	648
EVRAZ Vanady Tula	RUB	5.51-5.89%	2019	-	257	4	(1)	-	(16)	244
EVRAZ ZSMK	RUB	5.51-5.89%	2019-2021	-	1,411	33	(58)	-	(123)	1,263
				\$ 738	\$ 2,976	\$ 64	\$ (1,396)	\$ -	\$ (165)	\$ 2,217

Non-cash transactions include the transfer of the Company's obligations under loans payable with a carrying value of \$2,031 million to Evrax Group S.A. for consideration of \$1,999 million. The excess of the carrying value of the liabilities transferred over the newly recognised liability to Evrax Group S.A. amounting to \$33 million was recognised as a gain in the income statement within the Other non-operating gains/(losses) caption.

Dividend Income

In the reporting year the Company's dividend income consisted of dividends from Evrax Group S.A. (\$8,200 million declared in August 2019 and settled by a non-cash offset), EVRAZ NTMK (\$886 million declared in July 2019 and fully paid by cash and \$623 million declared in December 2019 and not paid as of 31 December 2019) and from Raspadkaya (\$23 million declared in September 2019 and fully paid by cash).

	Evraz Group S.A.	EVRAZ NTMK	Raspadkaya	Total
Dividend income accrued in 2019	\$ 8,200	\$ 1,509	\$ 23	\$ 9,732
Dividends received by cash	-	(763)	(21)	(784)
Tax withheld	-	(85)	(2)	(87)
Non-cash offset	(8,200)	-	-	(8,200)
Exchange loss	-	(32)	-	(32)
Dividends receivable at 31 December 2019	\$ -	\$ 629	\$ -	\$ 629

Offset of Liabilities with Evrax Group S.A.

During 2019 there were a number of transactions between EVRAZ plc and its direct subsidiary Evrax Group S.A.:

- EVRAZ plc purchased EVRAZ NTMK and Raspadkaya from Evrax Group S.A. for total consideration of \$12,201 million (Note 3);
- EVRAZ plc transferred its obligations under loans payable to EVRAZ KGOK, EVRAZ Vanady Tula, EVRAZ ZSMK, Sibmetinvest for consideration of \$1,999 million (Note 6, *Loans Received from Related Parties*);
- Evrax Group S.A. transferred to EVRAZ plc notes payable for consideration of \$2,850 million (Note 7);
- Evrax Group S.A. declared dividends to EVRAZ plc in the amount of \$8,200 million (Note 6, *Dividend Income*).

During 2019 EVRAZ plc and Evrax Group S.A. concluded agreements, under which the above mentioned mutual payment obligations were offset resulting in a net liability payable to Evrax Group S.A. in the amount of \$3,151 million.

Guarantees

In 2014-2017, the Company issued guarantees to several banks in respect of the liabilities of EVRAZ NTMK and EVRAZ ZSMK, indirect subsidiaries of the Company, under certain loans totaling \$1,191 million at 31 December 2019 (2018: \$1,061 million). The loans are due for repayment during the period from 2021 to 2023. The Company earns guarantee fees in respect of these guarantees and in 2019 it accrued \$2 million of such income (2018: \$3 million).

In addition, in 2019 the Company accrued \$1 million of guarantee fees (2018:\$1 million) for the issued guarantees to several banks for liabilities of East Metals A.G amounting to \$141 million as of 31 December 2019 (2018: \$86 million).

In 2019, the Company issued a guarantee in respect of the liabilities of Evrazholding Finance, an indirect subsidiary, under the bonds due 2024 with the outstanding principal amount of RUB 20 billion (\$323 million at the exchange rate as of 31 December 2019). The Company recognised a financial guarantee liability of \$5 million in respect of this guarantee. The guarantee fees earned by the Company amounted to \$1 million.

In 2018, the Company issued a guarantee to nine companies owned by Sibuglemt to compensate any direct losses caused by the failure to perform the agreed management services provided by Management Company Mezhdurechensk, an indirect subsidiary of the Company, to these entities (Note 30 of the consolidated financial statements). In 2018, the Company recognised financial guarantee liability of \$18 million. In 2019 and 2018, the Company accrued \$4 million and \$2 million income, respectively, under this guarantee.

6. RELATED PARTY TRANSACTIONS (CONTINUED)

Guarantees (continued)

In 2019, the Company issued a guarantee for the loan payable by Evraz Group S.A. to East Metals A.G. amounting to \$169 million and accrued \$1 million of guarantee fee income.

The above guarantees are recognised at fair value in the statement of financial position of the Company. The guarantee fees are recorded within the Operating income caption of the Company's income statement.

Other Transactions

In 2019, OOO Evrazholding, an indirect subsidiary of the Company, rendered consulting services to the Company in the amount of \$1 million (2018: \$1 million).

Other disclosures on directors' remuneration required by Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts & Reports) regulations 2008 and those specified for audit by the Directors' Remuneration Report Regulations 2002 are included in the Directors' Remuneration Report.

7. LOANS AND BORROWINGS

The Company had the following loans and borrowings during 2018-2019.

<i>US\$ million</i>	6.50% notes due 2020	8.25% notes due 2021	6.75% notes due 2022	5.375% notes due 2023	5.25% notes due 2024	Total
31 December 2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-cash changes:						
Recognition of notes at fair value	738	808	528	776	-	2,850
Interest and other charges expensed	4	29	20	32	28	113
Accrual of premiums and other charges on early repayment of borrowings	6	-	-	-	-	6
Cash changes:						
Cash proceeds from bank loans and notes, net of debt issues costs	-	-	-	-	695	695
Repayment of interest and premiums on early repayment	(48)	(31)	(17)	(40)	(18)	(154)
Repayment of principal	(700)	-	-	-	-	(700)
31 December 2019	\$ -	\$806	\$531	\$ 768	\$ 705	\$ 2,810

On 13 March 2019, Evraz Group S.A. transferred all its rights and obligations under the notes with a nominal amount of \$2,700 million to EVRAZ plc for consideration of \$2,850 million being the market value of the notes at that date. The Company recognised the liabilities at fair value and classified them as subsequently measured at amortised cost.

In April 2019, EVRAZ plc issued 5.25% US dollar-denominated notes due 2024 in the amount of \$700 million. The proceeds from the issue of the notes were used to finance the purchase of 6.50% notes due 2020 at the tender offer in April 2019 and make whole call in May 2019.

In April and May 2019, the Group fully settled its 6.50% notes due 2020 (\$700 million). The premium over the carrying value on the repurchase amounting to \$(6) million was included in the Gain/(loss) on financial assets and liabilities caption of the separate statement of comprehensive income.

At 31 December 2019 the current portion of borrowings included only interest payable under the notes.

8. TRADE AND OTHER PAYABLES

Trade and other accounts payable included the following at 31 December:

<i>US\$ million</i>	2019		2018	
	Non-current	Current	Non-current	Current
Liability relating to a settlement of guarantee	\$7	\$ 7	\$ 14	\$ 6
Payables for the acquisition of Timir (Note 3)	-	-	-	8
	\$7	\$ 7	\$ 14	\$ 14

At 31 December 2019 and 2018, trade and other accounts payable included liabilities relating to the settlement of the Company's guarantee under a long-term take-or-pay supply contract of a former indirect subsidiary of the Company. In 2019, the Company paid \$7 million (2018: \$6 million) in respect of this liability and recognised interest expense of \$1 million (2018: \$1 million).

9. INCOME TAXES

A reconciliation of income tax expense applicable to profit before income tax using the statutory tax rate to income tax expense as reported in the Company's financial statements for the years ended 31 December is as follows:

US\$ million	2019	2018
Profit/(loss) before income tax	\$ 9,029	\$ 94
At the statutory income tax rate of 19%	(1,716)	(18)
Adjustment in respect of income tax of previous years	(2)	-
Non-deductible expenses	(94)	-
Effect of lower tax rate for dividend income	1,696	-
Allowance for deferred tax asset	(23)	-
Benefit arising from a previously unrecognised tax loss of a prior period that is used to reduce current tax expense	-	4
Current income tax expense	\$ (139)	\$ (14)

The tax rate on dividends is equal to 10% for income from the Russian subsidiaries and zero rate for dividend income from Luxembourg. In 2019, the Company accrued tax on dividend income amounting to \$153 million. At 31 December 2019 the Company had an amount payable of \$62 million in relation to income tax on dividends receivable from NTMK.

In 2019, the Company recognised current income tax benefit of \$16 million relating to the current year tax losses of \$87 million that can be carried back to recover current tax paid in 2018.

As of 31 December 2019, the unused tax losses carried forward amounted to \$121 million (2018: \$Nil). Deferred tax assets in respect of these losses have not been recorded as it is not probable that sufficient taxable profits will be available in the foreseeable future to offset the losses. They are available for offset against future taxable profits indefinitely.

As at 31 December 2019, the Company had \$130 million of unutilised foreign tax credits. No deferred tax asset has been recognised on these tax credits as they are unlikely to have value in the future. These tax credits have no fixed expiry date.

10. FINANCIAL INSTRUMENTS

Liquidity Risk

The following tables summarise the maturity profile of the Company's financial liabilities based on contractual undiscounted payments, including interest payments.

31 December 2019

US\$ million	On demand	Less than 3 months	3 to 12 months	1 to 2 years	2 to 5 years	After 5 years	Total
Fixed-rate debt							
Loans and borrowings							
Principal	\$ -	\$ -	\$ -	\$ 750	\$ 1,950	\$ -	\$ 2,700
Interest	-	68	105	142	169	-	484
Loans payable to related parties							
Principal	-	198	218	-	522	-	938
Interest	-	4	28	18	5	-	55
Trade and other payables							
Principal	-	3	3	4	4	-	14
Interest	-	-	1	-	-	-	1
Financial guarantees	-	-	7	7	12	-	26
Total fixed-rate debt	-	273	362	921	2,662	-	4,218
Non-interest bearing debt							
Payables to related parties	3,151	-	-	-	-	-	3,151
Total non-interest bearing debt	-	-	-	-	-	-	-
	\$3,151	\$ 273	\$ 362	\$ 921	\$ 2,662	\$ -	\$ 7,369

10. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity Risk (continued)

31 December 2018

US\$ million	On demand	Less than 3 months	3 to 12 months	1 to 2 years	2 to 5 years	After 5 years	Total
Fixed-rate debt							
Loans payable to related parties							
Principal	\$ -	\$ 251	\$ 1,209	\$ 557	\$ 167	\$ -	\$ 2,184
Interest	-	7	103	23	7	-	140
Trade and other payables							
Principal	-	10	3	7	8	-	28
Interest	-	1	-	-	-	-	1
Financial guarantees	-	-	10	7	10	4	31
Total fixed-rate debt	\$ -	\$ 269	\$ 1,325	\$ 594	\$ 192	\$ 4	\$ 2,384

Market Risk

Currency Risk

The Company's exposure to currency risk determined as the net monetary position in the respective currencies was as follows at 31 December:

US\$ million	2019	2018
USD/RUB	\$ 613	\$ 2,162

Sensitivity Analysis

The following table demonstrates the sensitivity to reasonably possible changes in the respective currencies, with all other variables held constant, of the Company's profit before tax. In estimating reasonably possible changes the Company assessed the volatility of foreign exchange rates during the reporting periods.

	2019		2018	
	Change in exchange rate	Effect on PBT	Change in exchange rate	Effect on PBT
	%	US\$ millions	%	US\$ millions
USD/RUB	(7.78)	52	(13.87)	(348)
	7.78	(44)	13.87	263

Fair Value of Financial Instruments

The carrying amounts of financial instruments, such as cash, accounts receivable and payable, loans payable to related parties, approximate their fair value. The fair value of the notes is disclosed in Note 28 of the consolidated financial statements.

11. SUBSEQUENT EVENTS

On 12 February 2020, EVRAZ NTMK, the Company's wholly-owned subsidiary, declared dividends in the amount of 31.9 billion roubles, which is approximately \$499 million. These dividends increase the Company's distributables reserves.

Other material events after the reporting year are disclosed in Note 33 of the consolidated financial statements.