

PJSC MOSENERGO

**IFRS CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
(UNAUDITED)**

30 September 2020

Moscow | 2020

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PJSC Mosenergo
Condensed interim consolidated statement of financial position
as of 30 September 2020 (unaudited)
(in millions of Russian Rubles)

	Notes	30 September 2020	31 December 2019 (restated)	31 December 2018 (restated)
Assets				
Non-current assets				
Property, plant and equipment	6	275 997	284 612	227 388
Investment property		1 765	1 803	1 548
Intangible assets		798	580	696
Investments in associates		23 530	22 700	-
Accounts receivable and prepayments	7	746	694	5 317
Other financial assets	8	11 609	13 294	11 979
Total non-current assets		314 445	323 683	246 928
Current assets				
Inventories	9	16 854	15 617	13 815
Accounts receivable and prepayments	7	23 015	34 279	38 347
Income tax receivable		426	397	239
Cash and cash equivalents	10	16 626	11 658	16 220
Other financial assets	8	35 933	27 010	12 567
		92 854	88 961	81 188
Non-current assets held for sale		38	37	43
Total current assets		92 892	88 998	81 231
Total assets		407 337	412 681	328 159
Equity and liabilities				
Equity				
Share capital	11	166 124	166 124	166 124
Share premium	11	48 661	48 661	49 213
Treasury shares	11	-	-	(871)
Revaluation reserve	11	153 124	153 210	104 276
Accumulated loss and other reserves		(40 227)	(41 545)	(41 715)
Total equity		327 682	326 450	277 027
Non-current liabilities				
Borrowings	12	22 700	24 838	3 691
Provision for post-employment benefits		419	413	298
Accounts payable and other liabilities	13	1 023	1 019	286
Lease liabilities		4 999	5 438	195
Deferred tax liabilities	14	36 317	37 529	28 951
Total non-current liabilities		65 458	69 237	33 421
Current liabilities				
Borrowings	12	13	1 125	1 293
Accounts payable and other liabilities	13	11 192	10 374	10 223
Income tax payable		132	649	82
Other taxes payable		791	1 959	2 535
Lease liabilities		407	361	2
Provisions		1 662	2 526	3 576
Total current liabilities		14 197	16 994	17 711
Total liabilities		79 655	86 231	51 132
Total equity and liabilities		407 337	412 681	328 159

A.A. Butko
 Managing director

05 November 2020

E.Y. Novenkova
 Chief Accountant

05 November 2020

The accompanying notes on the pages 7 to 29 are an integral part of these condensed interim consolidated financial statements.

PJSC Mosenergo

**Condensed interim consolidated statement of comprehensive income
for the three and nine months ended 30 September 2020 (unaudited)
(in millions of Russian Rubles)**

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2020	2019	2020	2019
Revenue	15	29 156	29 523	122 108	133 378
Operating expenses	16	(32 002)	(31 209)	(116 803)	(120 895)
(Impairment loss) reversal of impairment loss on financial assets	16	128	321	(1 244)	191
Operating profit (loss)		(2 718)	(1 365)	4 061	12 674
Finance income	17	1 085	1 542	3 568	4 144
Finance expense	17	(592)	(386)	(2 425)	(795)
Share of profit (loss) of associates		384	-	830	(224)
Loss on disposal of equity investments		-	-	(3)	-
Profit (loss) before income tax		(1 841)	(209)	6 031	15 799
Income tax (expense) benefit	14	593	103	(687)	(3 175)
Profit (loss) for the period		(1 248)	(106)	5 344	12 624
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss:					
Gain (loss) arising from change in fair value of financial assets measured at fair value through other comprehensive income, net of tax					
		(98)	117	688	117
Total other comprehensive income (loss) that will not be reclassified to profit or loss					
		(98)	117	688	117
Other comprehensive income (loss) for the period, net of tax					
		(98)	117	688	117
Comprehensive income (loss) for the period					
		(1 346)	11	6 032	12 741
Profit (loss) for the period attributable to:					
Owners of PJSC Mosenergo		(1 248)	(106)	5 344	12 624
Comprehensive income for the period attributable to:					
Owners of PJSC Mosenergo		(1 346)	11	6 032	12 741
Basic and diluted earnings (loss) per share attributable to the owners of PJSC Mosenergo (in Russian Rubles)					
	18	(0,031)	(0,003)	0,134	0,319

A.A. Butko
Managing director

05 November 2020

E.Y. Novenkova
Chief Accountant

05 November 2020

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PJSC Mosenergo
Condensed interim consolidated statement of cash flows
for the nine months ended 30 September 2020 (unaudited)
(in millions of Russian Rubles)

	Notes	Nine months ended 30 September 2019	
		2020	(restated)
Cash flows from operating activities			
Profit before income tax		6 031	15 799
Adjustments to profit before income tax			
Amortisation and depreciation	16	17 203	13 551
Impairment loss (reversal of impairment loss) on financial assets	16	1 244	(191)
(Reversal of impairment loss) impairment loss on non-financial assets	16	(91)	48
Change in provisions	16	(419)	258
Share of (profit) loss of associates		(830)	224
Loss on disposal of equity investments		3	-
Loss on disposal of property, plant and equipment and other assets	16	161	112
Finance income	17	(3 568)	(4 144)
Finance expense	17	2 425	795
Total effect of adjustments		16 128	10 653
Cash flows from operating activities before working capital changes		22 159	26 452
Change in accounts receivable and prepayments		10 444	9 048
Change in inventories		(574)	(1 135)
Change in accounts payable and other liabilities		532	736
Change in other taxes payable (other than income tax)		(2 168)	(2 867)
Change in provision for post-employment benefits		6	-
Total effect of working capital changes		8 240	5 782
Income tax paid		(2 589)	(3 908)
Interest paid		(1 322)	(480)
Net cash from operating activities		26 488	27 846
Cash flows from investing activities			
Acquisitions of property, plant and equipment and intangible assets		(9 226)	(9 869)
Proceeds from sale of property, plant and equipment		68	170
Loans issued		(133)	-
Repayment of loans issued		1 364	872
Interest received		2 039	2 388
Dividends received		209	36
Placement of short-term deposits		(15 900)	(2 900)
Repayment of short-term deposits		8 900	-
Net cash used in investing activities		(12 679)	(9 303)
Cash flows from financing activities			
Repayment of borrowings		(3 929)	(581)
Repayment of lease liabilities		(265)	(209)
Dividends paid		(4 775)	(8 247)
Net cash used in financing activities		(8 969)	(9 037)
Effect of foreign exchange rate changes on cash and cash equivalents		128	(36)
Increase in cash and cash equivalents		4 968	9 470
Cash and cash equivalents at the beginning of the period	10	11 658	16 220
Cash and cash equivalents at the end of the period	10	16 626	25 690

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05 November 2020

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 Chief Accountant

05 November 2020

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PJSC Mosenergo
Condensed interim consolidated statement of changes in equity
for the nine months ended 30 September 2020 (unaudited)
(in millions of Russian Rubles)

	Equity attributable to the owners of the PJSC Mosenergo						
	Notes	Share capital	Share premium	Treasury shares	Revaluation reserve	Accumulated loss and other reserves	Total
Balance as of 1 January 2019		166 124	49 213	(871)	104 276	(41 715)	277 027
Profit for the period		-	-	-	-	12 624	12 624
Other comprehensive income (loss):							
Loss arising from change in fair value of financial assets measured at fair value through other comprehensive income		-	-	-	-	117	117
Transfers from revaluation surplus on property, plant and equipment to accumulated loss and other reserves		-	-	-	(47)	47	-
Comprehensive income (loss) for the period		-	-	-	(47)	12 788	12 741
Transactions with the owners of PJSC Mosenergo							
Treasury shares		-	(552)	871	-	-	319
Effect of acquisition under common control		-	-	-	-	(1 362)	(1 362)
Dividends declared	11	-	-	-	-	(8 317)	(8 317)
Balance as of 30 September 2019		166 124	48 661	-	104 229	(38 606)	280 408
Balance as of 1 January 2020		166 124	48 661	-	153 210	(41 545)	326 450
Effect of changes in accounting policies		-	-	-	-	-	-
Balance as of 1 January 2020 (изменено)		166 124	48 661	-	153 210	(41 545)	326 450
Profit for the period		-	-	-	-	5 344	5 344
Other comprehensive income (loss):							
Gain arising from change in fair value of financial assets measured at fair value through other comprehensive income, net of tax		-	-	-	-	688	688
Transfers from revaluation surplus on property, plant and equipment to accumulated loss and other reserves		-	-	-	(86)	86	-
Comprehensive income (loss) for the period		-	-	-	(86)	6 118	6 032
Transactions with the owners of PJSC Mosenergo							
Dividends declared	11	-	-	-	-	(4 800)	(4 800)
Balance as of 30 September 2020		166 124	48 661	-	153 124	(40 227)	327 682

A.A. Butko
 Managing director

05 November 2020

E.Y. Novenkova
 Chief Accountant

05 November 2020

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PJSC Mosenergo
Notes to the condensed interim consolidated financial statements
30 September 2020 (unaudited)
(in millions of Russian Rubles)

1 General information

1.1 Organisation and operations

Public Joint Stock Company Mosenergo (hereafter referred to as the “PJSC Mosenergo” or the “Company”) was registered and conducts its activities in the Russian Federation.

The primary activities of the Company and its subsidiaries (together referred to as the “Group” or the “Mosenergo Group”) are the production of the generation of heat and electric power, capacity and heat distribution services in Moscow and the Moscow region.

The Group’s electric and heat generation base includes 15 power plants with operational electricity and heat capacity of 12 825 MW and 43 811 GCal/h, respectively.

The Company is registered at the location in the Inspectorate of the Federal Tax Service No. 29 in Moscow, and also as the largest taxpayer in the Interregional Inspectorate of the Federal Tax Service for the largest taxpayers No. 6. PJSC Mosenergo registered office is located at 101/3, Prospekt Vernadskogo, Moscow, 119526, the Russian Federation.

PJSC Mosenergo and its following subsidiaries form the Mosenergo Group:

Name organisation	Nature of business	Percentage of ownership	
		30 September 2020	31 December 2019
LLC Centralny remontno-mekhanicheskiy zavod	Repair and reconstruction services	100,00%	100,00%
LLC Mosenergoproject	Electrical engineering	100,00%	100,00%
LLC Remontproject	Electrical engineering	99,00%	99,00%

1.2 Relations with the Government and influence on the Group activities

At the date of condensed interim consolidated financial statements the Russian Federation owned (both directly and indirectly) over 50% in PJSC Gazprom, through its 100% subsidiary LLC Gazprom energoholding (immediate parent company), which holds (both directly and indirectly) 53,78% of PJSC Mosenergo as of 30 September 2020. Thus, PJSC Gazprom is the parent company of the Group and the Russian Federation is the ultimate controlling party of the Group.

The number of consumers of electric and heat generation produced by the Group includes a great number of enterprises controlled by the state or directly related to it. The list of the Group’s major fuel suppliers includes subsidiaries of PJSC Gazprom. The state also controls a number of suppliers of the Group.

The Government of the Russian Federation directly affects the Group’s operations through regulations of wholesale electricity (capacity) market and retail heat market by the Federal Antimonopoly Service (the “FAS”) and the executive authorities in the utility rate regulation.

JSC System Operator of the Unified Energy System (SO UES), which is controlled by the Russian Federation through the Federal Agency for State Property Management, regulates operations of generating assets of the Group.

Government policies in the economic, social and other fields can have a significant influence on the Group.

1.3 Business environment

The economy of the Russian Federation displays certain characteristics of an emerging market. Tax, currency and customs legislation of the Russian Federation continues to develop and are a subject to varying interpretations. Fluctuations in oil prices, continuing political tensions in the region, as well as international sanctions against some Russian organisations and citizens have had and can continue to affect the economy of the Russian Federation. The financial markets continue to be volatile and are characterised by frequent significant price movements and increased trading spreads. These events can have a significant impact on the Group's operations and financial position in the future, the consequences of which are difficult to predict. The future economic situation and regulatory environment may differ from the current expectations of the management.

On the impact of the COVID-19 pandemic. The coronavirus pandemic (COVID-19), which occurred in the first quarter of 2020, has had a significant negative impact on the world economy. Restrictive measures taken to curb the spread of coronavirus infection have reduced the economic activity of electricity market participants. The scale and duration of these events remain uncertain and may affect the Group's financial position and results of operations.

The Group's management believes that it is taking all necessary measures to support the sustainability and development of the Group's business in the current environment. In the process of spreading the pandemic, the company took prompt preventive measures to prevent the spread of coronavirus infection at the Group's facilities, because of which it was possible to exclude the impact of the spread of the virus on the stability of the group's technological and functional processes. Currently, the Group's management is taking measures to optimize fixed costs and reallocate expenses for the company's investment program.

At present, it is not possible to reliably estimate the duration and extent of the impact of the pandemic on the Group's financial position and results of operations in subsequent reporting periods. The future economic situation in the Russian Federation depends on external factors and measures taken by the Government of the Russian Federation. Its impact on the Group's operations may differ from management's current expectations.

1.4 Seasonality

Demand for heat and electric energy produced and sold by the Group is subject to weather conditions and depends on the time of year. The main volume of income from the sale of heat energy falls on the period from October to March. Similarly, although not so explicitly, the main of electricity sales are in the same period. The seasonality of the production of heat and electricity has a corresponding effect on fuel consumption and energy purchases. The seasonality does not impact recognition of income or expenses in the Group.

2 Basis of presentation

This condensed interim consolidated financial information is prepared in accordance with IAS 34 Interim Financial Reporting. The condensed interim consolidated financial information should be read in conjunction with the consolidated financial statements for the year ended 31 December 2019, prepared in accordance with International Financial Reporting Standards (together referred to as the "IFRS"). To improve the presentation, some comparative data in the condensed interim consolidated financial statements were brought in line with the disclosure of information for the current year (Note 2.1).

2.1 Adjustments of comparative information

Condensed interim consolidated statement of financial position

In order to comply with the accounting policies of the parent company LLC Gazprom energoholding, the figures in the column “31 December 2019” and “31 December 2018” of the condensed interim consolidated statement of financial position as of 30 September 2020 have been adjusted as follows:

The line item “Property, plant and equipment” was adjusted by the reclassification of:

- assets recognised on service contracts from the line item “Other non-current assets” of RUB 2 681 million and RUB 4 302 million as of 31 December 2019 and 31 December 2018, respectively, and the line item “Other current assets” of RUB 2 112 million and RUB 2 049 million as of 31 December 2019 and 31 December 2018;
- capitalised expenses on technological connection from the line item “Other non-current assets” of RUB 6 020 million and RUB 6 649 million as of 31 December 2019 and 31 December 2018, respectively, and the line item “Other current assets” of RUB 633 million and RUB 633 million as of 31 December 2019 and 31 December 2018, respectively;
- advances issued for capital construction of RUB 2 407 million and RUB 4 064 million as of 31 December 2019 and 31 December 2018, respectively;

The line item “Accounts receivable and prepayments” was adjusted by the reclassification of:

- loans issued as part of non-current assets of RUB 9 386 million and RUB 10 489 million to the line item “Other financial assets” as part of non-current assets as of 31 December 2019 and 31 December 2018, respectively;
- loans issued as part of current assets of RUB 27 010 million and RUB 2 167 million to the line item “Other financial assets” as part of current assets as of 31 December 2019 and 31 December 2018, respectively;

The line item “Accounts payable and other liabilities” was adjusted by means of highlighting:

- lease liabilities as part of short-term liabilities of RUB 361 million in a separate line item “Lease liabilities” as part of short-term liabilities as of 31 December 2019;
- lease liabilities as part of long-term liabilities in the amount of RUB 5 438 million in a separate line item “Lease liabilities” as part of long-term liabilities as of 31 December 2019;

The line item “Borrowing” was adjusted by means of highlighting:

- finance lease liabilities as part of short-term liabilities of RUB 2 million in a separate line item “Lease liabilities” as part of long-term liabilities as of 31 December 2018;
- finance lease liabilities as part of long-term liabilities of RUB 195 million in a separate line item “Lease liabilities” as part of long-term liabilities as of 31 December 2018;

The line item “Intangible assets” was adjusted by reclassifying the goodwill of RUB 187 million as of 31 December 2018.

PJSC Mosenergo
Notes to the condensed interim consolidated financial statements
30 September 2020 (unaudited)
(in millions of Russian Rubles)

The effect of the changes in the condensed interim consolidated statement of financial position as of 31 December 2019 and 31 December 2018 is set out below.

	31 December 2019			31 December 2018		
	Amount before adjustments	Adjust- ments	Amount after adjustments	Amount before adjustments	Adjust- ments	Amount after adjustments
Property, plant and equipment	270 759	13 853	284 612	209 691	17 697	227 388
Goodwill	-	-	-	187	(187)	-
Intangible assets	580	-	580	509	187	696
Accounts receivable and prepayments	10 080	(9 386)	694	15 806	(10 489)	5 317
Other financial assets	3 908	9 386	13 294	1 490	10 489	11 979
Advances for assets under construction	2 407	(2 407)	-	4 064	(4 064)	-
Other non-current assets	8 701	(8 701)	-	10 951	(10 951)	-
Total non-current assets	320 938	2 745	323 683	244 246	2 682	246 928
Accounts receivable and prepayments	61 289	(27 010)	34 279	40 514	(2 167)	38 347
Other financial assets	-	27 010	27 010	10 400	2 167	12 567
Other current assets	2 745	(2 745)	-	2 682	(2 682)	-
Total current assets	91 743	(2 745)	88 998	83 913	(2 682)	81 231
Total assets	412 681	-	412 681	328 159	-	328 159
Borrowings	24 838	-	24 838	3 886	(195)	3 691
Accounts payable and other liabilities	6 457	(5 438)	1 019	286	-	286
Lease liabilities	-	5 438	5 438	-	195	195
Total non-current liabilities	69 237	-	69 237	33 421	-	33 421
Borrowings	1 125	-	1 125	1 295	(2)	1 293
Accounts payable and other liabilities	10 735	(361)	10 374	10 223	-	10 223
Lease liabilities	-	361	361	-	2	2
Total current liabilities	16 994	-	16 994	17 711	-	17 711
Total liabilities	86 231	-	86 231	51 132	-	51 132
Total equity and liabilities	412 681	-	412 681	328 159	-	328 159

PJSC Mosenergo
Notes to the condensed interim consolidated financial statements
30 September 2020 (unaudited)
(in millions of Russian Rubles)

Condensed interim consolidated statement of cash flows

As a result of the above mentioned changes the line item “Change in other current and non-current assets” in the column “For the nine months ended 30 September 2019” of the consolidated statement of cash flows for the three and nine months ended 30 September 2020 was adjusted by the reclassification of:

- depreciation of assets under service contracts, as well as capitalised expenses on technological connection of RUB 1 944 million to the line item “Amortisation and depreciation”;
- other receivables of RUB 6 million to the line item “Change in accounts receivable and prepayments”.

	Nine months ended 30 September 2019		
	Amount before adjustments	Adjust- ments	Amount after adjustments
Cash flow from operating activities			
Amortisation and depreciation	11 607	1 944	13 551
Change in accounts receivable and prepayments	9 042	6	9 048
Change in other current and non-current assets	1 950	(1 950)	-

3 Summary of significant accounting policies and accounting estimates

The significant accounting policies followed by the Group and the critical accounting estimates in applying accounting policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2019.

3.1 Application of Interpretations and Amendments to existing Standards

The following amendments to current IFRSs became effective for the periods beginning on or after 1 January 2020:

- The amendments to IFRS 3 Business Combinations (issued in October 2018 and apply for annual reporting periods beginning on or after 1 January 2020). The changes clarify the definition of a business and simplify the assessment of whether the acquired combination of activities and assets is an asset group or a business;
- The amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (issued in October 2018 and apply for annual reporting periods beginning on or after January 2020 or after this date). The amendments clarify and bring into line the definition of the term “materiality”, as well as provide recommendations for improving the consistency in its application when referenced in IFRS.
- The amendments to IFRS 16 Leases (issued in May 2020 and effective for annual reporting periods beginning on or after 1 June 2020). The amendments permit lessees, as a practical expedient, not to assess whether particular rent concessions occurring as a direct consequence of the covid-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications. The amendment does not affect lessors.
- The amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures (issued in September 2019 and effective for annual reporting periods beginning on or after 1 January 2020). The amendments affect Interest Rate Benchmark Reform.

The Group has reviewed the abovementioned amendments to standards for the preparation of the condensed interim consolidated financial statements. The amendments to standards have no significant impact on the Group’s condensed interim consolidated financial statements.

3.2 Amendments to existing Standards that are not yet effective and have not been early adopted by the Group

Certain amendments have been issued that are mandatory for the annual periods beginning on or after 1 January 2022. In particular, the Group has not early adopted the amendments:

- The amendments to IAS 1 Presentation of Financial Statements (issued in January 2020 and effective for annual reporting periods beginning on or after 1 January 2023). Amendments clarify the criteria for classifying obligations as short-term or long-term.
- The amendments to IFRS 9 Financial Instruments (issued in May 2020 and effective for annual reporting periods beginning on or after 1 January 2022). The amendments clarify which fees included when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.
- The amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets (issued in May 2020 and effective for annual reporting periods beginning on or after 1 January 2022). The amendments specify which costs are included in determining the cost of fulfilling a contract for assessing whether the contract is onerous.
- The amendments to IAS 16 Property, Plant and Equipment (issued in May 2020 and effective for annual reporting periods beginning on or after 1 January 2022). The amendments prohibit deducting from the cost of property, plant and equipment amounts received from selling items produced while the asset is preparing for its intended use. Instead, such sales proceeds and related cost are recognised in profit or loss.
- Amendments to IFRS 1 First-time adoption of international financial reporting standards (issued as part of the Annual improvements to International financial reporting standards 2018-2020 and applied for annual periods beginning on or after 1 January 2022) simplify the application of IFRS 1 by a subsidiary after the parent organisation with respect to the determination of cumulative exchange differences.
- Amendments to IFRS 3 (issued in May 2020 and applicable for annual periods beginning on or after 1 January 2022) update the reference to the 2018 financial reporting Framework to determine what constitutes an asset or liability in a business combination, and add a new exception for liabilities and contingent liabilities.

The Group is currently assessing the impact of the amendments on its financial position and results of operations.

4 Segment information

The Board of Directors and Managing Director (hereafter referred to as the “Management”) is the Chief operating decision-maker, which reviews the Group’s internal management report in order to assess performance of the Group and allocate resources.

The operating segments are aggregated into two primary reportable segments - electric and heat energy, which generate revenue from manufacturing and sale of electric and heat energy respectively. The other segments consist of services and products sold by the Group such as rental services, feed water sales and maintenance services.

All reportable segments are located in the Russian Federation.

When evaluating the performance of segments and allocating resources, management analyses the information below, prepared in accordance with IFRS. Differences in items between those reported in the segment information and those reported in the Group’s condensed interim consolidated financial statements are due to the unallocated items of income and expense (such as financial income and expense, share of income (loss) of associates, profit tax) that cannot be directly allocated to identifiable reportable segments as these are managed on an overall group basis.

Considering that the management responsible for decision-making does not review assets and liabilities by each reportable segment coupled with lack of technical capabilities to present such information, the Group does not disclose assets and liabilities by segments.

PJSC Mosenergo
Notes to the condensed interim consolidated financial statements
30 September 2020 (unaudited)
(in millions of Russian Rubles)

4.1 Financial results of segments

The segment information for the three and nine months ended 30 September 2020 and 30 September 2019 is as follows:

	Notes	Electric energy	Heat energy	All other segments	Total	Intra-group transactions	Total
<u>Nine months ended 30 September 2020</u>							
Revenue		73 118	47 371	2 345	122 834	(726)	122 108
Revenue from external customers	15	73 118	47 363	1 627	122 108	-	122 108
Intra-group revenue		-	8	718	726	(726)	-
Segment financial result		10 011	(4 864)	(1 521)	3 626	-	3 626
Depreciation and amortisation	16	(8 887)	(7 132)	(1 184)	(17 203)	-	(17 203)
(Impairment loss) reversal of impairment loss on financial assets	16	177	(908)	(513)	(1 244)	-	(1 244)
<u>Nine months ended 30 September 2019</u>							
Revenue		82 178	49 582	2 366	134 126	(748)	133 378
Revenue from external customers	15	82 178	49 573	1 627	133 378	-	133 378
Intra-group revenue		-	9	739	748	(748)	-
Segment financial result		14 317	(1 372)	(535)	12 410	-	12 410
Depreciation and amortisation	16	(7 194)	(5 242)	(1 115)	(13 551)	-	(13 551)
Reversal of impairment loss on financial assets	16	88	1	102	191	-	191
<u>Three months ended 30 September 2020</u>							
Revenue		22 742	5 859	861	29 462	(306)	29 156
Revenue from external customers	15	22 742	5 859	555	29 156	-	29 156
Intra-group revenue		-	-	306	306	(306)	-
Segment financial result		277	(2 534)	(902)	(3 159)	-	(3 159)
Depreciation and amortisation	16	(3 774)	(1 660)	(393)	(5 827)	-	(5 827)
(Impairment loss) reversal of impairment loss on financial assets	16	765	(94)	(543)	128	-	128
<u>Three months ended 30 September 2019</u>							
Revenue		22 698	6 334	726	29 758	(235)	29 523
Revenue from external customers	15	22 698	6 334	491	29 523	-	29 523
Intra-group revenue		-	-	235	235	(235)	-
Segment financial result		747	(2 162)	(181)	(1 596)	-	(1 596)
Depreciation and amortisation	16	(2 824)	(1 362)	(371)	(4 557)	-	(4 557)
Reversal of impairment loss on financial assets	16	249	20	52	321	-	321

Reconciliation of the segment financial result to the profit before profit tax in the consolidated statement of comprehensive income for the three and nine months ended 30 September 2020 and 30 September 2019 is provided as follows:

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2020	2019	2020	2019
Segment result for reportable segments		(2 257)	(1 415)	5 147	12 945
Segment result for other segments		(902)	(181)	(1 521)	(535)
Segment financial result		(3 159)	(1 596)	3 626	12 410
Change in provisions	16	443	(88)	419	(258)
Net finance income (expense)	17	493	1 156	1 143	3 349
Share of profit (loss) of associates		384	-	830	(224)
Other items		(2)	319	13	522
Profit (loss) before income tax		(1 841)	(209)	6 031	15 799

4.2 Core customers

The revenue presented within the electric energy segment includes two customers with the total revenue exceeding 10% of the Group's revenue for the three and nine months ended 30 September 2020 and amounting to RUB 16 853 million and RUB 54 282 million, respectively (for the three and nine months ended 30 September 2019 the total revenue of the same two customers exceeded 10% of the Group's revenue and amounted to RUB 16 809 million and RUB 63 783 million, respectively).

The revenue presented within the heat energy segment includes the customer with the revenue exceeding 10% of the Group's revenue for the three and nine months ended 30 September 2020 and amounting to RUB 5 5174 million and RUB 44 662million, respectively (for the three and nine months ended 30 September 2019 the revenue of the same customer exceeded 10% of the Group's revenue and amounted to RUB 6 055 million and RUB 47 688 million, respectively).

5 Related parties

In these condensed interim consolidated financial statements, parties are considered to be related parties, one of which has the ability to control or exercise significant influence on the operating and financial decisions of the other, as defined in IAS 24 Related Party Disclosures.

Transactions with related parties were carried out on terms and conditions similar to transactions with third parties in relation to the Group. Gas and capacity prices are based on tariffs set by the Federal Antimonopoly Service and competitive selections on the wholesale electricity (capacity) market. Loans and borrowings are provided on market conditions. Bank deposits are placed on market conditions.

PJSC Gazprom is an ultimate parent company of PJSC Mosenergo. The Russian Federation is the ultimate controlling party of the Group.

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5.1 Transactions with Gazprom Group and its associates

The significant Group's transactions and balances outstanding with Gazprom Group and its associates are detailed below:

<i>Transactions with related parties</i>	Three months ended		Nine months ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
Revenue	6 933	7 464	49 466	51 809
Heat energy	5 646	6 109	45 248	47 206
Electric energy	854	1 009	2 996	3 392
Other revenue	433	346	1 222	1 211
Operating expenses	(5 661)	(5 948)	(43 682)	(51 067)
Fuel	(3 666)	(4 296)	(38 578)	(46 142)
Repair, maintenance and service	(1 064)	(1 202)	(2 780)	(2 938)
Purchased electricity and capacity	(60)	(44)	(512)	(500)
Heat transmission	(15)	(21)	(259)	(330)
Transportation services	(84)	(81)	(252)	(242)
Cleaning services	(84)	(76)	(236)	(223)
Medical insurance included in staff costs	(53)	(51)	(156)	(152)
Other professional services	(284)	(244)	(815)	(691)
Other operating income (expenses)	(351)	67	(94)	151
Finance income	735	624	2 545	1 384
Interest income on loans issued	645	238	1 930	853
Effect of discounting financial instruments	84	211	239	355
Income from participation in other organisations	-	-	234	-
Interest income on bank deposits and cash balances on current accounts	6	175	142	176
Finance expense	(314)	(47)	(1 094)	(151)
Interest expense on borrowings	(246)	-	(904)	-
Lease interest expense	(68)	(47)	(190)	(151)
Purchase of non-current and current assets	2 797	5 118	5 839	7 704
Purchase of property, plant and equipment	2 319	4 210	4 603	6 729
Purchase of other assets	478	908	1 236	975
Other transactions				
Reversal of impairment loss on financial assets	37	54	84	146

<i>Balances outstanding with related parties</i>	30 September 2020	31 December 2019
Long-term financial assets	10 344	11 810
Short-term financial assets	28 923	-
Long-term accounts receivable and prepayments	175	473
Short-term accounts receivable and prepayments	14 806	51 314
Allowance for impairment loss on short-term receivables	(170)	(254)
Cash and cash equivalents	2 846	11 460
Total assets	56 924	74 803
Long-term borrowings	(22 700)	(22 700)
Short-term borrowings	(13)	-
Long-term accounts payable and other liabilities	(1 023)	(900)
Short-term accounts payable and other liabilities	(3 942)	(4 068)
Long-term lease liabilities	(2 772)	(2 149)
Short-term lease liabilities	(307)	(248)
Total liabilities	(30 757)	(30 065)

For the nine months ended 30 September 2020 dividends declared to the parent company amounted to RUB 2 568 million (for the nine months ended 30 September 2019: RUB 4 467 million).

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5.2 Transactions with other state-controlled entities

Information below excludes transactions and outstanding balances with Gazprom Group and its associates as disclosed in Note 5.1.

The significant Group's transactions during the three and nine months ended 30 September 2020 and 30 September 2019 and balances outstanding as of 30 September 2020 and 31 December 2019 with other state-controlled entities are detailed below:

<i>Transactions with related parties</i>	Three months ended 30 September		Nine months ended 30 September	
	2020	2019	2020	2019
Revenue	5 181	5 129	18 388	18 547
Electric energy	5 058	4 988	17 514	17 616
Heat energy	62	68	675	722
Other revenue	61	73	199	209
Operating expenses	(814)	(842)	(2 433)	(2 643)
Electricity market administration fees	(422)	(386)	(1 199)	(1 138)
Water supply and sewerage	(344)	(309)	(854)	(900)
Security and fire safety	(211)	(124)	(384)	(371)
Other professional services	(70)	(72)	(232)	(295)
Other operating income	233	49	236	61
Finance income	49	162	225	796
Interest income on bank deposits and cash balances on current accounts	49	162	225	796
Finance expense	(59)	(92)	(179)	(279)
Lease interest expense	(59)	(92)	(179)	(279)
Other transactions				
Reversal of impairment loss on financial assets	218	96	29	378
			30 September 2020	31 December 2019
Balances outstanding with related parties				
Long-term accounts receivable and prepayments			517	64
Allowance for impairment loss on long-term receivables			(163)	-
Short-term accounts receivable and prepayments			14 790	15 352
Allowance for impairment loss on short-term receivables			(12 227)	(12 453)
Cash and cash equivalents			159	96
Total assets			3 076	3 059
Short-term accounts payable and other liabilities			(1 339)	(1 384)
Long-term lease liabilities			(2 094)	(3 143)
Short-term lease liabilities			(78)	(95)
Total liabilities			(3 511)	(4 622)

For the nine months ended 30 September 2020 dividends declared to the other state-controlled entities amounted to RUB 1 269 million (for the nine months ended 30 September 2019: RUB 2 208 million).

Some of the transactions on the wholesale electricity and capacity market OREM are conducted through commission agreements with JSC FSC. Current financial system of JSC FSC does not provide the final counterparty with automated information about transactions and outstanding balances with the ultimate consumers. State-controlled entities and Gazprom Group and its associates may also act as counterparties.

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The Group's transactions and balances outstanding with JSC FSC are detailed below:

<i>Transactions with related parties</i>	Three months ended		Nine months ended	
	30 September 2020	2019	30 September 2020	2019
Revenue	13 573	16 371	42 740	38 526
Electric energy	13 573	16 371	42 740	38 526
Expenses	(2 046)	(2 335)	(6 389)	(5 225)
Purchased electricity and capacity	(2 046)	(2 335)	(6 389)	(5 225)

<i>Balances outstanding with related parties</i>	30 September 2020	31 December 2019
Short-term accounts receivable and prepayments	1 701	2 647
Allowance for impairment loss on short-term receivables	(7)	(2)
Total assets	1 694	2 645
Short-term accounts payable and other liabilities	(368)	(420)
Total liabilities	(368)	(420)

5.3 Transactions with other related parties

Other related parties are represented by associates. The significant Group's transactions and balances outstanding with associates are detailed below:

<i>Transactions with related parties</i>	Three months ended		Nine months ended	
	30 September 2020	2019	30 September 2020	2019
Revenue	118	119	957	1 013
Heat energy	118	119	957	1 013
Other transactions				
Impairment loss on financial assets	(124)	1	(1 121)	1

<i>Balances outstanding with related parties</i>	30 September 2020	31 December 2019
Short-term financial assets	5	-
Long-term accounts receivable and prepayments	-	1 275
Allowance for impairment loss on long-term receivables	-	(1 275)
Short-term accounts receivable and prepayments	3 949	2 830
Allowance for impairment loss on short-term receivables	(3 944)	(2 823)
Total assets	10	7

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5.4 Unrecognised contractual obligations for the construction of property, plant and equipment

	30 September 2020	31 December 2019
Gazprom Group and its associates	8 007	5 568
Total	8 007	5 568

5.5 Transactions with key management and managing organisation

Short-term remuneration for the services of key management personnel includes remuneration to members of the Board of Directors for fulfilling their duties in these positions and participation in meetings of the Board of Directors, as well as members of the Management Committee of the Company until the transfer of the powers of the sole executive body to the managing organisation of LLC Gazprom energoholding under the contract dated 21.05. 2015 № 2-02/1830, for the performance by them of their duties in their posts on an ongoing basis and consisted of a monthly salary, premium, accrued on these taxes and other obligatory payments into the corresponding budgets, health insurance costs. After the transfer of the powers of the sole executive body, the remuneration of the managing organisation is included in the total amount of short-term remuneration for the services of key management personnel.

	Three months ended 30 September		Nine months ended 30 September	
	2020	2019	2020	2019
<i>Transactions with related parties</i>				
Wages and salaries	41	40	58	61
Social taxes and contributions	8	7	11	11
Total	49	47	69	72

There are no outstanding balances as of 30 September 2020 and as of 31 December 2019 for transactions with key management.

Remuneration to managing organisation LLC Gazprom energoholding for the three and nine months ended 30 September 2020 was in the amount of RUB 33 million and RUB 98 million respectively (for three and nine months ended 30 September 2019: RUB 32 million and RUB 103 million).

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6 Property, plant and equipment

	ROUA	B&C	M&E	TN	Other	CIP	Total
Revalued amount							
Balance as of 31 December 2018	-	128 547	142 888	5 897	23 783	18 292	319 407
Reclassification	84	(84)	-	-	-	-	-
Transfer from other accounts	-	-	6 351	7 282	-	4 064	17 697
Initial recognition	5 375	-	-	-	-	-	5 375
Balance as of 1 January 2019	5 459	128 463	149 239	13 179	23 783	22 356	342 479
Additions	-	183	59	15	133	9 124	9 514
Disposals	-	(16)	(374)	(185)	(32)	(178)	(785)
Transfers	-	374	1 433	-	763	(2 570)	-
Transfer from (to) other accounts	-	14	(5)	-	-	-	9
Balance as of 30 September 2019	5 459	129 018	150 352	13 009	24 647	28 732	351 217
Balance as of 1 January 2020	5 955	124 690	97 597	12 041	18 534	26 298	285 115
Additions	880	-	5	2	2	8 908	9 797
Effect of leases modification	(1 010)	-	-	-	-	-	(1 010)
Disposals	(1)	(163)	(80)	(3)	(13)	(240)	(500)
Transfers	-	444	1 109	1	82	(1 636)	-
Transfer from other accounts	-	33	-	-	2	-	35
Balance as of 30 September 2020	5 824	125 004	98 631	12 041	18 607	33 330	293 437
Depreciation and impairment loss							
Balance as of 31 December 2018	-	(39 120)	(57 152)	(2 031)	(10 701)	(712)	(109 716)
Reclassification	(40)	40	-	-	-	-	-
Initial recognition	-	-	-	-	-	-	-
Balance as of 1 January 2019	(40)	(39 080)	(57 152)	(2 031)	(10 701)	(712)	(109 716)
Depreciation charge	(352)	(3 382)	(7 479)	(926)	(1 230)	-	(13 369)
Transfers	-	(6)	(18)	-	(22)	46	-
Disposals	-	6	135	20	11	68	240
Transfer from (to) other accounts	-	(4)	2	-	-	-	(2)
Balance as of 30 September 2019	(392)	(42 466)	(64 512)	(2 937)	(11 942)	(598)	(122 847)
Balance as of 1 January 2020	(503)	-	-	-	-	-	(503)
Depreciation charge	(395)	(4 464)	(9 348)	(852)	(1 923)	-	(16 982)
Transfers	-	-	(99)	-	-	99	-
Disposals	1	6	34	-	1	3	45
Balance as of 30 September 2020	(897)	(4 458)	(9 413)	(852)	(1 922)	102	(17 440)
Net book value							
Balance as of 1 January 2019	5 419	89 383	92 087	11 148	13 082	21 644	232 763
Balance as of 30 September 2019	5 067	86 552	85 840	10 072	12 705	28 134	228 370
Balance as of 1 January 2020	5 452	124 690	97 597	12 041	18 534	26 298	284 612
Balance as of 30 September 2020	4 927	120 546	89 218	11 189	16 685	33 432	275 997
Net book value of property, plant and equipment had no revaluation taken place							
Balance as of 1 January 2019	5 419	51 700	72 457	10 922	11 663	21 827	173 988
Balance as of 30 September 2019	5 067	50 261	67 469	9 952	11 406	27 908	172 063
Balance as of 1 January 2020	5 452	50 262	70 006	9 681	11 756	26 146	173 303
Balance as of 30 September 2020	4 927	44 342	64 226	9 085	11 042	33 210	166 832

Abbreviations used in the headings of the table above are as follows: ROUA – right-of-use assets, B&C-buildings and constructions, M&E - machinery and equipment, TN - transmission networks, CIP - construction in progress.

As of 30 September 2020 property, plant and equipment included right-of-use assets with carrying amount of RUB 4 927 million, related mainly to land and office buildings.

The class “Other” includes land, motor vehicles, computer equipment, office supplies and other equipment.

Property, plant and equipment of the Group are not burdened with collateral obligations.

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7 Accounts receivable and prepayments

	30 September 2020	31 December 2019 (restated)
Trade receivables	306	-
Accounts receivable from sale of property, plant and equipment	183	410
Other receivables	173	222
Total financial assets	662	632
Advances to suppliers and prepaid expenses	18	-
Other receivables	66	62
Total non-financial assets	84	62
Total non-current accounts receivable and prepayments	746	694
Trade receivables	14 353	26 028
Accounts receivable on investments	2 784	2 784
Accounts receivable from sale of property, plant and equipment	1 162	786
Other receivables	1 223	1 310
Total financial assets	19 522	30 908
Tax prepayments other than income tax	1 989	1 300
Advances to suppliers and prepaid expenses	1 200	1 848
VAT recoverable	232	161
Other receivables	72	62
Total non-financial assets	3 493	3 371
Total current accounts receivable and prepayments	23 015	34 279

Trade receivables are presented net of allowance for impairment as of 30 September 2020 in the amount of RUB 17 288 million (as of 31 December 2019 RUB 16 545 million). Receivables from sale of property, plant and equipment are presented net of allowance for impairment as of 30 September in the amount of RUB 170 million (as of 31 December 2019 RUB 0 million). Other non-financial receivables are presented net of allowance for impairment as of 30 September 2020 in the amount of RUB 562 million (as of 31 December 2019 RUB 614 million). Advances to suppliers and prepaid expenses are presented net of allowance for impairment as of 30 September 2020 in the amount of RUB 851 million (as of 31 December 2019 RUB 851 million).

8 Other financial assets

	30 September 2020	31 December 2019 (restated)
Loans issued	8 332	10 661
Impairment loss on loans issued	(1 275)	(1 275)
Equity instruments measured at FVTOCI	4 552	3 908
Total non-current assets	11 609	13 294
Loans issued	28 927	27 010
Total current assets	35 933	27 010

Financial assets measured at fair value through other comprehensive income include the following:

	30 September 2020	31 December 2019 (restated)
LLC GAZEKS-Management		
Share in equity	28,42%	33,33%
Fair value	1 265	1 485
PJSC O GK-2		
Share in equity	3,89%	3,89%
Fair value	3 287	2 423

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On 13 January 2020 PJSC Mosenergo transferred a part of the share of the share capital of LLC GAZEKS-Management in the amount of 4.91804188965702% to LLC Gazprom Mezhregiongaz .

With regard to equity investments in LLC GAZEKS-Management, the management estimated that the Group does not have a significant influence on this company based on the following factors:

- The Group does not have any representative in the Board of Directors and does not have a right to appoint them;
- The Group does not participate in policy-making decisions including participate in managerial decisions;
- The Group does not enter into significant transactions, there is no interchange of managing personnel between the PJSC Mosenergo and LLC GAZEKS-Management and there is no sharing of technical information between the companies.

9 Inventories

	30 September 2020	31 December 2019
Spare parts	7 487	6 074
Fuel	7 402	7 731
Materials and supplies	1 733	1 756
Other inventories	232	56
Total	16 854	15 617

As of 30 September 2020 the amount of the write-down of inventories to net realisable value amounted to RUB 400 million (31 December 2019: RUB 449 million).

As of 30 September 2020 and as of 31 December 2019 the Group does not have pledged inventories.

10 Cash and cash equivalents

	30 September 2020	31 December 2019
Cash on hand and bank balances	187	118
Deposits with original maturity of three months or less	16 439	11 540
Total cash and cash equivalents	16 626	11 658

As of 30 September 2020 and 31 December 2019, the Group had no arrested cash amounts.

11 Equity

11.1 Share capital and share premium

As of 30 September 2020 and 31 December 2019 the declared share capital comprised 39 749 359 700 ordinary shares of RUB 1 par value each. All issued ordinary shares are fully paid.

As of 30 September 2020 and 31 December 2019 the Group has no authorized shares, additionally authorized for placement, but not placed.

Share premium amounted to RUB 48 661 million includes excess of the cash proceeds from the issue of share capital over its par value amounted to RUB 49 220 million net of the transaction costs amounted to RUB 7 million, and a negative result from the subsequent sale of treasure shares amounted to RUB 552 million.

11.2 Treasury shares

Treasury shares as of 30 September 2020 and 31 December 2019 are realised completely.

On 15 July 2019 the Board of Directors of PJSC Mosenergo approved the sale of treasure shares amounted of 140 229 451 shares, worth RUB 871 million. On 27 August 2019 PJSC Mosenergo entered into a transaction with PJSC OGC-2 to sell its own shares at a weighted average price. The proceeds of this transaction amounted to RUB 319 million. The negative result from the subsequent sale of treasure shares amounted of RUB 552 million is reflected in share premium.

11.3 Dividends

On 24 June 2020 the Annual General Shareholders' Meeting of the PJSC Mosenergo made the decision to pay dividends for the results of Group's activity for 2019. The amount of declared dividends on the issuer shares was RUB 0,12075 per share, total amount of dividends is RUB 4 800 million.

On 13 June 2019 the Annual General Shareholders' Meeting of the PJSC Mosenergo made the decision to pay dividends for the results of Group's activity for 2018. The amount of declared dividends on the issuer shares was RUB 0,21004 per share, total amount of dividends is RUB 8 320 million. The amount of unclaimed dividends for the result of financial years 2013 to 2014 is RUB 2 million.

11.4 Revaluation reserve

As of 30 September 2020 in the line item "Revaluation reserve" there were disclosed revaluation reserve for property, plant and equipment in the amount of RUB 153 124 million (as of 31 December 2019: RUB 153 210 million).

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12 Borrowings

	September 2020	31 December 2019
Bank borrowings	22 700	24 838
Total long-term borrowings	22 700	24 838
Current portion of long-term bank borrowings	13	1 125
Total short-term borrowings	13	1 125

The terms and conditions of outstanding liabilities at the reporting date are as follows:

	Currency	Interest rate	Year of maturity	30 September 2020	31 December 2019
BNP Paribas S.A.	EUR	EURIBOR 6M+2,00%	2020	-	3 263
Bank GPB (JSC)	RUB	6,25%	2022	22 713	22 700
Total				22 713	25 963

As of 30 September 2020 and 31 December 2019, the Group met financial covenant.

13 Accounts payable and other liabilities

	30 September 2020	31 December 2019 (restated)
Accounts payable for acquired property, plant and equipment	1 023	1 019
Total financial liabilities	1 023	1 019
Total non-current accounts payable and other liabilities	1 023	1 019
Trade payables	5 209	4 919
Accounts payable for acquired property, plant and equipment	3 563	3 040
Dividends payable	103	78
Other payables	523	1 600
Total financial liabilities	9 398	9 637
Liabilities from contracts with customers	627	652
Other payables	1 167	85
Total non-financial liabilities	1 794	737
Total current accounts payable and other liabilities	11 192	10 374

14 Income tax

14.1 Components of income tax

	2020	2019
Nine months ended 30 September		
Current income tax expense	(2 083)	(3 469)
Adjustments to current income tax of previous periods	8	(195)
Deffered income tax	1 388	489
Income tax expense	(687)	(3 175)
Three months ended 30 September		
Current income tax expense	(25)	(383)
Adjustments to current income tax of previous periods	8	-
Deffered income tax	610	486
Income tax expense	593	103

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14.2 Tax effects of taxable and deductible temporary differences

Tax effects of taxable and deductible temporary differences for the nine months ended 30 September 2020 and 30 September 2019 are as follows:

	Opening balance	Effect of new standards	Recog- nised in P/L ¹⁾	Recog- nised in OCI ²⁾	Closing balance
Nine months ended 30 September 2020					
Property, plant and equipment	(40 361)	-	1 781	-	(38 580)
Investment property	(215)	-	(3)	-	(218)
Non-current financial assets	401	-	84	(176)	309
Accounts receivable and prepayments	535	-	(266)	-	269
Non-current assets held for sale	18	-	(5)	-	13
Accounts payable and other liabilities	71	-	(271)	-	(200)
Lease liabilities	1 137	-	(79)	-	1 058
Provision for post-employment benefits	82	-	1	-	83
Tax losses carried forward	146	-	17	-	163
Provisions	678	-	8	-	686
Borrowings	(19)	-	23	-	4
Other current and non-current assets	(2)	-	98	-	96
Total	(37 529)	-	1 388	(176)	(36 317)
Nine months ended 30 September 2019					
Property, plant and equipment	(29 966)	(1 052)	912	340	(29 766)
Investment property	(146)	-	(10)	-	(156)
Non-current financial assets	353	-	-	(29)	324
Accounts receivable and prepayments	(251)	-	(259)	-	(510)
Non-current assets held for sale	33	-	4	-	37
Accounts payable and other liabilities	144	-	(98)	-	46
Lease liabilities	-	1 052	(39)	-	1 013
Provision for post-employment benefits	59	-	-	-	59
Tax losses carried forward	145	-	11	-	156
Provisions	658	-	1	-	659
Borrowings	11	-	(32)	-	(21)
Other current and non-current assets	9	-	(1)	-	8
Total	(28 951)	-	489	311	(28 151)

¹⁾P/L – profit or loss, ²⁾OCI – other comprehensive income.

The tax effect of the movement on these temporary differences is recorded at the rate of 20%, which was enacted by the relevant legislation in the Russian Federation.

15 Revenue

	Three months ended 30 September		Nine months ended 30 September	
	2020	2019	2020	2019
Electricity and power	22 742	22 698	73 118	82 178
Heat energy	5 859	6 334	47 363	49 573
Other revenue	555	491	1 627	1 627
Total	29 156	29 523	122 108	133 378

Other revenue was primarily received from rental services, feed water sales and maintenance services.

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16 Operating expenses

	Three months ended		Nine months ended	
	30 September		30 September	
	2020	2019 года (restated)	2020	2019 года (restated)
Fuel	17 267	17 901	72 403	80 489
Amortisation and depreciation	5 827	4 557	17 203	13 551
Employee benefits	2 883	2 588	8 918	8 514
Purchased electricity and power	2 145	1 884	6 971	7 647
Repair, maintenance and service	1 804	2 041	4 138	4 487
Taxes other than income tax	284	512	1 234	607
Electricity market administration fees	427	391	1 215	1 156
Other materials	158	285	896	717
Water supply and sewerage	514	310	859	905
Security and fire safety	300	241	802	718
Transportation services	145	130	415	372
Cleaning services	103	100	354	294
Software and maintenance	114	137	348	289
Heat energy transmission	16	21	279	351
Consulting, legal and audit services	49	21	150	72
Other professional services	462	336	1 163	1 006
Change in provisions	(443)	88	(419)	258
(Reversal of impairment loss) impairment loss on non-financial assets	(70)	12	(91)	48
Loss (profit) on disposal of property, plant and equipment	12	(88)	161	112
Fines, penalties and compensation for breach of contract	(259)	(30)	(289)	(189)
Other operating expenses (income)	264	(228)	93	(509)
Total operating expenses	32 002	31 209	116 803	120 895

Due to the adjustments to the comparative figures described in note 2.1, the line items of operating expenses were also reclassified without any change in the total operating expenses.

Impairment loss (reversal of impairment loss) on assets and change in provisions are presented below.

	Three months ended		Nine months ended	
	30 September		30 September	
	2020	2019	2020	2019
(Impairment loss) reversal of impairment loss on trade receivables	128	321	(1 244)	191
Total (impairment loss) reversal of impairment loss on financial assets	128	321	(1 244)	191
Reversal of write-downs of inventories	45	-	49	-
Impairment loss on other receivables	(17)	(12)	-	(48)
Impairment loss on other non-financial assets	42	-	42	-
Total reversal of impairment loss (impairment loss) on non-financial assets	70	(12)	91	(48)
Change in tax provision	443	(88)	419	(258)
Total change in provisions	443	(88)	419	(258)

For the nine months ended 30 September 2020 the average number of employees of the Group was 8 785 (for the nine months ended 30 September 2019: 8 529).

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17 Finance income and expense

	Three months ended 30 September		Nine months ended 30 September	
	2020	2019	2020	2019
Interest income on loans issued	660	349	1 984	1 063
Foreign exchange gain	131	271	521	777
Interest income on bank deposits and cash balances on current accounts	211	668	576	1 860
Income from participation in other organisations	-	23	240	59
Effect of discounting financial instruments	83	231	247	385
Total finance income	1 085	1 542	3 568	4 144
Foreign exchange loss	(131)	(201)	(992)	(241)
Interest expense on borrowings	(252)	(18)	(940)	(58)
Lease interest expense	(132)	(143)	(382)	(434)
Interest expense on provision for post-employment benefits	(5)	(6)	(17)	(19)
Effect of discounting financial instruments	-	(5)	-	(5)
Other interest expense	(72)	(13)	(94)	(38)
Total finance expense	(592)	(386)	(2 425)	(795)

18 Basic and diluted earnings per share, attributable to PJSC Mosenergo

Earnings per share attributable to owners of PJSC Mosenergo have been calculated by dividing the profit for the period, attributable to the owners of PJSC Mosenergo by the weighted average number of shares outstanding during the period, excluding the weighted average number of ordinary shares purchased by the Group and held as treasury shares (Note 11.2). The calculation of earnings per share is presented in the table below.

	2020	2019
<u>Nine months ended 30 September</u>		
Issued shares (million of pieces)	39 749	39 749
Effect of treasury shares (million of pieces)	-	(140)
Weighted average number of ordinary shares (million of pieces)	39 749	39 609
Profit attributable to the owners of PJSC Mosenergo (in RUB million)	5 344	12 624
Profit per ordinary share (basic and diluted) (in RUB)	0,134	0,319
<u>Three months ended 30 September</u>		
Issued shares (million of pieces)	39 749	39 749
Effect of treasury shares (million of pieces)	-	(140)
Weighted average number of ordinary shares (million of pieces)	39 749	39 609
Loss attributable to the owners of PJSC Mosenergo (in RUB million)	(1 248)	(106)
Loss per ordinary share (basic and diluted) (in RUB)	(0,031)	(0,003)

As of 30 September 2020 and 31 December 2019 there are no dilutive financial instruments outstanding in the Group.

19 Unrecognised contractual commitments

As of 30 September 2020 the Group was involved in a number of contracts for construction and purchase of property, plant and equipment for RUB 11 863 million (31 December 2019: RUB 8 078 million).

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20 Fair value of financial instruments

The fair value of financial assets and liabilities is determined as follows:

Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on quoted market closing prices at the reporting date.

Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market is determined by using various valuation techniques, primarily based on market or income approach, such as discounted cash flows valuation method. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on Group specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Financial instruments in Level 3

If one or more of the significant inputs in the valuation model used to fair value an instrument is not based on observable market data, the instrument is included in Level 3. The fair value of financial instruments, such as short-term trade and other receivables and trade and other payables are classified as Level 3.

There was no change in the fair value measurement methods attributed to Level 2 and Level 3 for the nine months ended 30 September 2020 (31 December 2019: there was no change). There were no transfers between levels for the nine months ended 30 September 2020 (31 December 2019: there were no transfers).

As of 30 September 2020 and 31 December 2019 the Group had the following assets that are measured at fair value:

	Note	Level 1	Level 2	Level 3	Total
Balance as of 30 September 2020					
Financial assets at FVTOCI	8	3 287	-	1 265	4 552
Balance as of 31 December 2019					
Financial assets at FVTOCI	8	2 423	-	1 485	3 908

As of 30 September 2020 and 31 December 2019 the estimated fair value of financial assets and liabilities not recognised at fair value in the condensed interim consolidated statement of financial position is close to their carrying amount.

21 Events after the reporting period

In December 2015 PJSC Mosenergo sold the subsidiary LLC OGK Investproekt to PJSC OGK-2. On 22 October 2020 accounts receivables from the sale of financial investments were repaid in full.