

**PJSC MOSENERGO**

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

**30 September 2020**

**Moscow | 2020**

## Contents

Condensed interim consolidated statement of financial position .....	3
Condensed interim consolidated statement of comprehensive income .....	4
Condensed interim consolidated statement of cash flows .....	5
Condensed interim consolidated statement of changes in equity .....	6

### Notes to the condensed interim consolidated financial statements:

1 General information.....	7
2 Basis of presentation.....	8
3 Summary of significant accounting policies and accounting estimates .....	11
4 Segment information .....	13
5 Related parties .....	15
6 Property, plant and equipment.....	20
7 Accounts receivable and prepayments.....	21
8 Other financial assets.....	21
9 Inventories .....	22
10 Cash and cash equivalents .....	22
11 Equity .....	23
12 Borrowings .....	24
13 Accounts payable and other liabilities.....	24
14 Income tax .....	24
15 Revenue .....	25
16 Operating expenses.....	26
17 Finance income and expense .....	27
18 Basic and diluted earnings per share, attributable to PJSC Mosenergo.....	27
19 Unrecognised contractual commitments.....	27
20 Fair value of financial instruments .....	28
21 Events after the reporting period .....	29

**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)
<b>Assets</b>				
<b>Non-current assets</b>				
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
<b>Total non-current assets</b>		<b>314 445</b>	<b>323 683</b>	<b>246 928</b>
<b>Current assets</b>				
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
		<b>92 854</b>	<b>88 961</b>	<b>81 188</b>
Non-current assets held for sale		38	37	43
<b>Total current assets</b>		<b>92 892</b>	<b>88 998</b>	<b>81 231</b>
<b>Total assets</b>		<b>407 337</b>	<b>412 681</b>	<b>328 159</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
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)
<b>Total equity</b>		<b>327 682</b>	<b>326 450</b>	<b>277 027</b>
<b>Non-current liabilities</b>				
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
<b>Total non-current liabilities</b>		<b>65 458</b>	<b>69 237</b>	<b>33 421</b>
<b>Current liabilities</b>				
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
<b>Total current liabilities</b>		<b>14 197</b>	<b>16 994</b>	<b>17 711</b>
<b>Total liabilities</b>		<b>79 655</b>	<b>86 231</b>	<b>51 132</b>
<b>Total equity and liabilities</b>		<b>407 337</b>	<b>412 681</b>	<b>328 159</b>

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
<b>Operating profit (loss)</b>		<b>(2 718)</b>	<b>(1 365)</b>	<b>4 061</b>	<b>12 674</b>
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)	-
<b>Profit (loss) before income tax</b>		<b>(1 841)</b>	<b>(209)</b>	<b>6 031</b>	<b>15 799</b>
Income tax (expense) benefit	14	593	103	(687)	(3 175)
<b>Profit (loss) for the period</b>		<b>(1 248)</b>	<b>(106)</b>	<b>5 344</b>	<b>12 624</b>
<b>Other comprehensive income:</b>					
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
<b>Total other comprehensive income (loss) that will not be reclassified to profit or loss</b>					
		<b>(98)</b>	<b>117</b>	<b>688</b>	<b>117</b>
<b>Other comprehensive income (loss) for the period, net of tax</b>					
		<b>(98)</b>	<b>117</b>	<b>688</b>	<b>117</b>
<b>Comprehensive income (loss) for the period</b>					
		<b>(1 346)</b>	<b>11</b>	<b>6 032</b>	<b>12 741</b>
<b>Profit (loss) for the period attributable to:</b>					
Owners of PJSC Mosenergo		(1 248)	(106)	5 344	12 624
<b>Comprehensive income for the period attributable to:</b>					
Owners of PJSC Mosenergo		(1 346)	11	6 032	12 741
<b>Basic and diluted earnings (loss) per share attributable to the owners of PJSC Mosenergo (in Russian Rubles)</b>					
	18	<b>(0,031)</b>	<b>(0,003)</b>	<b>0,134</b>	<b>0,319</b>

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)
<b>Cash flows from operating activities</b>			
Profit before income tax		6 031	15 799
<b>Adjustments to profit before income tax</b>			
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)
<b>Net cash from operating activities</b>		<b>26 488</b>	<b>27 846</b>
<b>Cash flows from investing activities</b>			
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	-
<b>Net cash used in investing activities</b>		<b>(12 679)</b>	<b>(9 303)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(3 929)	(581)
Repayment of lease liabilities		(265)	(209)
Dividends paid		(4 775)	(8 247)
<b>Net cash used in financing activities</b>		<b>(8 969)</b>	<b>(9 037)</b>
Effect of foreign exchange rate changes on cash and cash equivalents		128	(36)
<b>Increase in cash and cash equivalents</b>		<b>4 968</b>	<b>9 470</b>
Cash and cash equivalents at the beginning of the period	10	11 658	16 220
<b>Cash and cash equivalents at the end of the period</b>	10	<b>16 626</b>	<b>25 690</b>

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 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
<b>Balance as of 1 January 2019</b>		<b>166 124</b>	<b>49 213</b>	<b>(871)</b>	<b>104 276</b>	<b>(41 715)</b>	<b>277 027</b>
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	-
<b>Comprehensive income (loss) for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(47)</b>	<b>12 788</b>	<b>12 741</b>
<b>Transactions with the owners of PJSC Mosenergo</b>							
Treasury shares		-	(552)	871	-	-	319
Effect of acquisition under common control		-	-	-	-	(1 362)	(1 362)
Dividends declared	11	-	-	-	-	(8 317)	(8 317)
<b>Balance as of 30 September 2019</b>		<b>166 124</b>	<b>48 661</b>	<b>-</b>	<b>104 229</b>	<b>(38 606)</b>	<b>280 408</b>
<b>Balance as of 1 January 2020</b>		<b>166 124</b>	<b>48 661</b>	<b>-</b>	<b>153 210</b>	<b>(41 545)</b>	<b>326 450</b>
Effect of changes in accounting policies		-	-	-	-	-	-
<b>Balance as of 1 January 2020 (изменено)</b>		<b>166 124</b>	<b>48 661</b>	<b>-</b>	<b>153 210</b>	<b>(41 545)</b>	<b>326 450</b>
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	-
<b>Comprehensive income (loss) for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(86)</b>	<b>6 118</b>	<b>6 032</b>
<b>Transactions with the owners of PJSC Mosenergo</b>							
Dividends declared	11	-	-	-	-	(4 800)	(4 800)
<b>Balance as of 30 September 2020</b>		<b>166 124</b>	<b>48 661</b>	<b>-</b>	<b>153 124</b>	<b>(40 227)</b>	<b>327 682</b>

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)**

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## **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)	-
<b>Total non-current assets</b>	<b>320 938</b>	<b>2 745</b>	<b>323 683</b>	<b>244 246</b>	<b>2 682</b>	<b>246 928</b>
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)	-
<b>Total current assets</b>	<b>91 743</b>	<b>(2 745)</b>	<b>88 998</b>	<b>83 913</b>	<b>(2 682)</b>	<b>81 231</b>
<b>Total assets</b>	<b>412 681</b>	<b>-</b>	<b>412 681</b>	<b>328 159</b>	<b>-</b>	<b>328 159</b>
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
<b>Total non-current liabilities</b>	<b>69 237</b>	<b>-</b>	<b>69 237</b>	<b>33 421</b>	<b>-</b>	<b>33 421</b>
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
<b>Total current liabilities</b>	<b>16 994</b>	<b>-</b>	<b>16 994</b>	<b>17 711</b>	<b>-</b>	<b>17 711</b>
<b>Total liabilities</b>	<b>86 231</b>	<b>-</b>	<b>86 231</b>	<b>51 132</b>	<b>-</b>	<b>51 132</b>
<b>Total equity and liabilities</b>	<b>412 681</b>	<b>-</b>	<b>412 681</b>	<b>328 159</b>	<b>-</b>	<b>328 159</b>

**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”.

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

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)
<b>Segment financial result</b>		<b>(3 159)</b>	<b>(1 596)</b>	<b>3 626</b>	<b>12 410</b>
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
<b>Profit (loss) before income tax</b>		<b>(1 841)</b>	<b>(209)</b>	<b>6 031</b>	<b>15 799</b>

#### **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.

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

**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
<b>Revenue</b>	<b>6 933</b>	<b>7 464</b>	<b>49 466</b>	<b>51 809</b>
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
<b>Operating expenses</b>	<b>(5 661)</b>	<b>(5 948)</b>	<b>(43 682)</b>	<b>(51 067)</b>
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
<b>Finance income</b>	<b>735</b>	<b>624</b>	<b>2 545</b>	<b>1 384</b>
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
<b>Finance expense</b>	<b>(314)</b>	<b>(47)</b>	<b>(1 094)</b>	<b>(151)</b>
Interest expense on borrowings	(246)	-	(904)	-
Lease interest expense	(68)	(47)	(190)	(151)
<b>Purchase of non-current and current assets</b>	<b>2 797</b>	<b>5 118</b>	<b>5 839</b>	<b>7 704</b>
Purchase of property, plant and equipment	2 319	4 210	4 603	6 729
Purchase of other assets	478	908	1 236	975
<b>Other transactions</b>				
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
<b>Total assets</b>	<b>56 924</b>	<b>74 803</b>
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)
<b>Total liabilities</b>	<b>(30 757)</b>	<b>(30 065)</b>

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).

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

**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
<b>Revenue</b>	<b>5 181</b>	<b>5 129</b>	<b>18 388</b>	<b>18 547</b>
Electric energy	5 058	4 988	17 514	17 616
Heat energy	62	68	675	722
Other revenue	61	73	199	209
<b>Operating expenses</b>	<b>(814)</b>	<b>(842)</b>	<b>(2 433)</b>	<b>(2 643)</b>
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
<b>Finance income</b>	<b>49</b>	<b>162</b>	<b>225</b>	<b>796</b>
Interest income on bank deposits and cash balances on current accounts	49	162	225	796
<b>Finance expense</b>	<b>(59)</b>	<b>(92)</b>	<b>(179)</b>	<b>(279)</b>
Lease interest expense	(59)	(92)	(179)	(279)
<b>Other transactions</b>				
Reversal of impairment loss on financial assets	218	96	29	378
			<b>30 September 2020</b>	<b>31 December 2019</b>
<b>Balances outstanding with related parties</b>				
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
<b>Total assets</b>			<b>3 076</b>	<b>3 059</b>
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)
<b>Total liabilities</b>			<b>(3 511)</b>	<b>(4 622)</b>

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.

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

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

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

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

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

<i>Balances outstanding with related parties</i>	<b>30 September 2020</b>	<b>31 December 2019</b>
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)
<b>Total assets</b>	<b>10</b>	<b>7</b>

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

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

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

**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.

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

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).

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

**6 Property, plant and equipment**

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

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.

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

**7 Accounts receivable and prepayments**

	<b>30 September 2020</b>	<b>31 December 2019 (restated)</b>
Trade receivables	306	-
Accounts receivable from sale of property, plant and equipment	183	410
Other receivables	173	222
<b>Total financial assets</b>	<b>662</b>	<b>632</b>
Advances to suppliers and prepaid expenses	18	-
Other receivables	66	62
<b>Total non-financial assets</b>	<b>84</b>	<b>62</b>
<b>Total non-current accounts receivable and prepayments</b>	<b>746</b>	<b>694</b>
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
<b>Total financial assets</b>	<b>19 522</b>	<b>30 908</b>
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
<b>Total non-financial assets</b>	<b>3 493</b>	<b>3 371</b>
<b>Total current accounts receivable and prepayments</b>	<b>23 015</b>	<b>34 279</b>

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**

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

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

	<b>30 September 2020</b>	<b>31 December 2019 (restated)</b>
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

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

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

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

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

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

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).

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

## 12 Borrowings

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

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
<b>Total</b>				<b>22 713</b>	<b>25 963</b>

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
<b>Total financial liabilities</b>	<b>1 023</b>	<b>1 019</b>
<b>Total non-current accounts payable and other liabilities</b>	<b>1 023</b>	<b>1 019</b>
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
<b>Total financial liabilities</b>	<b>9 398</b>	<b>9 637</b>
Liabilities from contracts with customers	627	652
Other payables	1 167	85
<b>Total non-financial liabilities</b>	<b>1 794</b>	<b>737</b>
<b>Total current accounts payable and other liabilities</b>	<b>11 192</b>	<b>10 374</b>

## 14 Income tax

### 14.1 Components of income tax

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

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

**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	Recognised in P/L <sup>1)</sup>	Recognised in OCI <sup>2)</sup>	Closing balance
<b>Nine months ended 30 September 2020</b>					
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
<b>Total</b>	<b>(37 529)</b>	<b>-</b>	<b>1 388</b>	<b>(176)</b>	<b>(36 317)</b>
<b>Nine months ended 30 September 2019</b>					
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
<b>Total</b>	<b>(28 951)</b>	<b>-</b>	<b>489</b>	<b>311</b>	<b>(28 151)</b>

<sup>1)</sup>P/L – profit or loss, <sup>2)</sup>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
<b>Total</b>	<b>29 156</b>	<b>29 523</b>	<b>122 108</b>	<b>133 378</b>

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

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

**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)
<b>Total operating expenses</b>	<b>32 002</b>	<b>31 209</b>	<b>116 803</b>	<b>120 895</b>

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
<b>Total (impairment loss) reversal of impairment loss on financial assets</b>	<b>128</b>	<b>321</b>	<b>(1 244)</b>	<b>191</b>
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	-
<b>Total reversal of impairment loss (impairment loss) on non-financial assets</b>	<b>70</b>	<b>(12)</b>	<b>91</b>	<b>(48)</b>
Change in tax provision	443	(88)	419	(258)
<b>Total change in provisions</b>	<b>443</b>	<b>(88)</b>	<b>419</b>	<b>(258)</b>

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).

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

**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
<b>Total finance income</b>	<b>1 085</b>	<b>1 542</b>	<b>3 568</b>	<b>4 144</b>
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)
<b>Total finance expense</b>	<b>(592)</b>	<b>(386)</b>	<b>(2 425)</b>	<b>(795)</b>

**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
<b><u>Nine months ended 30 September</u></b>		
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)	<b>39 749</b>	<b>39 609</b>
Profit attributable to the owners of PJSC Mosenergo (in RUB million)	5 344	12 624
Profit per ordinary share (basic and diluted) (in RUB)	<b>0,134</b>	<b>0,319</b>
<b><u>Three months ended 30 September</u></b>		
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)	<b>39 749</b>	<b>39 609</b>
Loss attributable to the owners of PJSC Mosenergo (in RUB million)	(1 248)	(106)
Loss per ordinary share (basic and diluted) (in RUB)	<b>(0,031)</b>	<b>(0,003)</b>

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).

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

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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
<b>Balance as of 30 September 2020</b>					
Financial assets at FVTOCI	8	3 287	-	1 265	<b>4 552</b>
<b>Balance as of 31 December 2019</b>					
Financial assets at FVTOCI	8	2 423	-	1 485	<b>3 908</b>

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.