

ФБК

PJSC MOSENERGO

IFRS Condensed Interim Consolidated Financial Statements (Unaudited)

30 June 2021

Moscow | 2021



Contents

| | |
|---|---|
| Report on review of condensed interim consolidated financial statements | 3 |
| Condensed interim consolidated statement of financial position | 5 |
| Condensed interim consolidated statement of comprehensive income | 6 |
| Condensed interim consolidated statement of cash flows | 7 |
| Condensed interim consolidated statement of changes in equity | 8 |

Notes to the condensed interim consolidated financial statements:

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



Report on Review of Condensed Interim Consolidated Financial Statements

To the Shareholders of Public Joint-Stock Company of Power Supply and Electrification Mosenergo

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of Public Joint-Stock Company of Power Supply and Electrification Mosenergo ("PJSC Mosenergo") and its subsidiaries as of 30 June 2021 and the related condensed interim consolidated statement of comprehensive income for the three and six months ended 30 June 2021, condensed interim consolidated statements of cash flows and changes in equity for the six months ended 30 June 2021, and notes to the condensed interim consolidated financial statements.

Management is responsible for the preparation and presentation of these condensed interim consolidated financial statements in accordance with International Accounting Standard 34, Interim Financial Reporting. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, Interim Financial Reporting.

Engagement partner

P.V. Sungurova
(audit qualification certificate 01-001300)

Date of the Report on Review
6 August 2021

Audited entity

Name:

Public Joint-Stock Company of Power Supply and Electrification Mosenergo (PJSC Mosenergo).

Address of the legal entity within its location:

101/3 Vernadskogo Pr., Moscow, 119526, Russian Federation.

State registration:

Registered by the Moscow Registration Chamber on 06 April 1993, statutory registration certificate No. 012.473.

The registration entry was made in the Unified State Register of Legal Entities on 11 October 2002 under primary state registration number 10277003024201027700302420.

Auditor

Name:

FBK, LLC.

Address of the legal entity within its location:

44/1 Myasnitskaya St, Bldg 2AB, Moscow, 101990, Russian Federation.

State registration:

Registered by the Moscow Registration Chamber on 15 November 1993, registration number 484.583.

The registration entry was made in the Unified State Register of Legal Entities on 24 July 2002 under primary state registration number 1027700058286.

Membership in a self-regulatory organization of auditors:

Member of the Self-regulatory organization of auditors Association "Sodruzhestvo".

Primary number of registration entry in the register of auditors and audit organizations of the self-regulatory organization of auditors 11506030481.

PJSC Mosenergo
Condensed interim consolidated statement of financial position
as of 30 June 2021 (unaudited)
(in millions of Russian Rubles)

| | Notes | 30 June 2021 | 31 December 2020 |
|--|-------|-----------------|---------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 6 | 272 380 | 275 107 |
| Investment property | | 1 361 | 1 449 |
| Intangible assets | | 1 073 | 872 |
| Investments in associates | | 23 241 | 23 617 |
| Accounts receivable and prepayments | 7 | 1 110 | 1 435 |
| Other financial assets | 8 | 13 881 | 11 518 |
| Total non-current assets | | 313 046 | 313 998 |
| Current assets | | | |
| Inventories | 9 | 15 125 | 16 100 |
| Accounts receivable and prepayments | 7 | 28 510 | 32 909 |
| Income tax receivable | | 329 | 297 |
| Cash and cash equivalents | 10 | 16 125 | 7 679 |
| Other financial assets | 8 | 37 433 | 36 008 |
| Total current assets | | 97 522 | 92 993 |
| Total assets | | 410 568 | 406 991 |
| Equity and liabilities | | | |
| Equity | | | |
| Share capital | 11 | 166 124 | 166 124 |
| Share premium | 11 | 48 661 | 48 661 |
| Revaluation reserve | 11 | 152 075 | 152 290 |
| Accumulated loss and other reserves | | (34 927) | (37 284) |
| Total equity | | 331 933 | 329 791 |
| Non-current liabilities | | | |
| Borrowings | 12 | 15 100 | 15 100 |
| Provision for post-employment benefits | | 433 | 425 |
| Accounts payable and other liabilities | 13 | 859 | 834 |
| Lease liabilities | | 5 105 | 4 899 |
| Deferred tax liabilities | 14 | 34 345 | 35 454 |
| Total non-current liabilities | | 55 842 | 56 712 |
| Current liabilities | | | |
| Borrowings | 12 | 11 | 11 |
| Accounts payable and other liabilities | 13 | 18 206 | 15 181 |
| Income tax payable | | 301 | 956 |
| Other taxes payable | 15 | 1 966 | 2 471 |
| Lease liabilities | | 676 | 403 |
| Provisions | | 1 633 | 1 466 |
| Total current liabilities | | 22 793 | 20 488 |
| Total liabilities | | 78 635 | 77 200 |
| Total equity and liabilities | | 410 568 | 406 991 |

A.A. Butko
Managing director

06 August 2021

E.Y. Novenkova
Chief Accountant

06 August 2021

The accompanying notes on the pages 9 to 27 are an integral part of these condensed interim consolidated financial statements.

PJSC Mosenergo
Condensed interim consolidated statement of comprehensive income
for the three and six months ended 30 June 2021 (unaudited)
(in millions of Russian Rubles)

| | Notes | Three months ended 30 June | | Six months ended 30 June | |
|--|-------|----------------------------|--------------|--------------------------|--------------|
| | | 2021 | 2020 | 2021 | 2020 |
| Revenue | 16 | 39 620 | 33 153 | 117 652 | 92 952 |
| Operating expenses | 17 | (39 715) | (33 327) | (105 352) | (84 801) |
| Impairment loss on financial assets | 17 | (309) | (355) | (1 206) | (1 372) |
| Operating profit (loss) | | (404) | (529) | 11 094 | 6 779 |
| Finance income | 18 | 726 | 1 581 | 1 394 | 2 483 |
| Finance expense | 18 | (337) | (518) | (664) | (1 833) |
| Share of loss (profit) of associates | | (351) | 304 | (376) | 446 |
| Loss on disposal of equity investments | | - | - | - | (3) |
| Profit (loss) before income tax | | (366) | 838 | 11 448 | 7 872 |
| Income tax (expense) benefit | 14 | (7) | 58 | (2 381) | (1 280) |
| Profit (loss) for the period | | (373) | 896 | 9 067 | 6 592 |
| Other comprehensive income: | | | | | |
| Items that will not be reclassified subsequently to profit or loss, net of tax: | | | | | |
| Gain arising from change in fair value of financial assets measured at fair value through other comprehensive income | | | | | |
| | | 26 | 708 | 208 | 786 |
| Total other comprehensive income that will not be reclassified to profit or loss | | | | | |
| | | 26 | 708 | 208 | 786 |
| Other comprehensive income for the period | | | | | |
| | | 26 | 708 | 208 | 786 |
| Comprehensive income (loss) for the period | | | | | |
| | | (347) | 1 604 | 9 275 | 7 378 |
| Profit (loss) for the period attributable to: | | | | | |
| Owners of PJSC Mosenergo | | | | | |
| | | (373) | 896 | 9 067 | 6 592 |
| Comprehensive income (loss) for the period attributable to: | | | | | |
| Owners of PJSC Mosenergo | | | | | |
| | | (347) | 1 604 | 9 275 | 7 378 |
| Basic and diluted earnings (loss) per share attributable to the owners of PJSC Mosenergo (in Russian Rubles) | | | | | |
| | 19 | (0,009) | 0,023 | 0,228 | 0,166 |

A.A. Butko
 Managing director

06 August 2021

E.Y. Novenkova
 Chief Accountant

06 August 2021

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PJSC Mosenergo
Condensed interim consolidated statement of cash flows
for the six months ended 30 June 2021 (unaudited)
(in millions of Russian Rubles)

| | Notes | Six months ended 30 June | |
|--|-------|-----------------------------|-----------------|
| | | 2021 | 2020 |
| Cash flows from operating activities | | | |
| Profit before income tax | | 11 448 | 7 872 |
| Adjustments to profit before income tax | | | |
| Amortisation and depreciation | 17 | 12 079 | 11 376 |
| Impairment loss on financial assets | 17 | 1 206 | 1 372 |
| Reversal of impairment loss on non-financial assets | 17 | - | (21) |
| Change in provisions | 17 | 171 | 24 |
| Share of loss (profit) of associates | | 376 | (446) |
| Loss on disposal of equity investments | | - | 3 |
| Loss on disposal of property, plant and equipment and other assets | 17 | 283 | 149 |
| Finance income | 18 | (1 394) | (2 483) |
| Finance expense | 18 | 664 | 1 833 |
| Total effect of adjustments | | 13 385 | 11 807 |
| Cash flows from operating activities before working capital changes | | 24 833 | 19 679 |
| Working capital changes | | | |
| Change in accounts receivable and prepayments | | (1 072) | 3 861 |
| Change in inventories | | (67) | 60 |
| Change in accounts payable and other liabilities | | 367 | (207) |
| Change in other taxes payable | | (1 237) | (1 110) |
| Change in provision for post-employment benefits | | 8 | 3 |
| Total effect of working capital changes | | (2 001) | 2 607 |
| Income tax paid | | (4 229) | (2 598) |
| Interest paid | | (628) | (927) |
| Net cash from operating activities | | 17 975 | 18 761 |
| Cash flows from investing activities | | | |
| Acquisitions of property, plant and equipment and intangible assets | | (12 722) | (7 206) |
| Proceeds from sale of property, plant and equipment | | 113 | 68 |
| Loans issued | | (316) | - |
| Repayment of loans issued | | 2 407 | - |
| Interest received | | 1 286 | 1 196 |
| Placement of short-term deposits | | - | (8 900) |
| Net cash used in investing activities | | (9 232) | (14 842) |
| Cash flows from financing activities | | | |
| Repayment of borrowings | | - | (649) |
| Repayment of lease liabilities | | (297) | (171) |
| Net cash used in financing activities | | (297) | (820) |
| Effect of foreign exchange rate changes on cash and cash equivalents | | - | 10 |
| Increase in cash and cash equivalents | | 8 446 | 3 109 |
| Cash and cash equivalents at the beginning of the period | 10 | 7 679 | 11 658 |
| Cash and cash equivalents at the end of the period | 10 | 16 125 | 14 767 |

A.A. Butko
Managing director

06 August 2021

E.Y. Novenkova
Chief Accountant

06 August 2021

The accompanying notes on the pages 9 to 27 are an integral part of these condensed interim consolidated financial statements.

PJSC Mosenergo
Condensed interim consolidated statement of changes in equity
for the six months ended 30 June 2021 (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 2020 | | 166 124 | 48 661 | - | 153 210 | (41 545) | 326 450 |
| Profit for the period | | - | - | - | - | 6 592 | 6 592 |
| Other comprehensive income (loss): | | | | | | | |
| Gain arising from change in fair value of financial assets measured at fair value through other comprehensive income | | - | - | - | - | 786 | 786 |
| Transfers from revaluation surplus on property, plant and equipment to accumulated loss and other reserves | | - | - | - | (88) | 88 | - |
| Comprehensive income (loss) for the period | | - | - | - | (88) | 7 466 | 7 378 |
| Transactions with the owners of PJSC Mosenergo | | | | | | | |
| Dividends declared | 11 | - | - | - | - | (4 800) | (4 800) |
| Balance as of 30 June 2020 | | 166 124 | 48 661 | - | 153 122 | (38 879) | 329 028 |
| Balance as of 1 January 2021 | | 166 124 | 48 661 | - | 152 290 | (37 284) | 329 791 |
| Profit for the period | | - | - | - | - | 9 067 | 9 067 |
| Other comprehensive income (loss): | | | | | | | |
| Gain arising from change in fair value of financial assets measured at fair value through other comprehensive income | | - | - | - | - | 208 | 208 |
| Transfers from revaluation surplus on property, plant and equipment to accumulated loss and other reserves | | - | - | - | (215) | 215 | - |
| Comprehensive income (loss) for the period | | - | - | - | (215) | 9 490 | 9 275 |
| Transactions with the owners of PJSC Mosenergo | | | | | | | |
| Dividends declared | 11 | - | - | - | - | (7 133) | (7 133) |
| Balance as of 30 June 2021 | | 166 124 | 48 661 | - | 152 075 | (34 927) | 331 933 |

A.A. Butko
 Managing director

06 August 2021

E.Y. Novenkova
 Chief Accountant

08 August 2021

The accompanying notes on the pages 9 to 27 are an integral part of these condensed interim consolidated financial statements.

1 General information

1.1 Organisation and operations

Public Joint-Stock Company of Power Supply and Electrification 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 operation of the Group for the generation of electricity and heat is provided by 15 power plants, the average annual installed electric and heat capacity of which for the three months ended 30 June 2021 amounted to 12 825 MW and 43 820 GCal/h (for the three months ended 30 June 2020: 12 825 MW and 43 211 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 June 2021 | 31 December 2020 |
| 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% |

As at 30 June 2021 there are no significant restrictions on the ability to access the assets of subsidiaries or use them to settle the liabilities of subsidiaries.

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 53,85% of PJSC Mosenergo as of 30 June 2021. 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, is subject to frequent changes and allows for different 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.

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

2.1 Basis for the preparation of financial information

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 2020, prepared in accordance with International Financial Reporting Standards (together referred to as the "IFRS").

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 2020.

3.1 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 2021. In particular, the Group has not early adopted the amendments:

- The amendments to IFRS 16 Leases (issued in March 2021 and effective for annual reporting periods beginning on or after 1 April 2021). The amendments extend the previously effective COVID-19 related rent concessions, which were issued in May 2020 and were effective for annual reporting periods beginning on or after 1 June 2020, and 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 amendments do not affect lessors.
- 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 amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (issued in February 2021 and effective for annual reporting periods beginning on or after 1 January 2023). The amendments clarify how distinguish changes in accounting estimates from changes in accounting policies.
- The amendments to IAS 12 Income Taxes (issued in May 2021 and effective for annual reporting periods beginning on or after 1 January 2023). The amendments clarify that the recognition exemption does not apply to transactions in which equal deductible and taxable temporary differences arise on initial recognition.

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 June 2021 (unaudited)
(in millions of Russian Rubles)

4.1 Financial results of segments

The segment information for the three and six months ended 30 June 2021 and 30 June 2020 is as follows:

| | Notes | Electric energy | Heat energy | All other segments | Total | Intra-group transactions | Total |
|---|-------|-----------------|----------------|--------------------|----------------|--------------------------|----------------|
| Six months ended 30 June 2021 | | | | | | | |
| Revenue | | 62 610 | 53 834 | 1 828 | 118 272 | (620) | 117 652 |
| Revenue from external customers | 16 | 62 610 | 53 834 | 1 208 | 117 652 | - | 117 652 |
| Intra-group revenue | | - | - | 620 | 620 | (620) | - |
| Segment financial result | | 11 990 | 930 | (1 745) | 11 175 | - | 11 175 |
| Amortisation and depreciation (Impairment loss) reversal of impairment loss on financial assets | 17 | (5 619) | (5 751) | (709) | (12 079) | - | (12 079) |
| | 17 | 55 | (2) | (1 259) | (1 206) | - | (1 206) |
| Six months ended 30 June 2020 | | | | | | | |
| Revenue | | 50 376 | 41 512 | 1 484 | 93 372 | (420) | 92 952 |
| Revenue from external customers | 16 | 50 376 | 41 504 | 1 072 | 92 952 | - | 92 952 |
| Intra-group revenue | | - | 8 | 412 | 420 | (420) | - |
| Segment financial result | | 9 734 | (2 330) | (619) | 6 785 | - | 6 785 |
| Amortisation and depreciation (Impairment loss) reversal of impairment loss on financial assets | 17 | (5 113) | (5 472) | (791) | (11 376) | - | (11 376) |
| | 17 | (588) | (814) | 30 | (1 372) | - | (1 372) |
| Three months ended 30 June 2021 | | | | | | | |
| Revenue | | 26 054 | 13 004 | 887 | 39 945 | (325) | 39 620 |
| Revenue from external customers | 16 | 26 054 | 13 004 | 562 | 39 620 | - | 39 620 |
| Intra-group revenue | | - | - | 325 | 325 | (325) | - |
| Segment financial result | | 2 146 | (2 009) | (591) | (454) | - | (454) |
| Amortisation and depreciation (Impairment loss) reversal of impairment loss on financial assets | 17 | (3 318) | (2 283) | (344) | (5 945) | - | (5 945) |
| | 17 | 38 | (4) | (343) | (309) | - | (309) |
| Three months ended 30 June 2020 | | | | | | | |
| Revenue | | 20 260 | 12 355 | 777 | 33 392 | (239) | 33 153 |
| Revenue from external customers | 16 | 20 260 | 12 354 | 539 | 33 153 | - | 33 153 |
| Intra-group revenue | | - | 1 | 238 | 239 | (239) | - |
| Segment financial result | | 1 962 | (2 593) | 38 | (593) | - | (593) |
| Amortisation and depreciation (Impairment loss) reversal of impairment loss on financial assets | 17 | (2 916) | (2 413) | (394) | (5 723) | - | (5 723) |
| | 17 | (199) | (462) | 306 | (355) | - | (355) |

Reconciliation of the segment financial result to the profit before profit (loss) tax in the condensed interim consolidated statement of comprehensive income for the three and six months ended 30 June 2021 and 30 June 2020 is provided as follows:

| | Notes | Three months ended 30 June | | Six months ended 30 June | |
|--|-------|----------------------------|--------------|--------------------------|--------------|
| | | 2021 | 2020 | 2021 | 2020 |
| Segment result for reportable segments | | 137 | (631) | 12 920 | 7 404 |
| Segment result for other segments | | (591) | 38 | (1 745) | (619) |
| Segment financial result | | (454) | (593) | 11 175 | 6 785 |
| Change in provisions | 17 | (97) | 43 | (171) | (24) |
| Net finance income (expense) | 18 | 389 | 1 063 | 730 | 650 |
| Share of loss (profit) of associates | | (351) | 304 | (376) | 446 |
| Other items | | 147 | 21 | 90 | 15 |
| Profit (loss) before income tax | | (366) | 838 | 11 448 | 7 872 |

PJSC Mosenergo

Notes to the condensed interim consolidated financial statements

30 June 2021 (unaudited)

(in millions of Russian Rubles)

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 six months ended 30 June 2021 and amounting to RUB 19 007 million and RUB 47 829 million, respectively (for the three and six months ended 30 June 2020 the total revenue of the same two customers exceeded 10% of the Group's revenue and amounted to RUB 14 274 million and RUB 37 429 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 six months ended 30 June 2021 and amounting to RUB 12 427 million and RUB 51 191 million, respectively (for the three and six months ended 30 June 2020 the revenue of the same customer exceeded 10% of the Group's revenue and amounted to RUB 11 646 million and RUB 39 145 million, respectively).

5 Related parties

In these 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 June 2021 (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:

| | Three months ended | | Six months ended | |
|--|--------------------|----------------|------------------|-----------------|
| | 30 June | | 30 June | |
| <i>Transactions with related parties</i> | 2021 | 2020 | 2021 | 2020 |
| Revenue | 14 955 | 13 188 | 56 699 | 42 533 |
| Heat energy | 12 522 | 11 845 | 51 573 | 39 602 |
| Electricity and capacity | 2 014 | 905 | 4 192 | 2 142 |
| Other revenue | 419 | 438 | 934 | 789 |
| Operating expenses | (9 504) | (7 816) | (51 050) | (38 021) |
| Fuel | (7 796) | (6 403) | (47 338) | (34 912) |
| Repair, maintenance and service | (1 145) | (908) | (2 007) | (1 716) |
| Electricity and capacity | (176) | (138) | (588) | (452) |
| Heat energy transmission | (49) | (60) | (285) | (244) |
| Software and maintenance | (86) | (83) | (186) | (175) |
| Transportation services | (88) | (85) | (177) | (168) |
| Cleaning services | (71) | (77) | (165) | (152) |
| Other operating expenses | (93) | (62) | (304) | (202) |
| Finance income | 505 | 1 001 | 1 012 | 1 810 |
| Interest income on loans issued | 418 | 642 | 838 | 1 285 |
| Effect of discounting financial instruments | 87 | 84 | 158 | 155 |
| Interest income on bank deposits and cash balances on current accounts | - | 41 | 16 | 136 |
| Income from participation in other organisations | - | 234 | - | 234 |
| Finance expense | (250) | (379) | (474) | (780) |
| Interest expense on borrowings | (186) | (313) | (345) | (658) |
| Lease interest expense | (64) | (66) | (129) | (122) |
| Purchase of non-current and current assets | 2 310 | 1 881 | 2 836 | 3 042 |
| Purchase of property, plant and equipment | 2 296 | 1 226 | 2 787 | 2 284 |
| Purchase of other assets | 14 | 655 | 49 | 758 |

| | 30 June | 31 December |
|---|-----------------|-----------------|
| <i>Balances outstanding with related parties</i> | 2021 | 2020 |
| Long-term financial assets | 12 571 | 10 207 |
| Short-term financial assets | 30 209 | 28 927 |
| Long-term accounts receivable and prepayments | 498 | 474 |
| Short-term accounts receivable and prepayments | 19 866 | 22 300 |
| Allowance for impairment loss on short-term receivables | (69) | (65) |
| Cash and cash equivalents | 2 577 | 6 990 |
| Total assets | 65 652 | 68 833 |
| Long-term borrowings | (15 100) | (15 100) |
| Short-term borrowings | (11) | (11) |
| Long-term accounts payable and other liabilities | (859) | (833) |
| Short-term accounts payable and other liabilities | (3 867) | (8 202) |
| Long-term lease liabilities | (2 525) | (2 692) |
| Short-term lease liabilities | (340) | (313) |
| Dividends payable | (3 841) | - |
| Total liabilities | (26 543) | (27 151) |

For the six months ended 30 June 2021 dividends declared to the parent company amounted to RUB 3 841 million (for the six months ended 30 June 2020: RUB 2 568 million).

PJSC Mosenergo
Notes to the condensed interim consolidated financial statements
30 June 2021 (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 and balances outstanding with other state-controlled entities are detailed below:

| | Three months ended 30 June | | Six months ended 30 June | |
|--|-------------------------------|--------------|-----------------------------|-----------------------------|
| | 2021 | 2020 | 2021 | 2020 |
| Transactions with related parties | | | | |
| Revenue | 5 827 | 5 820 | 14 091 | 13 207 |
| Electricity and capacity | 5 602 | 5 588 | 13 282 | 12 456 |
| Heat energy | 150 | 164 | 666 | 613 |
| Other revenue | 75 | 68 | 143 | 138 |
| Operating expenses | (1 316) | (769) | (2 324) | (1 622) |
| Electricity market administration fees | (425) | (385) | (858) | (777) |
| Water supply | (334) | (249) | (679) | (510) |
| Fuel | (328) | (18) | (457) | (62) |
| Security and fire safety | (131) | (44) | (265) | (173) |
| Fines, penalties and compensation for breach of contract terms | (2) | - | 125 | - |
| Other operating expenses | (96) | (73) | (190) | (100) |
| Finance income | 49 | 120 | 102 | 176 |
| Interest income on bank deposits and cash balances on current accounts | 49 | 120 | 102 | 176 |
| Finance expense | (57) | (51) | (116) | (120) |
| Lease interest expense | (57) | (51) | (116) | (120) |
| Other transactions | | | | |
| (Impairment loss) reversal of impairment loss on financial assets | (47) | (22) | 3 | (189) |
| | | | 30 June 2021 | 31 December 2020 |
| Balances outstanding with related parties | | | | |
| Long-term accounts receivable and prepayments | | | 20 | 481 |
| Allowance for impairment loss on long-term receivables | | | - | (164) |
| Short-term accounts receivable and prepayments | | | 15 865 | 16 116 |
| Allowance for impairment loss on short-term receivables | | | (12 549) | (12 441) |
| Cash and cash equivalents | | | 6 817 | 553 |
| Total assets | | | 10 153 | 4 545 |
| Short-term accounts payable and other liabilities | | | (1 390) | (1 416) |
| Long-term lease liabilities | | | (2 060) | (2 079) |
| Short-term lease liabilities | | | (65) | (68) |
| Dividends payable | | | (1 886) | - |
| Total liabilities | | | (5 401) | (3 563) |

For the six months ended 30 June 2021 dividends declared to the other state-controlled entities amounted to RUB 1 886 million (for the six months ended 30 June 2020: RUB 1 269 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 June 2021 (unaudited)
(in millions of Russian Rubles)

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

| | Three months ended 30 June | | Six months ended 30 June | |
|--|-------------------------------|----------------|-----------------------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| Transactions with related parties | | | | |
| Revenue | 15 255 | 10 651 | 38 631 | 29 167 |
| Sale of electricity and capacity | 15 255 | 10 651 | 38 631 | 29 167 |
| Expenses | (3 407) | (1 734) | (7 557) | (4 343) |
| Purchase of electricity and capacity | (3 407) | (1 734) | (7 557) | (4 343) |

| | 30 June 2021 | 31 December 2020 |
|---|-----------------|---------------------|
| Balances outstanding with related parties | | |
| Short-term accounts receivable and prepayments | 2 248 | 2 782 |
| Allowance for impairment loss on short-term receivables | (2) | (1) |
| Total assets | 2 246 | 2 781 |
| Short-term accounts payable and other liabilities | (473) | (461) |
| Total liabilities | (473) | (461) |

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:

| | Three months ended 30 June | | Six months ended 30 June | |
|--|-------------------------------|------------|-----------------------------|------------|
| | 2021 | 2020 | 2021 | 2020 |
| Transactions with related parties | | | | |
| Revenue | 240 | 234 | 1 042 | 839 |
| Heat energy | 240 | 234 | 1 042 | 839 |
| Other transactions | | | | |
| Impairment loss on financial assets | (270) | (278) | (1 227) | (997) |

| | 30 June 2021 | 31 December 2020 |
|---|-----------------|---------------------|
| Balances outstanding with related parties | | |
| Long-term financial assets | 2 239 | 2 239 |
| Allowance for impairment loss on long-term financial assets | (2 239) | (2 239) |
| Short-term financial assets | 10 | 6 |
| Short-term accounts receivable and prepayments | 4 089 | 2 862 |
| Allowance for impairment loss on short-term receivables | (4 089) | (2 862) |
| Total assets | 10 | 6 |

PJSC Mosenergo

Notes to the condensed interim consolidated financial statements

30 June 2021 (unaudited)

(in millions of Russian Rubles)

5.4 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 and consisted of a monthly salary, premium, accrued on these taxes and other obligatory payments into the corresponding budgets, health insurance costs.

| <i>Transactions with related parties</i> | Three months ended 30 June | | Six months ended 30 June | |
|--|-------------------------------|----------|-----------------------------|-----------|
| | 2021 | 2020 | 2021 | 2020 |
| Wages and salaries | 5 | 7 | 16 | 17 |
| Social taxes and contributions | 1 | 1 | 3 | 3 |
| Total | 6 | 8 | 19 | 20 |

There are no outstanding balances as of 30 June 2021 and as of 31 December 2020 for transactions with key management.

Remuneration to managing organisation LLC Gazprom energoholding for the three and six months ended 30 June 2021 was in the amount of RUB 33 million and RUB 65 million respectively (for the three and six months ended 30 June 2020: RUB 32 million and RUB 65 million respectively).

Accounts payable for managing organisation as of 30 June 2021 is in the amount of RUB 69 million (as of 31 December 2020: RUB 69 million).

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

| | 30 June 2021 | 31 December 2020 |
|----------------------------------|-----------------|---------------------|
| Gazprom Group and its associates | 11 545 | 12 202 |
| Total | 11 545 | 12 202 |

PJSC Mosenergo
Notes to the condensed interim consolidated financial statements
30 June 2021 (unaudited)
(in millions of Russian Rubles)

6 Property, plant and equipment

Changes in the carrying amount of property, plant and equipment are presented below:

| | ROUA | B&C | M&E | TN | Other | CIP | Total |
|---|----------------|----------------|-----------------|----------------|----------------|---------------|-----------------|
| Revalued amount | | | | | | | |
| Balance as of 1 January 2020 | 5 955 | 124 690 | 99 579 | 12 674 | 18 534 | 26 298 | 287 730 |
| Additions | 880 | - | 17 | 2 | 2 | 5 390 | 6 291 |
| Effect of leases modification | (1 010) | - | - | - | - | - | (1 010) |
| Disposals | (1) | (156) | (78) | (3) | (8) | (183) | (429) |
| Transfers | - | 309 | 983 | 1 | 68 | (1 361) | - |
| Transfer from other accounts | - | 13 | - | - | 2 | - | 15 |
| Balance as of 30 June 2020 | 5 824 | 124 856 | 100 501 | 12 674 | 18 598 | 30 144 | 292 597 |
| Balance as of 1 January 2021 | 5 812 | 126 855 | 107 473 | 12 692 | 20 702 | 29 509 | 303 043 |
| Additions | 788 | - | 6 | - | 34 | 8 729 | 9 557 |
| Effect of leases modification | 27 | - | - | - | - | - | 27 |
| Disposals | (44) | - | (210) | (5) | (160) | (167) | (586) |
| Transfers | - | 386 | 1 619 | 29 | 592 | (2 626) | - |
| Transfer from other accounts | - | 65 | - | - | - | - | 65 |
| Balance as of 30 June 2021 | 6 583 | 127 306 | 108 888 | 12 716 | 21 168 | 35 445 | 312 106 |
| Depreciation and impairment loss | | | | | | | |
| Balance as of 1 January 2020 | (503) | - | (1 982) | (633) | - | - | (3 118) |
| Depreciation charge | (255) | (2 964) | (6 180) | (558) | (1 276) | - | (11 233) |
| Transfers | - | - | (99) | - | - | 99 | - |
| Disposals | 1 | 3 | 33 | - | 1 | 3 | 41 |
| Balance as of 30 June 2020 | (757) | (2 961) | (8 228) | (1 191) | (1 275) | 102 | (14 310) |
| Balance as of 1 January 2021 | (1 025) | (6 430) | (15 328) | (1 847) | (2 792) | (514) | (27 936) |
| Depreciation charge | (288) | (3 084) | (6 777) | (551) | (1 204) | - | (11 904) |
| Transfers | - | (3) | (58) | - | (65) | 126 | - |
| Disposals | 8 | - | 48 | - | 58 | - | 114 |
| Balance as of 30 June 2021 | (1 305) | (9 517) | (22 115) | (2 398) | (4 003) | (388) | (39 726) |
| Net book value | | | | | | | |
| Balance as of 1 January 2020 | 5 452 | 124 690 | 97 597 | 12 041 | 18 534 | 26 298 | 284 612 |
| Balance as of 30 June 2020 | 5 067 | 121 895 | 92 273 | 11 483 | 17 323 | 30 246 | 278 287 |
| Balance as of 1 January 2021 | 4 787 | 120 425 | 92 145 | 10 845 | 17 910 | 28 995 | 275 107 |
| Balance as of 30 June 2021 | 5 278 | 117 789 | 86 773 | 10 318 | 17 165 | 35 057 | 272 380 |
| Net book value of property, plant and equipment had no revaluation taken place | | | | | | | |
| Balance as of 1 January 2020 | 5 452 | 50 262 | 70 006 | 9 681 | 11 756 | 26 146 | 173 303 |
| Balance as of 30 June 2020 | 5 067 | 49 581 | 66 422 | 9 294 | 11 304 | 30 010 | 171 678 |
| Balance as of 1 January 2021 | 4 787 | 50 642 | 69 070 | 8 888 | 12 958 | 28 669 | 175 014 |
| Balance as of 30 June 2021 | 5 278 | 50 039 | 65 564 | 8 521 | 12 889 | 34 220 | 176 511 |

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 June 2021 property, plant and equipment included right-of-use assets with carrying amount of RUB 5 278 million, related mainly to land and office buildings (as of 31 December 2020: RUB 4 787 million).

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

Other right-of-use assets include land.

The total cash flow under lease agreements for the six months ended 30 June 2021 was in the amount of RUB 580 million, of which RUB 283 million accounted for interest expenses and RUB 297 million to repay the principal amount of the debt (for the six months ended 30 June 2020: RUB 421 million, of which RUB 250 million accounted for interest expenses and RUB 171 million to repay the principal amount of the debt).

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

PJSC Mosenergo
Notes to the condensed interim consolidated financial statements
30 June 2021 (unaudited)
(in millions of Russian Rubles)

7 Accounts receivable and prepayments

| | 30 June 2021 | 31 December 2020 |
|--|-------------------------|-----------------------------|
| Trade receivables | 21 | 263 |
| Accounts receivable from sale of property, plant and equipment | 2 | 3 |
| Other receivables | 39 | 131 |
| Total financial assets | 62 | 397 |
| Advances to suppliers and prepaid expenses | 1 026 | 982 |
| Other receivables | 22 | 56 |
| Total non-financial assets | 1 048 | 1 038 |
| Total non-current accounts receivable and prepayments | 1 110 | 1 435 |
| Trade receivables | 23 086 | 29 475 |
| Accounts receivable from sale of property, plant and equipment | 909 | 1 091 |
| Other receivables | 214 | 204 |
| Total financial assets | 24 209 | 30 770 |
| Advances to suppliers and prepaid expenses | 3 000 | 939 |
| Tax prepayments other than income tax | 971 | 945 |
| VAT recoverable | 182 | 142 |
| Other receivables | 147 | 113 |
| Total non-financial assets | 4 300 | 2 139 |
| Total current accounts receivable and prepayments | 28 509 | 32 909 |

Trade receivables are presented net of allowance for impairment as of 30 June 2021 in the amount of RUB 17 193 million (as of 31 December 2020: RUB 16 279 million).

Receivables from sale of property, plant and equipment are presented net of allowance for impairment as of 30 June 2021 in the amount of RUB 69 million (as of 31 December 2020: RUB 65 million).

Other financial receivables are presented net of allowance for impairment as of 30 June 2021 in the amount of RUB 33 million (as of 31 December 2020: RUB 33 million).

Other non-financial receivables are presented net of allowance for impairment as of 30 June 2021 in the amount of RUB 513 million (as of 31 December 2020: RUB 535 million).

Advances to suppliers and prepaid expenses are presented net of allowance for impairment as of 30 June 2021 in the amount of RUB 953 million (as of 31 December 2020: RUB 955 million).

These provisions are mainly related to short-term receivables and prepayments, except for the provision for trade receivables in the amount of RUB nil million, which was formed for long-term trade receivables at 30 June 2021 (as at 31 December 2020: RUB 164 million).

8 Other financial assets

| | 30 June 2021 | 31 December 2020 |
|---------------------------------------|-------------------------|-----------------------------|
| Loans issued | 14 809 | 9 298 |
| Impairment loss on loans issued | (2 239) | (2 239) |
| Equity instruments measured at FVTOCI | 1 311 | 4 459 |
| Total non-current assets | 13 881 | 11 518 |
| Loans issued | 30 218 | 28 933 |
| Deposits | 7 215 | 7 075 |
| Total current assets | 37 433 | 36 008 |

PJSC Mosenergo
Notes to the condensed interim consolidated financial statements
30 June 2021 (unaudited)
(in millions of Russian Rubles)

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

| | 30 June 2021 | 31 December 2020 |
|-----------------------|-------------------------|-----------------------------|
| LLC GAZEKS-Management | | |
| Share in equity | 28,42% | 33,33% |
| Fair value | 1 311 | 1 311 |
| PJSC OGK-2 | | |
| Share in equity | - | 3,89% |
| Fair value | - | 3 148 |

On 29 June 2021 PJSC Mosenergo transferred its share in full PJSC OGK-2 to LLC Gazprom Energoholding, as a partial payment for the acquired right under a monetary obligation to the debtor (PJSC OGK-2) that arose under the purchase and sale agreement of the Adler power plant concluded between LLC Gazprom Energoholding and PJSC OGK-2 on 16 November 2020.

The received monetary obligation to the debtor (PJSC OGK-2) with a significant financing component, outstanding at the reporting date in the amount of RUB 9 075 million, was recorded in the condensed interim consolidated statement of financial position as “Other financial assets” within “Loans issued”.

On 13 January 2020 PJSC Mosenergo transferred a part of the share of the share capital of LLC GAZEKS Management in the amount of 4.92% to LLC Gazprom Mezhhregiongaz.

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 June 2021 | 31 December 2020 |
|------------------------|-------------------------|-----------------------------|
| Fuel | 7 615 | 7 645 |
| Spare parts | 5 654 | 6 876 |
| Materials and supplies | 1 559 | 1 608 |
| Other inventories | 297 | (29) |
| Total | 15 125 | 16 100 |

As of 30 June 2021 the amount of the write-down of inventories to net realisable value amounted to RUB 248 million (31 December 2020: RUB 254 million).

As of 30 June 2021 and as of 31 December 2020 the Group does not have pledged inventories.

10 Cash and cash equivalents

| | 30 June 2021 | 31 December 2020 |
|---|-------------------------|-----------------------------|
| Cash on hand and bank balances | 371 | 223 |
| Deposits with original maturity of three months or less | 15 754 | 7 456 |
| Total cash and cash equivalents | 16 125 | 7 679 |

As of 30 June 2021 and 31 December 2020, the Group had no arrested cash amounts.

PJSC Mosenergo
Notes to the condensed interim consolidated financial statements
30 June 2021 (unaudited)
(in millions of Russian Rubles)

11 Equity

11.1 Share capital and share premium

As of 30 June 2021 and 31 December 2020 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 June 2021 and 31 December 2020 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 June 2021 and 31 December 2020 are realised completely.

11.3 Dividends

On 23 June 2021 the Annual General Shareholders' Meeting of the PJSC Mosenergo made the decision to pay dividends for the results of Group's activity for 2020. The amount of declared dividends on the issuer shares was RUB 0,17945 per share, total amount of dividends is RUB 7 133 million.

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.

11.4 Revaluation reserve

As of 30 June 2021 in the line item "Revaluation reserve" there were disclosed revaluation reserve for property, plant and equipment in the amount of RUB 152 075 million (as of 31 December 2020: RUB 152 290 million).

12 Borrowings

| | 30 June 2021 | 31 December 2020 |
|--|-------------------------|-----------------------------|
| Bank borrowings | 15 100 | 15 100 |
| Total long-term borrowings | 15 100 | 15 100 |
| Current portion of long-term bank borrowings | 11 | 11 |
| Total short-term borrowings | 11 | 11 |

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

| | Interest rate | Year of maturity | 30 June 2021 | 31 December 2020 |
|----------------|--------------------------|-----------------------------|---------------------|-----------------------------|
| Bank GPB (JSC) | RUB | 4,78% | 2022 | 15 111 |
| Total | | | 15 111 | 15 111 |

As of 30 June 2021 and 31 December 2020, the Group met financial covenant of loan agreements.

PJSC Mosenergo
Notes to the condensed interim consolidated financial statements
30 June 2021 (unaudited)
(in millions of Russian Rubles)

13 Accounts payable and other liabilities

| | 30 June 2021 | 31 December 2020 |
|---|-------------------------|-----------------------------|
| Accounts payable for acquired property, plant and equipment | 802 | 834 |
| Total financial liabilities | 802 | 834 |
| Liabilities from contracts with customers | 57 | - |
| Total non-financial liabilities | 57 | - |
| Total non-current accounts payable and other liabilities | 859 | 834 |
| Trade payables | 5 454 | 6 460 |
| Dividends payable | 7 227 | 96 |
| Accounts payable for acquired property, plant and equipment | 2 730 | 6 224 |
| Other payables | 523 | 523 |
| Total financial liabilities | 15 934 | 13 303 |
| Liabilities from contracts with customers | 881 | 775 |
| Other payables | 1 391 | 1 103 |
| Total non-financial liabilities | 2 272 | 1 878 |
| Total current accounts payable and other liabilities | 18 206 | 15 181 |

14 Income tax

14.1 Components of income tax

The Group's income tax rate is 20%.

| | 2021 | 2020 |
|---|----------------|----------------|
| Six months ended 30 June | | |
| Current income tax for period | (3 541) | (2 059) |
| Adjustments to current income tax of previous periods | (1) | - |
| Current income tax expense | (3 542) | (2 059) |
| Recognition and reversal of temporary differences | 1 161 | 779 |
| Deferred income tax profit | 1 161 | 779 |
| Income tax expense | (2 381) | (1 280) |
| Three months ended 30 June | | |
| Current income tax for period | (696) | (344) |
| Current income tax expense | (696) | (344) |
| Recognition and reversal of temporary differences | 689 | 402 |
| Deferred income tax profit | 689 | 402 |
| Income tax (expense) benefit | (7) | 58 |

PJSC Mosenergo
Notes to the condensed interim consolidated financial statements
30 June 2021 (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 six months ended 30 June 2021 and 30 June 2020 are as follows:

| | Opening balance | Effect of new standards | Recog- nised in P/L¹⁾ | Recog- nised in OCI²⁾ | Closing balance |
|--|----------------------------|--|---|---|----------------------------|
| Six months ended 30 June 2021 | | | | | |
| Property, plant and equipment | (37 839) | - | 864 | - | (36 975) |
| Investment property | (226) | - | 13 | - | (213) |
| Other financial assets | 520 | - | 254 | (52) | 722 |
| Accounts receivable and prepayments | 430 | - | 69 | - | 499 |
| Accounts payable and other liabilities | 101 | - | (193) | - | (92) |
| Lease liabilities | 1 038 | - | 94 | - | 1 132 |
| Provision for post-employment benefits | 84 | - | 3 | - | 87 |
| Tax losses carried forward | 163 | - | 27 | - | 190 |
| Provisions | 204 | - | 26 | - | 230 |
| Borrowings | 4 | - | (4) | - | - |
| Other | 67 | - | 8 | - | 75 |
| Total | (35 454) | - | 1 161 | (52) | (34 345) |
| Six months ended 30 June 2020 | | | | | |
| Property, plant and equipment | (40 361) | - | 1 049 | - | (39 312) |
| Investment property | (215) | - | (4) | - | (219) |
| Other financial assets | 401 | - | 84 | (201) | 284 |
| Accounts receivable and prepayments | 535 | - | (128) | - | 407 |
| Non-current assets held for sale | 18 | - | (4) | - | 14 |
| Accounts payable and other liabilities | 71 | - | (263) | - | (192) |
| Lease liabilities | 1 137 | - | (60) | - | 1 077 |
| Provision for post-employment benefits | 82 | - | 1 | - | 83 |
| Tax losses carried forward | 146 | - | 5 | - | 151 |
| Provisions | 678 | - | (6) | - | 672 |
| Borrowings | (19) | - | 9 | - | (10) |
| Other | (2) | - | 96 | - | 94 |
| Total | (37 529) | - | 779 | (201) | (36 951) |

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 Other taxes payable

| | 30 June 2021 | 31 December 2020 |
|----------------------------------|-------------------------|-----------------------------|
| VAT payable | 1 234 | 1 788 |
| Property tax payable | 413 | 427 |
| Social contributions payable | 244 | 245 |
| Other taxes payable | 75 | 11 |
| Total other taxes payable | 1 966 | 2 471 |

PJSC Mosenergo
Notes to the condensed interim consolidated financial statements
30 June 2021 (unaudited)
(in millions of Russian Rubles)

16 Revenue

| | Three months ended 30 June | | Six months ended 30 June | |
|--------------------------|----------------------------------|---------------|--------------------------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| Electricity and capacity | 26 054 | 20 260 | 62 610 | 50 376 |
| Heat energy | 13 004 | 12 354 | 53 834 | 41 504 |
| Other revenue | 562 | 539 | 1 208 | 1 072 |
| Total | 39 620 | 33 153 | 117 652 | 92 952 |

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

17 Operating expenses

| | Three months ended 30 June | | Six months ended 30 June | |
|--|----------------------------------|---------------|--------------------------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| Fuel | 22 577 | 18 999 | 70 281 | 55 136 |
| Amortisation and depreciation | 5 945 | 5 723 | 12 079 | 11 376 |
| Electricity and capacity | 3 649 | 1 903 | 8 299 | 4 826 |
| Employee benefits | 3 126 | 2 952 | 6 138 | 6 035 |
| Repair, maintenance and service | 1 788 | 1 280 | 2 914 | 2 334 |
| Taxes other than income tax | 474 | 443 | 970 | 950 |
| Electricity market administration fees | 429 | 389 | 868 | 788 |
| Water supply | 335 | 250 | 682 | 513 |
| Other materials | 271 | 332 | 628 | 570 |
| Security and fire safety | 274 | 253 | 547 | 502 |
| Heat energy transmission | 54 | 65 | 310 | 263 |
| Loss on disposal of property, plant and equipment and other assets | 46 | 193 | 283 | 149 |
| Transportation services | 134 | 147 | 267 | 270 |
| Software and maintenance | 114 | 126 | 233 | 234 |
| Cleaning services | 98 | 155 | 206 | 251 |
| Change in provisions | 97 | (43) | 171 | 24 |
| Insurance expenses excluding medical insurance | 54 | 54 | 107 | 107 |
| Consulting, legal and audit services | 26 | 31 | 68 | 101 |
| Reversal of impairment loss on non-financial assets | - | (14) | - | (21) |
| Fines, penalties and compensation for breach of contract terms | 8 | (8) | (121) | (30) |
| Other operating expenses | 216 | 97 | 422 | 423 |
| Total operating expenses | 39 715 | 33 327 | 105 352 | 84 801 |

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

| | Three months ended 30 June | | Six months ended 30 June | |
|--|----------------------------------|--------------|--------------------------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| Impairment loss on trade receivables | (309) | (355) | (1 206) | (1 372) |
| Total impairment loss on financial assets | (309) | (355) | (1 206) | (1 372) |
| Reversal of inventories | - | 1 | - | 4 |
| Reversal of impairment loss on other receivables | - | 13 | - | 17 |
| Total reversal of impairment loss on non-financial assets | - | 14 | - | 21 |
| Change in tax provision | (97) | 43 | (171) | (24) |
| Total change in provisions | (97) | 43 | (171) | (24) |

PJSC Mosenergo
Notes to the condensed interim consolidated financial statements
30 June 2021 (unaudited)
(in millions of Russian Rubles)

Employee benefits include the following:

| | Three months ended 30 June | | Six months ended 30 June | |
|--------------------------------------|----------------------------|--------------|--------------------------|--------------|
| | 2021 | 2020 | 2021 | 2020 |
| Wages and salaries | 2 345 | 2 215 | 4 598 | 4 532 |
| Social contribution | 703 | 662 | 1 389 | 1 366 |
| Voluntary medical insurance expenses | 52 | 53 | 104 | 104 |
| Others | 26 | 22 | 47 | 33 |
| Total employee benefits | 3 126 | 2 952 | 6 138 | 6 035 |

For the six months ended 30 June 2021 the average number of employees of the Group was 8 760 (for the six months ended 30 June 2020: 8 775).

18 Finance income and expense

| | Three months ended 30 June | | Six months ended 30 June | |
|--|----------------------------|--------------|--------------------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| Interest income on loans issued | 449 | 660 | 895 | 1 324 |
| Interest income on bank deposits and cash balances on current accounts | 188 | 210 | 338 | 365 |
| Effect of discounting financial instruments | 89 | 87 | 161 | 164 |
| Foreign exchange gain | - | 384 | - | 390 |
| Income from participation in other organisations | - | 240 | - | 240 |
| Total finance income | 726 | 1 581 | 1 394 | 2 483 |
| Interest expense on borrowings | (186) | (328) | (345) | (688) |
| Lease interest expense | (139) | (120) | (283) | (250) |
| Effect of discounting financial instruments | (6) | - | (24) | - |
| Interest expense on provision for post-employment benefits | (6) | (6) | (12) | (12) |
| Foreign exchange loss | - | (53) | - | (861) |
| Other interest expense | - | (11) | - | (22) |
| Total finance expense | (337) | (518) | (664) | (1 833) |

19 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.

| | 2021 | 2020 |
|---|----------------|---------------|
| Six months ended 30 June | | |
| Issued shares (million of pieces) | 39 749 | 39 749 |
| Weighted average number of ordinary shares (million of pieces) | 39 749 | 39 749 |
| Profit attributable to the owners of PJSC Mosenergo (in RUB million) | 9 067 | 6 592 |
| Profit per ordinary share (basic and diluted) (in RUB) | 0,228 | 0,166 |
| Three months ended 30 June | | |
| Issued shares (million of pieces) | 39 749 | 39 749 |
| Weighted average number of ordinary shares (million of pieces) | 39 749 | 39 749 |
| (Loss) profit attributable to the owners of PJSC Mosenergo (in RUB million) | (373) | 896 |
| (Loss) profit per ordinary share (basic and diluted) (in RUB) | (0,009) | 0,023 |

As of 30 June 2021 and 31 December 2020 there are no dilutive financial instruments outstanding in the Group.

20 Contingent and contractual obligations

As of 30 June 2021 the Group was involved in a number of contracts for construction and purchase of property, plant and equipment for RUB 16 013 million (31 December 2020: RUB 16 957 million).

21 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 1,2 and Level 3 for the six months ended 30 June 2021 (31 December 2020: there was no change). There were no transfers between levels for the six months ended 30 June 2021 (31 December 2020: there were no transfers).

As of 30 June 2021 and 31 December 2020 the Group had the following assets that are measured at fair value:

| | Note | Level 1 | Level 2 | Level 3 | Total |
|---------------------------------------|------|------------|------------|------------|--------------|
| Balance as of 30 June 2021 | | | | | |
| Financial assets at FVTOCI | 8 | - | - | 1 311 | 1 311 |
| Balance as of 31 December 2020 | | | | | |
| Financial assets at FVTOCI | 8 | 3 148 | - | 1 311 | 4 459 |

As of 30 June 2021 and 31 December 2020, 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.