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REPORT No. B000871

ON EVALUATION OF THE MARKET PRICE OF 1 (ONE) COMMON SHARE OF PJSC URALKALI AS PART OF A 100% BLOCK OF SHARES

Executive summary

Ordering party	RINSOCO TRADING CO. LIMITED
Contractor	JSC “2K”
Basis for evaluation	Agreement No. 02/1906171 dated June 17, 2019
Purpose of evaluation	Determination of the market price
Date of evaluation	March 20, 2019
Date of Report	July 01, 2019

2019

Joint Stock Company “2K”

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KEY FACTS AND FINDINGS

BASIS FOR THE EVALUATION

The Agreement No. 02/1906171 dated June 17, 2019 between the Customer – RINSOCO TRADING CO. LIMITED, represented by its Director Mr. Ioannis Papageorgiou, acting on the basis of the Charter, and the Contractor – JSC “2K”, represented by its General Director Tamara A. Kasyanova, acting on the basis of the Charter, serves as basis for the evaluation.

GENERAL INFORMATION IDENTIFYING THE OBJECT OF EVALUATION

The object of the evaluation is 1 (one) common share of PJSC Uralkali as part of a 100% block of shares.

The date of the evaluation of the object of evaluation is March 20, 2019.

The data obtained from the evaluation will be used to determine the terms of share redemption in compliance with article 84.8 of the Federal Law No. 208-FZ *On Joint Stock Companies* (redemption of shares of a public company per the request of the person/entity that acquired more than 95 percent of the shares of the public company).

The information on PJSC Uralkali is provided in the table below.

Table 1. Information on PJSC Uralkali

Information on the organization whose shares are being evaluated ¹	
Full corporate name	Public Joint Stock Company Uralkali
Short corporate name	PJSC Uralkali
Location	Russian Federation, Perm Region, Berezniki
TIN/KPP	5911029807/591101001
PSRN	1025901702188
Sector (core business)	Production of fertilizers and nitrogen compounds (OKVED 20.15)
Charter capital	1,483,007,945.50 rubles
Number of issued and outstanding common registered shares	2 936 015 891 shares
Including voting shares on the date of the evaluation	2 928 478 221 shares
Face value of 1 (one) common registered share	0.50 rubles
Number of issued and outstanding preferred registered shares	30 000 000 shares
Face value of 1 (one) preferred registered share	0.50 rubles
General Director	Dmitry V. Osipov
Information on the object of the evaluation	
Object of evaluation	1 (one) common share of PJSC Uralkali as part of a 100% block of shares
Book value of the object of the evaluation	Absent

Sources: information provided by the Customer, information system “SPARK”

¹ The following terms may be used in relation to the organization whose share is being evaluated herein: organization conducting business, Company, enterprise, issuer, etc.

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FINAL VALUE OF THE PRICE OF THE OBJECT OF EVALUATION

As a result of the work to determine the market price of the object of evaluation, the appraisers came to the following results:

The market price of the object of evaluation – 1 (one) common share of PJSC Uralkali as part of a 100% block of shares – as at the date of the evaluation, 20.03, 2019, (rounded up) is:

87.30 rubles

(Eighty-Seven Rubles Thirty Kopeks)

LIMITATIONS AND LIMITS OF APPLICATION OF THE OBTAINED FINAL PRICE

The summary (key facts and findings) was prepared on the basis of the Report on evaluation and may not be interpreted otherwise than in the context of the full text of the Report, with consideration of all the assumptions made in the Report.

The results of the evaluation are valid only for the purposes intended in the evaluation task.

The opinion of the appraisers in relation to the price of the object of evaluation is valid only as of the date of the evaluation.

1. INFORMATION ON THE PARTY ORDERING THE EVALUATION, THE EXECUTOR, APPRAISERS AND SPECIALISTS

1.1. PARTY ORDERING THE EVALUATION

RINSOCO TRADING CO LIMITED is the party ordering this evaluation (Customer). The information on the Customer is provided in the table below.

Table 2. Information on the party ordering the evaluation (Customer)

Name in English	RINSOCO TRADING CO. LIMITED
Name in Russian	РИНСОКО ТРЕЙДИНГ КО. ЛИМИТЕД
Location	15 AGIOU PAVLOU, LEDRA HOUSE, AGIOS ANDREAS, LEFKOSIA, 1105, NICOSIA, CYPRUS
Registered number	HE 124565
Director	Ioannis Papageorgiou

1.2. EXECUTOR OF THE EVALUATION

The information on the Executor of the evaluation (Contractor) is provided in the table below.

Table 3. Information on the Executor of the evaluation (Contractor)

Organizational and legal form and full name	Joint Stock Company “2K”
Organizational and legal form and abbreviated name	JSC “2K”
Location	127055, Moscow, 68/70 Butyrsky Val, building 2, 6 th floor, office 1, room 4

Joint Stock Company “2K”

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TIN/KPP	7734000085/770701001
PSRN and date of its assignment	1027700031028, date of assignment: July 17, 2002
General Director	Tamara A. Kasyanova, Candidate of Economics
Telephone/fax	+7 (495) 626-3040, 777-0895
Information on membership in self-regulated organizations of appraisers	“Association of Evaluation Companies “SMAO” Certificate No. 1344 dated June 27, 2019
Insurance policy	Insurance Policy No. 922/1517395282 dated April 3, 2019 – appraisers’ liability insurance – issued by Insurance Public Joint Stock Company RESO-Guarantee, insurance period – from April 29, 2019 until April 28, 2020. The insurance sum is ₺550,000,000 (five hundred fifty million rubles).
Information on compliance of the legal entity with the requirements of article 15.1 of the Federal Law <i>On Evaluation Activities in the Russian Federation</i> No. 135-FZ dated July 29, 1998	Complies

Source: information from registration documents

1.3. APPRAISERS AND SPECIALISTS

The appraisers who participated in the evaluation have higher professional education in evaluation.

The information non the appraisers participating in the evaluation is provided in the table below.

Table 4. Information on the appraisers participating in the evaluation

Full name	Qualification, document on professional education, general information	Degree of involvement in the evaluation
Vladlen M. Alyautdinov	Professional appraiser (Diploma of professional re-training PP No. 0159 dated 30.12.2011 Non-Profit Educational Institution for Additional Professional Education “Institute of Professional Education”; major in “Enterprise/Business Value Appraisal” Qualification certificate in the sphere of evaluation activities “Business evaluation” No. 000742-3 dated 20.11.2017. Active members of the SRO “ROO” (registration No. 007790 dated 21.01.2012). Appraiser’s insurance policy No. 922/1450567790 dated 24.10.2018 issued by Insurance Public Joint Stock Company “RESO-Guarantee”, insurance period from 08.11.2018 until 07.11.2019. Insurance sum: 30,000,000 (thirty million) rubles. Postal address: Moscow, 68/70 Butyrsky Val, building 2, 6 th floor, office 1, room 4 Contact telephone number: 8 (495) 626-30-40 Experience in evaluation activities: since 2003 Employment contract with JSC “2K” No. 07/11 dated 25.01.2011	Selection of evaluation methodology, control and coordination of work on the project, verification of calculations and the Report on evaluation
Darya V. Gridina	Professional appraiser (BA Diploma NO. 107705 0066517 dated 23.06.2016 of the Federal State Budgetary Educational Institution “State University	

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	<p>of Management”, major in “Economics”, specialization “Property and Business Appraisal” (Moscow).</p> <p>Professional appraiser (Master’s diploma No. 107718 09745594 dated 30.06.2018 of the Federal State Educational Budgetary Institution “Financial University under the Government of the Russian Federation, major in “Economics”, specialization “Business and Corporate Finance Evaluation”, Moscow).</p> <p>Qualification certificate in the sphere of evaluation activities “Business appraisal” no. 005495 dated 16.03.2018</p> <p>Active member of the SRO ARMO (registration NO. 2052 dated 30.06.2016).</p> <p>Appraiser’s insurance policy No. 922/1526320562 dated 19.04.2018 issued by Insurance Public Joint Stock Company “RESO-Guarantee”, insurance period from 19.04.2018 until 18.04.2019.</p> <p>Insurance sum: 30,000,000 (thirty million) rubles.</p> <p>Postal address: Moscow, 68/70 Butyrsky Val, building 2, 6th floor, office 1, room 4</p> <p>Contact telephone number: 8 (495) 626-30-40</p> <p>E-mail address: info@2kaudit.ru</p> <p>Experience in evaluation activities: since 2015</p> <p>Employment contract with JSC “2K” No. 07/16 dated 09/02/2015</p>	<p>Evaluation of the object of evaluation within the framework of the income-based approach</p>
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Source: information provided by appraisers

The copies of educational and professional documents of the appraisers and the insurance policies concerning the civil liability of the appraisers, the certificates of membership in self-regulated organizations of appraisers and the qualification certificates are provided in Annex “Documents of the Executor and the appraisers of the Executor” to this Report.

Information on the specialist of the Contractor who participated in the evaluation is provided in the table below.

Table 5. Information on the specialist of the Contractor who participated in the evaluation

Full name	Qualification, documents on professional education, general information	Degree of involvement in the evaluation
Dmitry O. Zalepa	<p>Economist (Master’s degree in “Business appraisal and corporate finance”). Diploma of the Financial University under the Government of the Russian Federation, series 107718 number 0668094 dated 01.07.2017.</p> <p>Postal address: Moscow, 68/70 Butyrsky Val, building 2, 6th floor, office 1, room 4</p> <p>Contact telephone number: 8 (495) 626-30-40</p> <p>E-mail address: info@2kaudit.ru</p> <p>Experience in evaluation activities: since 2017</p> <p>Employment contract with JSC “2K” No. 25/17 dated 11/09/2017</p>	<p>Description of the object of evaluation, market analysis, macro-economic review, evaluation of the object of evaluation within the framework of the comparative approach, preparation of the Report on evaluation (except the income-based approach).</p>

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Source: information provided by the specialist

2. EVALUATION TASK

Customer	RINSOCO TRADING CO. LIMITED
Object of evaluation	1 (one) common share of PJSC Uralkali as part of a 100% block of shares
Number and date of state registration of the share issuance	Initial issuance – 370 928 common shares, 688 864 preferred shares, No. 56-I-II-489, date of issuance 24.12.1993 Additional issuance – 1 588 098 312 common shares, 529 366 104 preferred shares, No. 1-02-00296-A, No. 2-02-00296-A, date of issuance 08.03.1999 Additional issuance – 7 023 000 common shares, No. 1-03-00296-A, date of issuance 14.10.1999. Conversion – 529 180 000 preferred shares No. 3-01-00296-A, date of issuance 18.02.2022 into 529 180 000 common shares No. 1-04-00296-A, date of issuance 27.04.2002 Combination of issuances – 2 124 390 000 common shares, No. 1-01-00296-A, date of issuance 16.01.2004. Additional issuance – 835 247 687 common shares No. 1-01-00296-A-004D, date of issuance 28.04.2011. Additional issuance – 135 000 218 common shares, No. 1-01-00296-A-005D, date of issuance 28.04.2011. Combination of issuances – 3 094 637 905 common shares No. 1-01-00296-A, date of issuance 16.01.2004. Issuance of preferred shares – 30 000 000 preferred registered uncertificated shares No. 2-03-00296-A, date of issuance 15.01.2018
Organization whose shares are being evaluated (organization conducting business)	PJSC Uralkali
Full/short name	Public Joint Stock Company Uralkali/PJSC Uralkali
Location	Russian Federation, 618426, Perm Region, Berezniki, 63 Pyatiletki Street
PSRN	10259001702188
Title to the object of evaluation	Ownership
Purpose of evaluation	Determination of the market price of the object of evaluation
Proposed use of the results of the evaluation	For the purpose of the share redemption in compliance with article 84.8 of the Federal Law No. 208-FZ <i>On Joint Stock Companies</i> (redemption of securities of a public company per the request of the person/entity who acquired more than 95 percent of the shares of a public company)
Type of value	Market price Market price is understood as the most likely price at which this object of evaluation may be sold in an open market under competitive conditions, when the parties to the transaction are acting reasonably and possess all required information, while the value of the transaction is not affected by any extreme circumstances, specifically when: <ul style="list-style-type: none"> - One of the parties to the transaction is not obliged to sell the object of evaluation, and the other party is not obliged to accept it; - The parties to the transaction are well informed of the subject

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	<p>matter of the transaction and are acting in their best interests;</p> <ul style="list-style-type: none"> - The object of evaluation is put on the market by public offering, typical for similar objects of evaluation; - The price of the transaction is reasonable, and no one is forcing any of the parties into the transaction; - The payment for the object of evaluation is quoted in monetary terms.
Date of evaluation (date of evaluation, date of price determination)	March 20, 2019
Assumptions on which the evaluation must be based	<p>1) The Contractor and the appraisers are not liable for the legal description of the title to the object of the evaluation or for any issues related to these rights. The title to the object of evaluation is considered valid. The object is considered free of any claims or restrictions, except those indicated in the Report on evaluation.</p> <p>2) The Contractor and the appraisers assume that there are no hidden fact affecting the results of the evaluation. The Contractor and the appraisers are not liable for any such hidden fact and are not responsible for finding and identifying such facts.</p> <p>3) The appraisers and the Contractor do not accept any obligation to verify the documents provided by the customer, or any technical, financial and other information.</p> <p>4) The Report on evaluation is valid and reliable only in full. Separate parts of the Report on evaluation (including annexes) may not be used outside the context of the remaining parts of the Report on evaluation.</p> <p>5) The results of the evaluation are valid only for the purpose of intended use indicated in the evaluation task.</p> <p>6) The opinion of the appraisers in relation to the price of the object of evaluation is valid only on the date of the evaluation of the object of evaluation. The appraisers accept not liability for any changes in economic, legal and other factors which may occur after the indicated date and affect the market situation, and, therefore, the price of the object.</p> <p>Other assumptions will be included in the text of the Report on evaluation.</p>

3. ASSUMPTIONS USED IN THE EVALUATION

1. The Contractor and the appraisers are not liable for the legal description of the title to the object of evaluation or for any issues related to these rights. The title to the object of evaluation is considered valid. The object is considered free of any claims or restrictions, except those indicated in the Report on evaluation.
2. The Contractor and the appraisers assume that there are no hidden fact affecting the results of the evaluation. The Contractor and the appraisers are not liable for any such hidden fact and are not responsible for finding and identifying such facts.
3. The appraisers and the Contractor do not accept any obligation to verify the documents provided by the customer, or any technical, financial and other information.
4. The Report on evaluation is valid and reliable only in full. Separate parts of the Report on evaluation (including annexes) may not be used outside the context of the remaining parts of the Report on evaluation.

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5. The results of the evaluation are valid only for the purpose of intended use indicated in the evaluation task.
6. The opinion of the appraisers in relation to the price of the object of evaluation is valid only on the date of the evaluation of the object of evaluation. The appraisers accept not liability for any changes in economic, legal and other factors which may occur after the indicated.
7. Within the framework of this Report the appraisers based their findings on the assumption whereby the business is a going concern that will remain a going concern in the near future.
8. The Customer, Contractor and the appraisers may not use the Report other than for the purposes indicated in the agreement on evaluation.
10. The report on evaluation contains a professional opinion of the appraisers in relation to the price of the object of evaluation and does not guarantee that the object of evaluation will be sold in a free market at the price that equals the price of the object of evaluation indicated in the Report on evaluation.
11. The Contractor and the appraisers are not required to appear in court or testify about the evaluation, unless subpoenaed by a court of law.
12. When conducting the evaluation, the appraisers used the information from the latest consolidated financial statements of Uralkali Group according to IFRS as at 31. 12.2018. The appraisers assumed that in the period from the date of compilation of the indicated consolidated financial statements and the date of the evaluation (20.03.2019), there were no significant changes in the assets and liabilities of the Group.
13. When applying the income-based approach to evaluation, the appraisers used the data from the financial model of Uralkali Group provided by the Customer.
14. In cases when the quantitative information provided by the Customer contained insignificant misstatements (up to 1%) related to rounding up errors, the appraisers did not correct the indicated information.
15. All calculations were made in Microsoft Excel without rounding, except when rounded up values were specifically explained in the Report.

4. EVALUATION STANDARDS APPLIED IN THE EVALUATION

This Report on evaluation was prepared in compliance with the following current regulations and evaluation standards:

1. Federal Evaluation Standard (FSO N1) “General concepts of evaluation, approaches and requirements to evaluation” approved by the Order of the Ministry of Economic Development of Russia dated 20.05.2015 N 297;
2. Federal Evaluation Standard (FSO N2) “Purpose of evaluation and types of costs” approved by the Order of the Ministry of Economic Development of Russia dated 20.05.2015 N 298;
3. Federal Evaluation Standard (FSO N3) “Requirements to evaluation reports” approved by the Order of the Ministry of Economic Development of Russia dated 20.05.2015 N 299;
4. Federal Evaluation Standard (FSO N 8) “Evaluation of Business” approved by the Order of the Ministry of Economic Development of Russia dated 01.06.2015 N 326;

The Report was also prepared in compliance with the standards and rules of evaluation prescribed by the self-regulated organizations of appraisers where the appraisers who signed this Report are members.

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01/07/2019