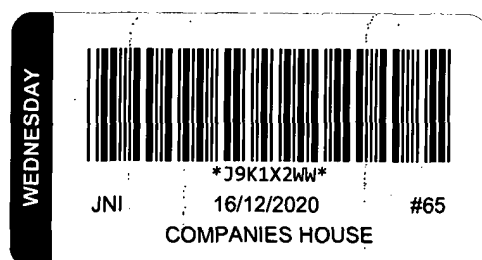


REGISTERED NUMBER: 05293427 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019
FOR
ESAB GROUP RUSSIA LIMITED**



ESAB GROUP RUSSIA LIMITED (REGISTERED NUMBER: 05293427)

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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ESAB GROUP RUSSIA LIMITED (REGISTERED NUMBER: 05293427)

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019**

DIRECTORS:

K Atkins
D A Pryor
E A Raperport
G Rostron
A L Puckett – resigned 12 February 2019
M P Lehman – resigned 1 October 2019
W B Flexon – resigned 5 February 2020

REGISTERED OFFICE:

322 High Holborn
6th Floor
London
WC1V 7PB
United Kingdom

COMPANY SECRETARY:

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH
United Kingdom

REGISTERED NUMBER:

05293427 (England and Wales)

AUDITORS:

Ernst & Young LLP
Bedford House
16 Bedford Street
Belfast
BT2 7DT
United Kingdom

ESAB GROUP RUSSIA LIMITED (REGISTERED NUMBER: 05293427)

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their strategic report for the year ended 31 December 2019.

REVIEW OF BUSINESS

The principal activity of the company in the year under review was that of acting as a general commercial company and no change is planned in its activities in the year to 31 December 2020.

The profit for the year, after taxation, was RUR 603,088,000 (2018: RUR 572,305,000).

The financial position at the year-end was considered satisfactory.

PRINCIPAL RISKS AND UNCERTAINTIES

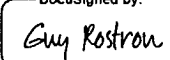
The company is a wholly owned subsidiary of Colfax Corporation as of 31 December 2019. Colfax Corporation is the ultimate parent and not immediate parent company. From the perspective of the company, the principal risks and uncertainties and financial risk management are aligned with the principal risks and uncertainties and financial risk management of Colfax Corporation and its subsidiaries. The principal risks and uncertainties and financial risk management of Colfax Corporation and its subsidiaries, which include those of the company, are discussed in the annual report of Colfax Corporation, which does not form part of this report.

The management have made a Covid-19 risk assessment and accordingly deem that the risk to be low. Given the low level of transactions and that the entity is a holding company with limited cash flow requirements the directors do not consider Covid-19 to present a going concern risk.

KEY PERFORMANCE INDICATORS (KPIS)

Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or financial position of the business. The development, performance and financial position of Colfax Corporation subsidiaries, which includes the company, are discussed in the annual report of Colfax Corporation which does not form part of this report.

ON BEHALF OF THE BOARD:

DocuSigned by:

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G Rostron - Director

Date: December 11, 2020

ESAB GROUP RUSSIA LIMITED (REGISTERED NUMBER: 05293427)

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report with the audited financial statements of the company for the year ended 31 December 2019.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2019 (2018: RUR nil).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

K Atkins
G Rostron
E A Raperport
D A Pryor

Other changes in directors holding office are as follows:

W B Flexon – resigned 5 February 2020
M P Lehman – resigned 1 October 2019
A L Puckett – resigned 12 February 2019

GOING CONCERN

The ultimate parent company, Colfax Corporation, has provided a letter of support which covers a period of 12 months from the date of approval of the financial statements. The directors have assessed the ability of Colfax Corporation to provide this support and have no concerns that it will ensure that sufficient funds are available so that the company can continue to meet its obligations for a period of at least 12 months from the date of approval of the financial statements. Accordingly, these financial statements have been prepared on the going concern basis.

The Directors have also considered the impact of the Covid-19 pandemic to going concern. Covid-19 has had an adverse effect on the global economy which has been negatively impacted by considerable uncertainty. Despite this fact the Colfax group is well capitalised and has adequate access to capital in order to continue its operations for a period of at least one year from the date of approval of the financial statements. As such the directors have considered the impact of Covid-19 to be a non-adjusting post Balance Sheet event but will however continue to monitor the situation moving forward.

DIRECTORS' QUALIFYING THIRD PARTY INDEMNITY PROVISION

D A Pryor, E A Raperport, K Atkins and G Rostron have been granted a qualifying third party indemnity, as defined in the Companies Act 2006, by the ultimate parent company, Colfax Corporation, to the extent permitted by law in respect of certain liabilities incurred as a result of their office in associated companies. They are indemnified against liability to third parties, excluding criminal liability and regulatory penalties and certain other liabilities. In addition, Colfax Corporation may pay the directors' legal costs as they are incurred, subject to reimbursement if the director is convicted, or if judgement is given against the director in an action brought against the company. Such indemnities survive the resignation of each director.

AUDITORS

In accordance with section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

ESAB GROUP RUSSIA LIMITED (REGISTERED NUMBER: 05293427)

**REPORT OF THE DIRECTORS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019**

STATEMENT OF DIRECTORS' RESPONSIBILITIES - CONTINUED

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

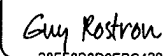
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are each aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and each director has taken all the steps they ought to have taken as a director, in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

EVENTS SINCE THE BALANCE SHEET DATE

In March 2020, the World Health Organization declared the outbreak of the novel coronavirus ("COVID-19") as a global pandemic, which continues to spread throughout Europe and around the world. As of the balance sheet date of 31 December 2019, management has considered the impact of COVID-19 and have concluded that it is a non-adjusting post balance sheet event. The Board has also taken into account the fact that the Company's primary purpose is a holding company with no employees. The Board is monitoring the situation to mitigate any potential impact of COVID-19 on the Company's financial performance.

ON BEHALF OF THE BOARD:

DocuSigned by:

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G Rostron - Director

Date: December 11, 2020

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ESAB GROUP RUSSIA LIMITED

Opinion

We have audited the financial statements of ESAB Group Russia Limited for the year ended 31 December 2019 which comprise the Income Statement, the Statement of Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 11, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ▶ give a true and fair view of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter: Effect of Covid-19

We draw attention to Note 1 and 11 of the financial statements, which describe the economic and social consequences the company is facing as a result of COVID-19. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ESAB GROUP RUSSIA LIMITED-CONTINUED

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ▶ the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ▶ the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ESAB GROUP RUSSIA LIMITED-CONTINUED

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

ERNST & YOUNG LLP

Neil Corry (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast

Date: 11 December 2020

ESAB GROUP RUSSIA LIMITED (REGISTERED NUMBER: 05293427)

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 RUR'000	2018 RUR'000
TURNOVER		<u>-</u>	<u>-</u>
OPERATING RESULT	2	-	-
Interest receivable and similar income	3	604,292	572,310
Interest payable and similar expenses	4	<u>(1,204)</u>	<u>(5)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		603,088	572,305
Tax on profit on ordinary activities	5	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>603,088</u></u>	<u><u>572,305</u></u>

The notes form part of these financial statements

ESAB GROUP RUSSIA LIMITED (REGISTERED NUMBER: 05293427)

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 RUR'000	2018 RUR'000
PROFIT FOR THE FINANCIAL YEAR	603,088	572,305
OTHER COMPREHENSIVE INCOME	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR	<u>603,088</u>	<u>572,305</u>


The notes form part of these financial statements

ESAB GROUP RUSSIA LIMITED (REGISTERED NUMBER: 05293427)

BALANCE SHEET
31 DECEMBER 2019

	Note	2019 RUR'000	2018 RUR'000
CURRENT ASSETS			
Debtors	6	7,945,568	6,347,549
Cash at bank and in hand		<u>95</u>	<u>26</u>
NET CURRENT ASSETS		7,945,663	6,347,575
NON CURRENT ASSETS	6	<u>530,256</u>	<u>1,525,256</u>
NET ASSETS		<u>8,475,919</u>	<u>7,872,831</u>
CAPITAL AND RESERVES			
Called up share capital	7	-	-
Share premium	8	4,466,838	4,466,838
Retained earnings	8	<u>4,009,081</u>	<u>3,405,993</u>
SHAREHOLDERS' FUNDS	9	<u>8,475,919</u>	<u>7,872,831</u>

The financial statements were approved by the Board of Directors on December 11, 2020 and were signed on its behalf by:

DocuSigned by:

 28FF8B0D0EBC429...

.....
 G Rostron - Director

The notes form part of these financial statements

ESAB GROUP RUSSIA LIMITED (REGISTERED NUMBER: 05293427)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Retained earnings RUR'000	Share premium RUR'000	Total equity RUR'000
Balance at 1 January 2018	2,833,688	4,466,838	7,300,526
Changes in equity			
Total comprehensive income	<u>572,305</u>	<u>-</u>	<u>572,305</u>
Balance at 31 December 2018	<u>3,405,993</u>	<u>4,466,838</u>	<u>7,872,831</u>
Changes in equity			
Total comprehensive income	<u>603,088</u>	<u>-</u>	<u>603,088</u>
Balance at 31 December 2019	<u><u>4,009,081</u></u>	<u><u>4,466,838</u></u>	<u><u>8,475,919</u></u>

The notes form part of these financial statements

ESAB GROUP RUSSIA LIMITED (REGISTERED NUMBER: 05293427)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in compliance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention. All amounts are presented to the nearest thousand unless stated otherwise.

ESAB Group Russia Limited is a limited liability company incorporated and domiciled in England and Wales. The Registered Office is 322 High Holborn, 6th Floor, London, WC1V 7PB.

Going concern

The ultimate parent company, Colfax Corporation, has provided a letter of support which covers a period of 12 months from the date of approval of the financial statements. The directors have assessed the ability of Colfax Corporation to provide this support and have no concerns that it will ensure that sufficient funds are available so that the company can continue to meet its obligations for a period of at least 12 months from the date of approval of the financial statements. Accordingly, these financial statements have been prepared on the going concern basis.

The Directors have also considered the impact of the Covid-19 pandemic to going concern. Covid-19 has had an adverse effect on the global economy which has been negatively impacted by considerable uncertainty. Despite this fact the Colfax group is well capitalised and has adequate access to capital in order to continue its operations for a period of at least one year from the date of approval of the financial statements. As such the directors have considered the impact of Covid-19 to be a non-adjusting post Balance Sheet event but will however continue to monitor the situation moving forward.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Amounts owed by or to group undertakings

Amounts owed by or to group undertakings are initially recorded at the present value of future payments discounted at a market rate of interest for a similar loan. Subsequently, they are measured at amortised cost using the effective interest method. Amounts that are due within one year are not discounted.

Foreign currencies

Monetary assets and liabilities denominated in overseas currencies are translated at the rate of exchange ruling on the Balance Sheet date. Transactions in foreign currencies are recorded at the rate ruling on the date of the transaction. All translation differences are taken to the profit and loss account.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for revenues and expenses during the year. Actual results could differ from those estimates. There were no significant judgements or estimates made in connection with the preparation of these financial statements.

Interest and dividends

Interest payable or receivable on amounts due to or from group companies is calculated using the effective interest method.

Dividend distributions to the company's shareholders are recognised in the accounts in the period when paid. Dividends receivable are recognised when the company's right to receive payment has been established and is unconditional.

ESAB GROUP RUSSIA LIMITED (REGISTERED NUMBER: 05293427)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019****1. ACCOUNTING POLICIES - continued****Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

In respect of share-based payments the tax attributable to the difference between the fair value for tax purposes and the amount charged to the profit and loss account is taken directly to reserves.

2. OPERATING RESULT**Directors' emoluments**

The company's directors are employed and remunerated by a fellow subsidiary undertaking in respect of their services as a director of a number of group companies. No recharge is made to the company and it is not possible to make an accurate apportionment of their emoluments in respect of each of the group companies. Directors' emoluments are disclosed in the employing company's financial statements.

Employees

The company has no employees (2018: none).

Auditors' Remuneration

Auditors' remuneration was borne by a fellow subsidiary undertaking in the current and prior year, of £4,985 (2018: £4,854).

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2019 RUR'000	2018 RUR'000
Group interest receivable	604,292	569,266
Foreign exchange gain	-	3,044
	<u>604,292</u>	<u>572,310</u>

4. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019 RUR'000	2018 RUR'000
Foreign exchange loss	(1,186)	-
Bank charges payable	(18)	(5)
	<u>(1,204)</u>	<u>(5)</u>

ESAB GROUP RUSSIA LIMITED (REGISTERED NUMBER: 05293427)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019****5. TAX ON PROFIT ON ORDINARY ACTIVITIES****Analysis of the tax charge**

No liability to UK corporation tax arose for the year ended 31 December 2019 nor for the year ended 31 December 2018.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is the lower than (2018: lower than) the standard rate of corporation tax in the UK. The difference is explained below:

	2019 RUR'000	2018 RUR'000
Profit on ordinary activities before tax	<u>603,088</u>	<u>572,305</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2018 – 19%)	114,587	108,738
Effects of: Group relief claimed for nil payment	<u>(114,587)</u>	<u>(108,738)</u>
Total tax charge	<u>-</u>	<u>-</u>

There are no unrecognised deferred tax assets or liabilities which should be disclosed in these financial statements. (2018: RUR Nil).

Factors that may affect future tax charges

On 26 October 2015, Finance No.2 Bill 2015 enacted reductions in the main rate of corporation tax from 20% to 19% with effect from 1 April 2017 and to 18% with effect from 1 April 2020. The latter reduction was subsequently reduced further from 18% to 17% upon enactment of the Finance Bill 2016 on 15 September 2016.

On 11 March 2020, the Chancellor of the Exchequer announced that legislation will be introduced in Finance Bill 2020 to amend the main rate of Corporation Tax for all non-ring fence profits to 19% for financial year 2020. The Corporation Tax charge and the main rate will also be set at 19% for all non-ring fence profits for financial year 2021.

6. DEBTORS: AMOUNTS OWED BY GROUP UNDERTAKINGS

	2019 RUR'000	2018 RUR'000
Amounts falling due within one year	7,945,568	6,347,549
Amounts falling due after more than one year	<u>530,256</u>	<u>1,525,256</u>
	<u>8,475,824</u>	<u>7,872,805</u>

Amounts falling due within one year are unsecured, have no fixed repayment date, are repayable on demand and interest is received at RUR LIBOR minus 1% subject to a minimum of 0%.

Amounts falling due after more than one year are unsecured and interest is fixed at 11%.

ESAB GROUP RUSSIA LIMITED (REGISTERED NUMBER: 05293427)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019****7. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal	2019	2018
Number:	Class:	value:	RUR	RUR
2	ordinary shares	RUR 1	<u>2</u>	<u>2</u>

8. RESERVES

	Retained earnings RUR'000	Share premium RUR'000	Totals RUR'000
At 1 January 2019	3,405,993	4,466,838	7,872,831
Profit for the financial year	<u>603,088</u>	<u>-</u>	<u>603,088</u>
At 31 December 2019	<u>4,009,081</u>	<u>4,466,838</u>	<u>8,475,919</u>

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2019 RUR'000	2018 RUR'000
Profit for the financial year	<u>603,088</u>	<u>572,305</u>
Net addition to shareholders' funds	603,088	572,305
Opening shareholders' funds	<u>7,872,831</u>	<u>7,300,526</u>
Closing shareholders' funds	<u>8,475,919</u>	<u>7,872,831</u>

10. ULTIMATE PARENT COMPANY

The company's shares are held by ESAB Holdings Limited, its immediate parent company and controlling party. The company regards Colfax Corporation, which is listed on the New York Stock Exchange, as the Company's ultimate parent company and controlling party.

The parent undertaking of the largest and smallest group of undertakings for which group financial statements for the year ended 31 December 2019 are prepared and of which the company is a member is Colfax Corporation, a company incorporated in the United States of America. Copies of its group financial statements are publicly available at www.colfaxcorp.com

11. SUBSEQUENT EVENTS

In March 2020, the World Health Organization declared the outbreak of the novel coronavirus ("COVID-19") as a global pandemic, which continues to spread throughout Europe and around the world. As of the Balance Sheet date of 31 December 2019, management has considered the impact of COVID-19 and have concluded that it is a non-adjusting post Balance Sheet event. The Board has also taken into account the fact that the Company's primary purpose is a holding company with limited cash flow requirements and no employees. The Board is monitoring the situation to mitigate any potential impact of COVID-19 on the Company's financial performance.