

Consolidated Interim Condensed Financial Statements  
(unaudited)

***Public Joint-Stock Company***

***"Rosseti Moscow region"***

***and its subsidiaries***

for the three months ended 31 March 2021

*May 2021*

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**PJSC Rosseti Moscow Region**  
*Consolidated Interim Condensed Statement of Financial Position (unaudited)*  
as at 31 March 2021 (in thousands of Russian roubles, unless otherwise stated)

		<b>31 March 2021</b>	<b>31 December 2020</b>
	<b>Note</b>	<b>(unaudited)</b>	<b>(audited)</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	320 442 013	320 436 180
Right-of-use assets	13	3 636 520	3 810 950
Intangible assets	12	4 694 900	4 674 085
Trade and other receivables	14	167 070	178 563
Assets related to employee defined benefits plans		215 637	189 615
Other non-current non-financial assets	15	1 928 579	1 833 573
<b>Total non-current assets</b>		<b>331 084 719</b>	<b>331 122 966</b>
<b>Current assets</b>			
Inventories		3 857 236	3 852 477
Income tax receivable		552 792	17 386
Trade and other receivables	14	13 447 550	14 150 555
Other current non-financial assets	15	7 250 742	6 788 572
Cash and cash equivalents	16	2 637 787	1 335 885
<b>Total current assets</b>		<b>27 746 107</b>	<b>26 144 875</b>
<b>Total assets</b>		<b>358 830 826</b>	<b>357 267 841</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	17	24 353 546	24 353 546
Retained earnings		159 711 842	153 062 848
<b>Total equity</b>		<b>184 065 388</b>	<b>177 416 394</b>
<b>Non-current liabilities</b>			
Loans and borrowings	19	80 517 562	84 407 534
Employee benefits		2 971 175	3 198 103
Deferred tax liabilities		14 952 290	14 281 386
Contract liabilities	21	11 933 057	11 384 032
Trade and other payables	20	4 118 867	3 677 095
<b>Total non-current liabilities</b>		<b>114 492 951</b>	<b>116 948 150</b>
<b>Current liabilities</b>			
Loans and borrowings	19	1 602 390	1 070 094
Income tax payable		4 894	206 041
Other taxes payable		4 675 687	1 947 131
Contract liabilities	21	28 250 974	27 310 345
Trade and other payables	20	16 705 550	23 629 574
Contingent liabilities	22	9 032 992	8 740 112
<b>Total current liabilities</b>		<b>60 272 487</b>	<b>62 903 297</b>
<b>Total equity and liabilities</b>		<b>358 830 826</b>	<b>357 267 841</b>

The accompanying notes are in integral part of this Consolidated Interim Condensed Financial Statements

**PJSC Rosseti Moscow Region**  
*Consolidated Interim Condensed Statement of Changes in Equity (unaudited)*  
*for the three months ended 31 March 2021 (in thousands of Russian roubles, unless otherwise stated)*

	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total equity</b>
<b>Balance at 1 January 2020</b>	<b>24 353 546</b>	<b>149 581 711</b>	<b>173 935 257</b>
Profit for the period	-	3 965 309	3 965 309
Other comprehensive income	-	104 598	104 598
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>4 069 907</b>	<b>4 069 907</b>
<b>Balance at 31 March 2020 (unaudited)</b>	<b>24 353 546</b>	<b>153 651 618</b>	<b>178 005 164</b>
<b>Balance at 1 January 2021</b>	<b>24 353 546</b>	<b>153 062 848</b>	<b>177 416 394</b>
Profit for the period	-	6 456 411	6 456 411
Other comprehensive income	-	192 583	192 583
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>6 648 994</b>	<b>6 648 994</b>
<b>Balance at 31 March 2021 (unaudited)</b>	<b>24 353 546</b>	<b>159 711 842</b>	<b>184 065 388</b>

*The accompanying notes are in integral part of this Consolidated Interim Condensed Financial Statements*

**PJSC Rosseti Moscow Region**  
*Consolidated Interim Condensed Statement of Cash Flows (unaudited)*  
for the three months ended 31 March 2021 (in thousands of Russian roubles, unless otherwise stated)

	<b>For the year</b>	
	<b>ended 31 March</b>	
	<b>2021</b>	<b>2020</b>
	<b>(unaudited)</b>	
<b>Cash flows from operating activities</b>		
<b>Profit for the period</b>	<b>6 456 411</b>	<b>3 965 309</b>
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment, right-of-use assets and intangible assets (Note 7)	5 703 637	5 818 225
Finance costs (Note 9)	988 517	1 415 132
Property received as a compensation of losses	(1 269 481)	(196 341)
Allowance for expected credit losses of accounts receivable	244 231	(264 944)
Allowance for impairment of advances given (Note 7)	(6 552)	(72 430)
Contingent liabilities (Note 7, 22)	407 748	(1 287)
Income tax expense (Note 10)	1 484 019	1 089 314
Loss on disposal of property, plant and equipment	77 026	52 606
Finance income (Note 9)	(57 907)	(87 796)
Provision for inventory obsolescence	1 348	2 585
Profit on disposal of inventory	5 103	4 641
Write off of accounts payable	(2 651)	(7 142)
Other non-cash items	(19 160)	2 475
<b>Total adjustments</b>	<b>14 012 289</b>	<b>11 720 347</b>
Changes in assets related to employees benefit liabilities	(19 608)	5 130
Changes in employees benefit liabilities	(39 932)	(82 714)
Changes in long-term trade and other receivables	11 493	(49 120)
Changes in long-term non-financial assets	(88 454)	72 691
Changes in long-term trade and other payables	111 083	880 268
Changes in long-term contract liabilities	549 025	348 239
<b>Cash flows from operating activities before changes in working capital</b>	<b>14 535 896</b>	<b>12 894 841</b>
<i>Changes in operating assets and liabilities</i>		
Changes in trade and other receivables	377 847	1 878 953
Changes in advances given and other assets	(462 170)	(450 397)
Changes in inventories	17 800	(322 924)
Changes in trade and other payables	(1 218 123)	(2 693 019)
Changes in contract liabilities	940 629	3 147 679
Changes in provisions	(114 868)	(30 713)
Changes in taxes payable, other than income tax	2 728 556	2 836 245
<b>Cash flows from operating activities before payment of income tax and interest</b>	<b>16 805 567</b>	<b>17 260 665</b>
Interest paid	(993 950)	(1 659 771)
Interest paid under lease agreements	(89 317)	(107 381)
Income taxes paid	(1 592 045)	(1 676 262)
<b>Net cash flows from operating activities</b>	<b>14 130 255</b>	<b>13 817 251</b>

**PJSC Rosseti Moscow Region**  
*Consolidated Interim Condensed Statement of Cash Flows (unaudited)*  
for the three months ended 31 March 2021 (in thousands of Russian roubles, unless otherwise stated  
(continued))

	<b>For the year ended 31 March</b>	
	<b>2021</b>	<b>2020</b>
	<b>(unaudited)</b>	
<b>Cash flows from investing activities</b>		
Acquisition of property plant and equipment	(8 728 093)	(5 812 479)
Acquisition of intangible assets	(334 471)	(209 706)
Interest received	47 679	77 292
Proceeds from sale of property, plant and equipment	113	-
<b>Net cash flows used in investing activities</b>	<b>(9 014 772)</b>	<b>(5 944 893)</b>
<b>Cash flows from financing activities</b>		
Received loans and borrowings	39 182 465	14 923 620
Repayment of loans and borrowings	(42 926 220)	(15 010 385)
Dividends paid to PJSC Rosseti Moscow Region shareholders	-	(1 050 530)
Dividends paid to non-controlling shareholders	(217)	(1 004 636)
Payment of principal portion of lease liabilities	(69 609)	(85 910)
<b>Net cash flows used in financing activities</b>	<b>(3 813 581)</b>	<b>(2 227 841)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1 301 902</b>	<b>5 644 517</b>
Cash and cash equivalents at the beginning of the year	1 335 885	1 991 498
<b>Cash and cash equivalents at the end of the period (Note 16)</b>	<b>2 637 787</b>	<b>7 636 015</b>

## **1. Background**

### **a) Organisation and operations**

Public Joint-Stock Company “Rosseti Moscow Region” (the “Company”) was established on 1 April 2005 by transfer of assets and activities related to the electricity transmission of OJSC Mosenergo, a subsidiary of RAO UES of Russia, within the framework of Russian electricity sector restructuring (Minutes No. 1 of 29 June 2004 of the annual general meeting of shareholders of OJSC Mosenergo). The Company’s shares are traded on Moscow Exchange.

On 24 July 2020, Public Joint Stock Company “Moscow United Electric Grid Company” was renamed into Public Joint Stock Company “Rosseti Moscow Region”, after the state registration entry of changes made to the constituent documents of a legal entity related to changes in information about the legal entity, contained in the Unified State Register of Legal Entities under the state number 2207706755584.

The ultimate beneficiary of the Group is the Russian Federation, and parent entity of the Group is PJSC “ROSSETI”.

At 31 March 2021, the Russian Government acting through Federal Agency for the Administration of State Property owned 88.89% of the voting ordinary shares and 7.01% of the preference shares of PJSC “ROSSETI” (at 31 December 2020: 88.89% and 7.01%), which, in turn, owned 50.9% (at 31 December 2020: 50.9%) of the shares of the Company.

The Company’s registered office and the actual address is Russia 115114, Moscow, 2 Paveletskiy proezd, 3, building 2.

The Group’s main activity is provision of fee-based services of electricity transmission through electrical networks located in Moscow and the Moscow region. The Group also provides technical connection services to electrical networks as part of its core operations.

### **b) The Group’s business environment**

The Group operates in the Russian Federation and is therefore exposed to risks related to the state of the economy and financial markets of the Russian Federation.

The economy of the Russian Federation displays certain characteristics of emerging markets. The country's economy is particularly sensitive to oil and gas prices. The legal, tax and regulatory systems continue to evolve and are subject to frequent changes and varying interpretations. Ongoing political tensions, as well as international sanctions against certain Russian companies and citizens, continue to have a negative impact on the Russian economy.

The world economy was negatively impacted by the pandemic of coronavirus (COVID-19) in 2020. The impact of the pandemic on economics in countries individually and globally has had no historical analogies ever when governments took measures to save the economy. Social distancing and isolation measures aimed at containing the spread of COVID-19 in different countries, have caused a significant decrease in the level of consumer spending and business activity of companies in the field of retail, transport, travel and tourism, catering, entertainment and many other areas.

Since the second quarter of 2020 and in 2021 the situation is gradually improving, the population is being vaccinated. However, the economic recovery is closely linked to the continuing restrictive measures, the level of economic activity remains subdued and the recovery is uneven.



## **1. Background (continued)**

### **b) The Group's business environment (continued)**

The Group does not expect a significant adverse impact of the mentioned above factors on the financial position, operating results and economic aspects.

The Group continues to monitor and assess the situation and takes appropriate action:

- ▶ cooperate with the federal and regional authorities to prevent the spread of coronavirus and take all required measures to ensure safety, health protection of its employees and contractors;
- ▶ conduct events to ensure stable electricity supply, realize investment projects;
- ▶ monitor forecasted and actual information about the impact of the pandemic, world prices for hydrocarbons and its production, on the economy of the Russian Federation and on the business activities of the Group and its main counterparties;
- ▶ adjust the Group's operations to fit the new market opportunities, take actions to counteract the adverse effect of the pandemic and ensure the financial stability of the Group.

These interim condensed consolidated financial statements reflect management's assessment of the impact of the Russian business environment on the Group's operations and financial position. The actual impact of future business conditions may differ from current estimates.

## **2. Basis of preparation of financial statements**

### **a) Statement of compliance**

The consolidated interim condensed financial statements for the three months ended 31 March 2021 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. Selected notes are included to explain events and transactions that are material for understanding of changes in the Group's financial position and operations since the date of the last annual consolidated financial statements. The consolidated interim condensed financial statements should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2020, which have been prepared in accordance with International financial reporting standards ("IFRS").

### **b) Use of estimates and professional judgments**

The significant judgements regarding accounting policy of the Group and key sources of uncertainty in estimations applied by the management in preparation current interim condensed consolidated financial statements were the same as those applied to consolidated financial statements for the year ended 31 December 2020.

## **2. Basis of preparation of financial statements (continued)**

### **c) New standards, clarifications and amendments to existing standards**

Certain new standards, amendments and interpretations have been issued and are effective for annual periods starting beginning on and after 1 January 2022 and the Group has not prematurely applied these standards.

The Group plans to adopt these pronouncements when they become effective; they are not expected to have a significant impact on the Group's Consolidated Financial Statements.

- ▶ IFRS 17 "Insurance Contracts"
- ▶ Amendments to IAS 1 "Classification of Liabilities as Short-term or Long-term"
- ▶ Amendments to IAS 37 "Onerous Contracts – Contract Performance Costs"
- ▶ Amendments to IAS 16 "Property, Plant and Equipment: Proceeds before Intended use"
- ▶ Amendments to IFRS 3 "References to the conceptual framework"
- ▶ Amendment to IFRS 9 "Financial Instruments" - Commission fee for the "10% test" in the event of derecognition of financial liabilities
- ▶ Amendment to IFRS 1 "First-time Adoption of International Financial Reporting Standards" - a subsidiary applying International Financial Reporting Standards for the first time
- ▶ Amendment to IAS 41 "Agriculture" - Taxation at Fair value measurement
- ▶ Amendments to IAS 1 "Presentation of Financial Statements"
- ▶ Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

### **d) Functional and presentation currency**

The national currency of the Russian Federation is the Russian Ruble ("RUB"), which is the Group's functional currency and the currency in which these consolidated interim condensed financial statements are presented. All financial information presented in RUB has been rounded to the nearest thousand.

### **e) Reclassification of comparative data**

Certain comparative figures in the consolidated interim condensed financial statement of cash flows and in notes to the consolidated interim condensed financial statements were restated to comply with presentation of the consolidated financial statements for 2020. All restatements are immaterial.

## **3. Significant accounting policies**

The key judgments made by management in the preparation of these consolidated interim condensed financial statements regarding the Group's accounting policies and significant sources of estimation uncertainty are consistent with those made in the preparation of the consolidated financial statements for the year ended 31 December 2020 and as at that date.

## **4. Determination of fair values**

A number of the Group's accounting policies and disclosures require the measurement of fair value for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the principal market for the asset or liability; or, in the absence of a principal market, in the most advantageous market for the asset or liability.

#### **4. Determination of fair values (continued)**

When measuring the fair value of an asset or liability, the Group uses observable market data as far as practicable. Fair values are categorized into different levels within the fair value hierarchy based on the inputs used in the valuation techniques as follows:

- ▶ Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- ▶ Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- ▶ Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The Group considers the point of time when transfers between and for certain levels are recognised when an event or change in circumstances occurs.

#### **5. Operating segments**

The Group defines operating segments based on the nature of their activities and geographical location. The main activity of the Group is the provision of services for the transmission and distribution of electricity, technological connection to electric networks. The results of the operating segments are regularly reviewed by the management of the Group.

Management has determined the following reportable segments:

- Electricity transmission in Moscow;
- Electricity transmission in the Moscow region;
- Connection services in Moscow;
- Connection services in the Moscow region.

Other activities mainly represent rental income, installation services, repair and technical maintenance of electrical equipment, which have been included in the segment "Other". None of these activities meets the quantitative thresholds for determining reportable segments for the three months ended 31 March 2021 or for the three months ended 31 March 2020.

The Board of Directors of PJSC Rosseti Moscow Region, being the supreme body making decisions on the Group's operating activities, regularly analyses information related to reporting segments in order to make decisions on the allocation of resources to segments and evaluate the results of their activities.

Segment results are evaluated on the basis of revenue and operating profit of the segments as reported in the statutory financial statements prepared in accordance with Russian accounting principles.

## 5. Operating segments (continued)

The segment information also includes loans and borrowings as this indicator is analyzed by the management of the Group responsible for operational decision-making.

Reconciliation of reportable segment indicators to the similar indicators in these consolidated interim condensed financial statements includes reclassifications and amendments that are necessary for the presentation of financial statements in accordance with IFRS.

Information about reportable segments is provided below.

The segment revenue and profit for the three months ended 31 March 2021 are as follows (unaudited):

	<b>Electricity transmission</b>	<b>Connection services</b>	<b>Other</b>	<b>Total</b>
<b>External revenues</b>	<b>45 826 568</b>	<b>1 754 175</b>	<b>1 415 478</b>	<b>48 996 221</b>
Moscow	20 589 678	1 257 595	765 664	<b>22 612 937</b>
Moscow region	25 236 890	496 580	649 814	<b>26 383 284</b>
<b>Inter-segment revenue</b>	<b>-</b>	<b>-</b>	<b>372 991</b>	<b>372 991</b>
Moscow	-	-	230 867	<b>230 867</b>
Moscow region	-	-	142 124	<b>142 124</b>
<b>Depreciation and amortisation</b>	<b>(6 279 538)</b>	<b>-</b>	<b>(26 907)</b>	<b>(6 306 445)</b>
Moscow	(3 704 345)	-	(26 907)	<b>(3 731 252)</b>
Moscow region	(2 575 193)	-	-	<b>(2 575 193)</b>
<b>Reportable segment finance costs</b>	<b>(877 221)</b>	<b>-</b>	<b>-</b>	<b>(877 221)</b>
Moscow	(418 698)	-	-	<b>(418 698)</b>
Moscow region	(458 523)	-	-	<b>(458 523)</b>
<b>Reportable segment finance income</b>	<b>-</b>	<b>-</b>	<b>57 647</b>	<b>57 647</b>
Moscow	-	-	49 536	<b>49 536</b>
Moscow region	-	-	8 111	<b>8 111</b>
<b>Reportable segment profit</b>	<b>6 390 739</b>	<b>1 543 315</b>	<b>150 714</b>	<b>8 084 768</b>
Moscow	3 541 077	1 139 490	50 447	<b>4 731 014</b>
Moscow region	2 849 662	403 825	100 267	<b>3 353 754</b>

**5. Operating segments (continued)**

The segment revenue and profit/(loss) for the three months ended 31 March 2020 are as follows (unaudited):

	Electricity transmission	Connection services	Other	Total
<b>External revenues</b>	<b>40 031 320</b>	<b>1 600 942</b>	<b>442 819</b>	<b>42 075 081</b>
Moscow	18 901 085	1 035 948	277 657	20 214 690
Moscow region	21 130 235	564 994	165 162	21 860 391
<b>Inter-segment revenue</b>	-	-	<b>458 238</b>	<b>458 238</b>
Moscow	-	-	320 878	320 878
Moscow region	-	-	137 360	137 360
<b>Depreciation and amortisation</b>	<b>(6 361 757)</b>	-	<b>(19 011)</b>	<b>(6 380 768)</b>
Moscow	(3 673 226)	-	(19 011)	(3 692 237)
Moscow region	(2 688 531)	-	-	(2 688 531)
<b>Reportable segment finance costs</b>	<b>(1 270 434)</b>	-	-	<b>(1 270 434)</b>
Moscow	(648 557)	-	-	(648 557)
Moscow region	(621 877)	-	-	(621 877)
<b>Reportable segment finance income</b>	-	-	<b>77 292</b>	<b>77 292</b>
Moscow	-	-	69 771	69 771
Moscow region	-	-	7 521	7 521
<b>Reportable segment profit</b>	<b>4 110 428</b>	<b>1 437 190</b>	<b>(21 365)</b>	<b>5 526 253</b>
Moscow	2 829 578	937 198	(108 719)	3 658 057
Moscow region	1 280 850	499 992	87 354	1 868 196

Segment assets are as follows:

	Moscow	Moscow region	Total
<b>31 March 2021 (unaudited)</b>			
<b>Total assets</b>	<b>248 946 422</b>	<b>134 664 709</b>	<b>383 611 131</b>
Property, plant and equipment	222 783 364	115 692 740	338 476 104
Trade and other receivables	8 755 011	8 814 356	17 569 367
Unallocated	17 408 047	10 157 613	27 565 660
<b>31 December 2020 (audited)</b>			
<b>Total assets</b>	<b>248 467 670</b>	<b>134 508 268</b>	<b>382 975 938</b>
Property, plant and equipment	223 829 856	114 984 182	338 814 038
Trade and other receivables	8 111 468	9 609 791	17 721 259
Unallocated	16 526 346	9 914 295	26 440 641

## 5. Operating segments (continued)

Segment liabilities are as follows:

	<b>Moscow</b>	<b>Moscow region</b>	<b>Total</b>
<b>31 March 2021 (unaudited)</b>			
<b>Total liabilities</b>	<b>105 756 261</b>	<b>77 780 707</b>	<b>183 536 968</b>
Loans and borrowings	34 828 059	42 790 536	<b>77 618 595</b>
Unallocated	70 928 202	34 990 171	<b>105 918 373</b>
<b>31 December 2020 (audited)</b>			
<b>Total liabilities</b>	<b>109 816 153</b>	<b>79 502 800</b>	<b>189 318 953</b>
Loans and borrowings	38 573 831	42 621 639	<b>81 195 470</b>
Unallocated	71 242 322	36 881 161	<b>108 123 483</b>

Reconciliation of reportable segments profit is presented below:

	<b>For the year ended 31 March</b>	
	<b>2021</b>	<b>2020</b>
	<b>(unaudited)</b>	
Reportable segments profit	7 934 054	5 547 618
Other profit or loss	150 714	(21 365)
Unallocated	(238 016)	39 535
<b>Total profit before income tax per RAS</b>	<b>7 846 752</b>	<b>5 565 788</b>
Borrowing costs capitalized	51 841	47 403
Rental expenses of property, plant and equipment	52 210	56 156
Loss on disposal of property, plant and equipment	22 267	11 478
Depreciation and amortisation	602 808	562 543
Allowance for expected credit losses	(57 445)	134 046
Discounting of loan	(26 517)	(17 972)
Employee benefits plan liabilities	17 991	30 372
Provision for annual bonuses	(361 938)	(297 730)
Income from fixed assets received free-of-charge	(78 947)	(66 011)
Income from a loss compensation agreement	-	(883 144)
Other items	(128 592)	(88 306)
<b>Consolidated profit before income tax per IFRS</b>	<b>7 940 430</b>	<b>5 054 623</b>

The segment disclosure was prepared in accordance with the segment disclosure as at 31 December 2020. However, for the purpose of preparation of the consolidated interim condensed financial statements the Group does not present a reconciliation of segment assets and segment liabilities to the amounts reported in the condensed consolidated interim financial statements as required by IFRS 8 *Operating Segments*.

Segment operating results reported to the Group's chief operating decision maker are determined based on the income and expenses determined in accordance with Russian Accounting Standards (RAS). Segment operating results represent the profit/(loss) earned by each segment without segregation of finance income and costs, other income and expenses, which are included in "Unallocated" component.

## 6. Revenue from contracts with customers

	<b>For the 3 months ended 31 March</b>	
	<b>2021</b>	<b>2020</b>
	<b>(unaudited)</b>	
Revenue from electricity transmission	45 826 568	40 031 162
Revenue from connection services	1 754 175	1 600 942
Resale of electricity and capacity	315 191	-
Other revenue	1 012 419	364 923
	<b>48 908 353</b>	<b>41 997 027</b>

Other revenues include electrical equipment installation and maintenance services.

## 7. Operating expenses

	<b>For the 3 months ended 31 March</b>	
	<b>2021</b>	<b>2020</b>
	<b>(unaudited)</b>	
Personnel costs	(5 447 496)	(5 176 701)
Depreciation and amortisation	(5 703 637)	(5 818 225)
<i>Material expenses, including:</i>		
Electricity for compensation of losses	(7 196 015)	(5 466 259)
Purchased electricity and heat power for own needs	(129 453)	(105 406)
Electricity for sale	(288 968)	-
Other material costs	(735 947)	(618 855)
<i>Production work and services, including:</i>		
Electricity transmission services	(18 602 862)	(16 795 659)
Repair, maintenance and installation services	(766 857)	(715 838)
Other works and production services	(396 970)	(433 061)
Allowance for impairment of contract assets	6 552	72 430
Taxes other than income tax	(275 902)	(247 852)
Rent	(19 566)	(4 957)
Insurance	(100 012)	(111 623)
<i>Other third-party services, including:</i>		
Consulting, legal and audit services	(254 864)	(171 581)
Security services	(167 691)	(161 291)
Transportation	(92 009)	(105 648)
Telecommunication services	(118 891)	(89 745)
Other services	(206 834)	(184 632)
Contingent liabilities (Note 22)	(407 748)	1 287
Other expenses	(709 164)	(575 358)
	<b>(41 614 334)</b>	<b>(36 708 974)</b>

## 8. Other operating income

	<b>For the 3 months ended 31 March</b>	
	<b>2021</b>	<b>2020</b>
	<b>(unaudited)</b>	
Income from electricity consumption without contracts	34 665	117 822
Income from compensation of losses on disposal of power grid facilities	1 500 094	369 400
Other income	198 625	263 686
	<b>1 733 384</b>	<b>750 908</b>

## 9. Finance income and finance costs

	<b>For the 3 months ended 31 March</b>	
	<b>2021</b>	<b>2020</b>
	<b>(unaudited)</b>	
<b>Finance income</b>		
Interest income	51 493	85 727
Interest on assets related to employee benefits obligations	6 414	2 069
	<b>57 907</b>	<b>87 796</b>
<b>Finance costs</b>		
Interest expense in respect of loans and borrowings	(828 895)	(1 223 032)
Interest on employee benefits obligation	(47 962)	(49 280)
Interest under lease agreements	(89 317)	(107 381)
Unwinding of discount of financial liabilities at amortized cost	(21 075)	(17 972)
Other financial costs	(1 268)	(17 467)
	<b>(988 517)</b>	<b>(1 415 132)</b>



## 10. Income tax expense

The main components of income tax expense on the profit for the three months ended 31 March 2021 and 31 March 2020 are presented in the table below:

	For the 3 months ended 31 March	
	2021	2020
	(unaudited)	
<b>Current income tax</b>		
Current income tax accrued	(1 005 196)	(643 899)
Adjustment of income tax of prior periods	149 704	(5 241)
	<b>(855 492)</b>	<b>(649 140)</b>
<b>Deferred income tax</b>		
Origination and reversal of temporary tax differences	(628 527)	(440 174)
	<b>(628 527)</b>	<b>(440 174)</b>
<b>Income tax expense reported in the statement of profit and loss</b>	<b>(1 484 019)</b>	<b>(1 089 314)</b>

The income tax rate in the Russian Federation is 20%.

In accordance with the Moscow Regional Law *On Preferential Tax Treatment in the Moscow Region* No. 151/2004-OZ dated 24 November 2004, the Group exercised its right to tax benefit as an investor that made capital investments in the newly constructed property, plant and equipment that was put into operation, in the form of decreased income tax rate by 4.5 percentage points. Thus, in calculating its deferred tax assets and liabilities as at 31 March 2021, the Group applied a lower rate of 18.18% (31 March 2020: 18.15%).

Reconciliation of tax expense calculated at effective tax rate and actual income tax expense is presented below:

	For the 3 months ended 31 March	
	2021	2020
	(unaudited)	
<b>Profit before income tax</b>	<b>7 940 430</b>	<b>5 054 623</b>
<b>Income tax calculated at the current income tax rate 18.18% (2020: 18.15%)</b>	<b>(1 443 299)</b>	<b>(917 664)</b>
Adjustment of income tax of prior periods	149 704	(5 241)
Write-off of a deferred tax asset	(135 346)	(157 554)
The effect of profits taxed at a changed rate	(18 856)	(1 459)
Effect on the tax amount of items that do not reduce taxable profit	(36 222)	(7 396)
<b>Income tax expense</b>	<b>(1 484 019)</b>	<b>(1 089 314)</b>

## 11. Property, plant and equipment

	Land and buildings	Transmission networks	Transformers and transformer substations	Other	Construction in progress	Total
<b>Cost</b>						
<b>At 1 January 2020</b>	<b>55 762 313</b>	<b>249 196 029</b>	<b>99 695 694</b>	<b>98 725 904</b>	<b>39 498 322</b>	<b>542 878 262</b>
Reclassification between groups	43 353	7 963	-	(51 316)	-	-
Additions	7 063	113 946	94 883	135 814	3 639 110	3 990 816
Disposals	(4 732)	(41 658)	(26 217)	(2 433)	(27 902)	(102 942)
Transfers	20 419	1 130 811	395 008	306 076	(1 852 314)	-
<b>At 31 March 2020 (unaudited)</b>	<b>55 828 416</b>	<b>250 407 091</b>	<b>100 159 368</b>	<b>99 114 045</b>	<b>41 257 216</b>	<b>546 766 136</b>
<b>Depreciation and impairment losses</b>						
<b>At 1 January 2020</b>	<b>(15 576 396)</b>	<b>(96 726 475)</b>	<b>(48 425 957)</b>	<b>(68 824 400)</b>	<b>(408 089)</b>	<b>(229 961 317)</b>
Reclassification between groups	16	(428)	-	412	-	-
Depreciation charge	(419 424)	(2 391 583)	(1 315 059)	(1 460 211)	-	(5 586 277)
Disposals	2 293	17 282	14 123	2 413	2	36 113
Transfers (impairment loss)	-	(978)	(906)	-	1 884	-
<b>At 31 March 2020 (unaudited)</b>	<b>(15 993 511)</b>	<b>(99 102 182)</b>	<b>(49 727 799)</b>	<b>(70 281 786)</b>	<b>(406 203)</b>	<b>(235 511 481)</b>
<b>Net book value</b>						
<b>At 1 January 2020</b>	<b>40 185 917</b>	<b>152 469 554</b>	<b>51 269 737</b>	<b>29 901 504</b>	<b>39 090 233</b>	<b>312 916 945</b>
<b>At 31 March 2020 (unaudited)</b>	<b>39 834 905</b>	<b>151 304 909</b>	<b>50 431 569</b>	<b>28 832 259</b>	<b>40 851 013</b>	<b>311 254 655</b>
<b>Cost</b>						
<b>At 1 January 2021</b>	<b>56 940 917</b>	<b>262 922 578</b>	<b>106 601 712</b>	<b>105 661 692</b>	<b>44 209 891</b>	<b>576 336 790</b>
Reclassification between groups	(287 399)	287 385	9 553	(9 539)	-	-
Additions	3 289	1 064 796	206 305	291 303	3 996 486	5 562 179
Disposals	(642)	(188 325)	(16 471)	(63 260)	-	(268 698)
Transfers	-	1 490 446	635 425	43 074	(2 168 945)	-
<b>At 31 March 2021 (unaudited)</b>	<b>56 656 165</b>	<b>265 576 880</b>	<b>107 436 524</b>	<b>105 923 270</b>	<b>46 037 432</b>	<b>581 630 271</b>
<b>Depreciation and impairment losses</b>						
<b>At 1 January 2021</b>	<b>(17 988 620)</b>	<b>(109 208 596)</b>	<b>(54 009 347)</b>	<b>(74 312 572)</b>	<b>(381 475)</b>	<b>(255 900 610)</b>
Reclassification between groups	95 339	(95 334)	(2 763)	2 758	-	-
Depreciation charge	(417 783)	(2 383 503)	(1 295 504)	(1 353 583)	-	(5 450 373)
Disposals	570	92 340	7 968	61 847	-	162 725
Transfers (impairment loss)	-	(633)	(257)	-	890	-
<b>At 31 March 2021 (unaudited)</b>	<b>(18 310 494)</b>	<b>(111 595 726)</b>	<b>(55 299 903)</b>	<b>(75 601 550)</b>	<b>(380 585)</b>	<b>(261 188 258)</b>
<b>Net book value</b>						
<b>At 1 January 2021</b>	<b>38 952 297</b>	<b>153 713 982</b>	<b>52 592 365</b>	<b>31 349 120</b>	<b>43 828 416</b>	<b>320 436 180</b>
<b>At 31 March 2021 (unaudited)</b>	<b>38 345 671</b>	<b>153 981 154</b>	<b>52 136 621</b>	<b>30 321 720</b>	<b>45 656 847</b>	<b>320 442 013</b>

### Borrowing costs capitalized

The amount of borrowing costs capitalized during the three months ended 31 March 2021 was RUB 486 028 thousand at the annual capitalization rate of 6.72% (the three months ended 31 March 2020: RUB 447 124 thousand at the annual capitalization rate of 7.44%). This amount was included into the cost of property, plant and equipment.

## 12. Intangible assets

	Software	Patents and licences	Scientific research	Other	Total
<b>Cost</b>					
<b>At 1 January 2020</b>	<b>3 810 424</b>	<b>22 850</b>	<b>380 638</b>	<b>545 464</b>	<b>4 759 376</b>
Reclassification between groups	17 685	(17 685)	(34 849)	34 849	-
Additions	281 233	31	116	-	<b>281 380</b>
Disposals	-	(2 288)	-	-	<b>(2 288)</b>
<b>At 31 March 2020 (unaudited)</b>	<b>4 109 342</b>	<b>2 908</b>	<b>345 905</b>	<b>580 313</b>	<b>5 038 468</b>
<b>Amortisation</b>					
<b>At 1 January 2020</b>	<b>(788 651)</b>	<b>(19 453)</b>	<b>(204 383)</b>	<b>(132 849)</b>	<b>(1 145 336)</b>
Amortisation	(102 742)	(785)	(15 536)	(14 303)	<b>(133 366)</b>
Reclassification between groups	(16 570)	16 570	331	(331)	-
Disposals	-	2 281	-	-	<b>2 281</b>
<b>At 31 March 2020 (unaudited)</b>	<b>(907 963)</b>	<b>(1 387)</b>	<b>(219 588)</b>	<b>(147 483)</b>	<b>(1 276 421)</b>
<b>Net book value</b>					
<b>At 1 January 2020</b>	<b>3 021 773</b>	<b>3 397</b>	<b>176 255</b>	<b>412 615</b>	<b>3 614 040</b>
<b>At 31 March 2020 (unaudited)</b>	<b>3 201 379</b>	<b>1 521</b>	<b>126 317</b>	<b>432 830</b>	<b>3 762 047</b>
<b>Cost</b>					
<b>At 1 January 2021</b>	<b>4 990 417</b>	<b>203 847</b>	<b>420 818</b>	<b>614 439</b>	<b>6 229 521</b>
Additions	148 714	26 722	6 230	-	<b>181 666</b>
Disposals	(2 909)	-	-	-	<b>(2 909)</b>
<b>At 31 March 2021 (unaudited)</b>	<b>5 136 222</b>	<b>230 569</b>	<b>427 048</b>	<b>614 439</b>	<b>6 408 278</b>
<b>Amortisation</b>					
<b>At 1 January 2021</b>	<b>(1 081 513)</b>	<b>(14 189)</b>	<b>(252 963)</b>	<b>(206 771)</b>	<b>(1 555 436)</b>
Amortisation	(104 640)	(26 794)	(13 967)	(15 450)	<b>(160 851)</b>
Disposals	2 909	-	-	-	<b>2 909</b>
<b>At 31 March 2021 (unaudited)</b>	<b>(1 183 244)</b>	<b>(40 983)</b>	<b>(266 930)</b>	<b>(222 221)</b>	<b>(1 713 378)</b>
<b>Net book value</b>					
<b>At 1 January 2021</b>	<b>3 908 904</b>	<b>189 658</b>	<b>167 855</b>	<b>407 668</b>	<b>4 674 085</b>
<b>At 31 March 2021 (unaudited)</b>	<b>3 952 978</b>	<b>189 586</b>	<b>160 118</b>	<b>392 218</b>	<b>4 694 900</b>

## Borrowing costs capitalized

The amount of borrowing costs capitalized during the three months ended 31 March 2021 was RUB 2 151 thousand at the capitalization rate of 6.72% (the three months ended 31 March 2020: RUB 1 374 thousand at the capitalization rate of 7.44%). This amount was included in the cost of intangible assets.

### 13. Right-of-use assets

	Land and buildings	Transmission networks	Transformers and transformer substations	Other	Total
<b>Cost</b>					
<b>At 1 January 2020</b>	<b>3 928 590</b>	<b>352 367</b>	<b>344 775</b>	<b>24 596</b>	<b>4 650 328</b>
Additions	32 681	-	-	-	32 681
Changing the terms of the agreement	(6 195)	-	2 085	(941)	(5 051)
Disposals	(51 442)	(1 024)	(426)	-	(52 892)
<b>At 31 March 2020 (unaudited)</b>	<b>3 903 634</b>	<b>351 343</b>	<b>346 434</b>	<b>23 655</b>	<b>4 625 066</b>
<b>Depreciation and impairment losses</b>					
<b>At 1 January 2020</b>	<b>(394 470)</b>	<b>(112 271)</b>	<b>(95 060)</b>	<b>(10 255)</b>	<b>(612 056)</b>
Depreciation charge	(85 690)	(7 835)	(10 317)	(1 156)	(104 998)
Disposals	42 557	1 024	426	-	44 007
<b>At 31 March 2020 (unaudited)</b>	<b>(437 603)</b>	<b>(119 082)</b>	<b>(104 951)</b>	<b>(11 411)</b>	<b>(673 047)</b>
<b>Net book value</b>					
<b>At 1 January 2020</b>	<b>3 534 120</b>	<b>240 096</b>	<b>249 715</b>	<b>14 341</b>	<b>4 038 272</b>
<b>At 31 March 2020 (unaudited)</b>	<b>3 466 031</b>	<b>232 261</b>	<b>241 483</b>	<b>12 244</b>	<b>3 952 019</b>
<b>Cost</b>					
<b>At 1 January 2021</b>	<b>4 120 904</b>	<b>362 240</b>	<b>270 421</b>	<b>19 961</b>	<b>4 773 526</b>
Additions	35 898	-	-	-	35 898
Changing the terms of the agreement	(95 691)	-	-	144	(95 547)
Disposals	(25 044)	-	-	-	(25 044)
<b>At 31 March 2021 (unaudited)</b>	<b>4 036 067</b>	<b>362 240</b>	<b>270 421</b>	<b>20 105</b>	<b>4 688 833</b>
<b>Depreciation and impairment losses</b>					
<b>At 1 January 2021</b>	<b>(677 715)</b>	<b>(145 523)</b>	<b>(126 186)</b>	<b>(13 152)</b>	<b>(962 576)</b>
Depreciation charge	(82 598)	(8 450)	(7 028)	(571)	(98 647)
Disposals	8 910	-	-	-	8 910
<b>At 31 March 2021 (unaudited)</b>	<b>(751 403)</b>	<b>(153 973)</b>	<b>(133 214)</b>	<b>(13 723)</b>	<b>(1 052 313)</b>
<b>Net book value</b>					
<b>At 1 January 2021</b>	<b>3 443 189</b>	<b>216 717</b>	<b>144 235</b>	<b>6 809</b>	<b>3 810 950</b>
<b>At 31 March 2021 (unaudited)</b>	<b>3 284 664</b>	<b>208 267</b>	<b>137 207</b>	<b>6 382</b>	<b>3 636 520</b>

#### 14. Trade and other receivables

	<b>31 March 2021</b>	<b>31 December 2020</b>
	<b>(unaudited)</b>	<b>(audited)</b>
<b>Non-current trade and other receivable</b>		
Other receivables	359 819	366 885
Allowance for expected credit losses on other receivables	(192 749)	(188 322)
	<b>167 070</b>	<b>178 563</b>
<b>Current trade and other receivable</b>		
Trade receivables	15 714 519	16 402 336
Allowance for expected credit losses on trade receivables	(4 382 933)	(4 151 969)
Other receivables	6 578 723	6 358 336
Allowance for expected credit losses on other receivables	(4 462 759)	(4 458 148)
	<b>13 447 550</b>	<b>14 150 555</b>

#### 15. Other non-financial assets

	<b>31 March 2021</b>	<b>31 December 2020</b>
	<b>(unaudited)</b>	<b>(audited)</b>
<b>Other non-current non-financial assets</b>		
Advances given	7 024 703	7 031 255
Allowance for impairment of advances given	(7 024 703)	(7 031 255)
VAT on advances from customers	1 928 579	1 833 573
	<b>1 928 579</b>	<b>1 833 573</b>
<b>Other current non-financial assets</b>		
Advances given	2 230 032	1 801 392
Allowance for impairment of advances given	(67 282)	(67 355)
VAT recoverable	273 391	292 894
VAT on advances from customers	4 724 705	4 605 898
Prepaid taxes, other than income tax and VAT	89 896	155 743
	<b>7 250 742</b>	<b>6 788 572</b>

#### 16. Cash and cash equivalents

	<b>31 March 2021</b>	<b>31 December 2020</b>
	<b>(unaudited)</b>	<b>(audited)</b>
Cash in bank	2 486 385	1 130 833
Cash for intended use under government contract	151 400	205 050
Petty cash	2	2
	<b>2 637 787</b>	<b>1 335 885</b>

## 17. Equity

### a) Share capital

<b>Share capital</b>	<b>Ordinary shares</b>	
	<b>31 March 2021</b>	<b>31 December 2020</b>
Number of ordinary shares at 0.50 RUB par value, pcs.	48 707 091 574	48 707 091 574

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at annual and general meetings of the Company's shareholders.

### b) Treasury shares

As at 31 March 2021 and 31 December 2020 the Group did not hold any of its own shares.

### c) Dividends

The source of payment of dividends is the net profit of PJSC "Rosseti Moscow Region", determined in accordance with the requirements established by the current legislation of the Russian Federation.

In January 2020, the Company paid dividends for 9 months of 2019 in the amount of RUB 2 055 166 thousand, which were declared in December 2019 in the amount of RUB 2 063 719 thousand (RUB 0.04237 per share).

## 18. Earnings per share

The calculation of earnings per share for the three months ended 31 March 2021 is based on earnings attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding. The Company does not have dilutive financial instruments.

	<b>For the year ended 31 March</b>	
	<b>2021</b>	<b>2020</b>
	<b>(unaudited)</b>	
Number of outstanding shares (pcs.)	48 707 091 574	48 707 091 574
Profit for the period attributable to the shareholders of PJSC Rosseti Moscow Region ('000 RUB)	6 456 411	3 965 309
<b>Earnings per share (RUB)</b>	<b>0.1326</b>	<b>0.0814</b>

## 19. Loans and borrowings

	31 March 2021	31 December 2020
	(unaudited)	(audited)
<b>Non-current</b>		
Unsecured bank loans	38 734 296	42 636 409
Unsecured bonds	39 063 903	38 814 581
Lease liabilities	3 983 398	3 932 975
Less: current portion of unsecured bank loans	(34 296)	(36 409)
Less: current portion of unsecured bonds	(905 942)	(620 206)
Less: current portion of lease liabilities	(323 797)	(319 816)
	<b>80 517 562</b>	<b>84 407 534</b>
<b>Current</b>		
Unsecured bank loans	338 355	93 663
Current portion of unsecured bank loans	34 296	36 409
Current portion of unsecured bonds	905 942	620 206
Current portion of lease liabilities	323 797	319 816
	<b>1 602 390</b>	<b>1 070 094</b>
<b>Including</b>		
Interests payable on loans and borrowings	34 296	36 409
Interests payable on bonds	884 300	559 060
	<b>918 596</b>	<b>595 469</b>

During the three months ended 31 March 2021, the Group raised the following borrowings:

	Interest rate	Maturity	Amount
Unsecured bank facility	6.00%	2024	30 000 000
Unsecured bank facility	6.00%	2023	7 600 000
Unsecured bank facility	6.10%	2022	206 585
Unsecured bank facility	8.50%	2021	193 543
Unsecured bank facility	7.00%	2021	38 409
Overdraft	KC+1.26%	2021	1 143 928
			<b>39 182 465</b>

During the three months ended 31 March 2021, the Group repaid the following borrowings and bonds:

	Interest rate	Maturity	Amount
Unsecured bank facility	5.85%	2024	20 000 000
Unsecured bank facility	5.85%	2023	17 600 000
Unsecured bank facility	6.00%	2023	2 600 000
Unsecured bank facility	6.00%	2024	1 300 000
Unsecured bank facility	7.00%	2021	102 291
Unsecured bank facility	8.50%	2021	51 200
Unsecured bank facility	6.10%	2022	40 351
Overdraft	KC+1.26%	2021	1 143 927
Unsecured bonds	-	2024	88 451
			<b>42 926 220</b>

### 19. Loans and borrowings (continued)

During the three months of 2021, the Group refinance the previously received borrowings to reduce the interest rate and revise the terms of the debt portfolio.

### 20. Trade and other payables

	<b>31 March 2021</b>	<b>31 December 2020</b>
	<b>(unaudited)</b>	<b>(audited)</b>
<b>Non-current trade and other payable</b>		
Trade accounts payable	336 131	-
Other payables	3 782 736	3 677 095
	<b>4 118 867</b>	<b>3 677 095</b>
<b>Current trade and other payable</b>		
Trade accounts payable	11 957 085	19 468 012
Provision for unused vacations and bonuses	2 548 366	3 232 504
Other payables	2 200 099	929 058
	<b>16 705 550</b>	<b>23 629 574</b>

### 21. Contract liabilities

	<b>31 March 2021</b>	<b>31 December 2020</b>
	<b>(unaudited)</b>	<b>(audited)</b>
<b>Non-current</b>		
Contract liabilities from technological connection services to electricity grids	11 747 347	11 195 658
Other contract liabilities	185 710	188 374
	<b>11 933 057</b>	<b>11 384 032</b>
<b>Current</b>		
Contract liabilities from technological connection services to electricity grids	25 127 832	24 195 592
Other contract liabilities	3 123 142	3 114 753
	<b>28 250 974</b>	<b>27 310 345</b>

### 22. Contingent liabilities

	<b>2021</b>	<b>2020</b>
<b>Balance at 1 January</b>	<b>8 740 112</b>	<b>3 091 504</b>
Contingent liabilities accrued during the period	444 715	-
Contingent liabilities reversed during the period	(36 967)	(1 287)
Contingent liabilities used during the period	(114 868)	(30 713)
<b>Balance at 31 March (unaudited)</b>	<b>9 032 992</b>	<b>3 059 504</b>



## **22. Contingent liabilities (continued)**

Contingent liabilities are made to cover expenses under legal proceedings in which the Group acts as a respondent and to settle out-of-court disputes arising in the normal course of business and the provision of electricity transmission services. The existence of disagreements among electric grid, power supply and other companies regarding the volume and cost of electricity transmitted is due to certain specifics of the mechanisms of functioning of the electricity market.

During the period of three months of 2021, the use of the provision for estimated liabilities in the amount of RUB 114 868 thousand (three months ended 31 March 2020: RUB 30 713 thousand) and a recovery of RUB 36 967 thousand (three months ended 31 March 2020: RUB 1 287 thousand) due to partial settlement of disputes. The increase in the provision for losses that the Group may incur due to an adverse outcome of legal proceedings amounted to RUB 444 715 thousand (three months ended 31 March 2020: RUB 0 thousand).

It is anticipated that the outcomes of the currently outstanding and out-of-court legal cases will not result in significant losses for the Group, in excess of amounts already recognized in the consolidated interim condensed financial statements.

## **23. Financial risk management**

In the normal course of business, the Group is exposed to a variety of financial risks, including, but not limited to, market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Group's capital and financial risk management objectives and policies, as well as fair value valuation techniques, are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2020.

Management of the Group takes operational measures to ensure sufficient cash amounts (liquidity) received from operating activities to finance priority projects of investment programs and to service short-term and long-term loans and borrowings. The Group's management undertakes activities aimed at optimizing the structure of debt capital, ensuring the availability of credit limits, liquidity reserves in the form of bank account balances and short-term deposits, and monitoring of quality of accepted financial collateral (bank guarantees).

### **a) Credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	<b>Carrying amount</b>	
	<b>31 March 2021 (unaudited)</b>	<b>31 December 2020 (audited)</b>
Trade and other receivables	13 614 620	14 329 118
Cash and cash equivalents	2 637 787	1 335 885
	<b>16 252 407</b>	<b>15 665 003</b>

**23. Financial risk management (continued)**

**a) Credit risk (continued)**

As at the reporting date, the maximum level of credit risk in terms of trade receivables by groups of customers was:

	31 March 2021		31 December 2020	
	(unaudited)		(audited)	
	Carrying value	Expected credit losses	Carrying value	Expected credit losses
Buyers of electricity sale services	488 003	-	409 174	-
Buyers of electricity transmission services	12 502 446	(2 671 798)	13 376 658	(2 438 302)
Buyers of technological connection services	1 310 789	(553 496)	1 205 798	(602 688)
Other buyers	1 413 281	(1 157 639)	1 410 706	(1 110 979)
	<b>15 714 519</b>	<b>(4 382 933)</b>	<b>16 402 336</b>	<b>(4 151 969)</b>

Information about trade and other receivables based on the overdue period

	31 March 2021		31 December 2020	
	(unaudited)		(audited)	
	Carrying value	Expected credit losses	Carrying value	Expected credit losses
Not past due	12 044 472	(698 828)	12 978 526	(531 887)
Past due less than 3 months	954 007	(209 461)	1 186 901	(497 813)
Past due from 3 to 6 months	737 958	(561 256)	942 122	(454 995)
Past due from 6 months to one year	1 248 932	(570 646)	967 444	(845 341)
Past due more than one year	7 667 692	(6 998 250)	7 052 564	(6 468 403)
	<b>22 653 061</b>	<b>(9 038 441)</b>	<b>23 127 557</b>	<b>(8 798 439)</b>

The carrying amount of accounts receivable, less the allowance for expected credit losses, represents the maximum amount exposed to credit risk. Although the collectability of receivables may be affected by economic and other factors, the Group believes that there is no significant risk of losses exceeding the provision created.

The changes in the allowance for expected credit losses in respect of trade and other receivables during the year were as follows:

	2021	2020
<b>Balance at 1 January</b>	<b>(8 798 439)</b>	<b>(9 234 986)</b>
Provisions accrued during the period	(349 781)	(152 279)
Provisions reversed during the period	105 550	417 223
Provisions used during the period	4 229	125 514
<b>Balance at 31 March (unaudited)</b>	<b>(9 038 441)</b>	<b>(8 844 528)</b>

**23. Financial risk management (continued)****b) Liquidity risk**

Substantial share of advances received from customers under agreements for technological connection to electricity networks has the major impact on the Group's liquidity ratio. Such advances are regarded as long-term sources of funding since they relate to implementation of long-term investment projects by the Group. These liabilities do not require current assets coverage since they are used for non-current assets formation and are settled when technological connection services are provided.

At 31 March 2021, the Group's had short-term liabilities exceeded its current assets by RUB 32 526 380 thousand (31 December 2020: RUB 36 758 422 thousand). The net amount of current liabilities as at 31 March 2021 is represented mainly by accounts payable.

The Group monitors its risk of a shortage of funds by opening credit lines, obtaining credits and loans (refer to Note 19).

At 31 March 2021, the Group had unused credit limits in the amounts sufficient for financing its working capital deficit. The amount of undrawn borrowing facilities is RUB 132 761 643 thousand (31 December 2020: RUB 109 106 338 thousand), including RUB 123 761 643 thousand (31 December 2020: RUB 100 106 338 thousand) that can be drawn beyond one year. Besides, the management believes that the measures undertaken on cost savings in combination with gradual growth of tariffs of transmission services and technological connection to electricity networks services are aimed at positive effect of the financial results of the Group in the future.

The management believes that due to the mentioned above circumstances, the Group will have sufficient liquidity to continue as a going concern in the foreseeable future.

## 23. Financial risk management (continues)

### c) Fair values and carrying amounts

Management estimates that at the reporting date the fair value of financial assets and liabilities corresponds to the carrying amount. There were no transfers between levels 2 and 3 of the hierarchy during the three months ended 31 March 2021.

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments presented in the financial statements, other than those with carrying amounts that reasonable approximate fair value:

	31 March 2021 (unaudited)		Level of fair value hierarchy		
	Carrying amount	Fair value	1	2	3
Bonds	33 740 551	34 299 700	34 299 700	-	-
<b>Total</b>	<b>33 740 551</b>	<b>34 299 700</b>	<b>34 299 700</b>	-	-

  

	31 December 2020 (audited)		Level of fair value hierarchy		
	Carrying amount	Fair value	1	2	3
Bonds	38 552 177	38 497 000	38 497 000	-	-
<b>Total</b>	<b>38 552 177</b>	<b>38 497 000</b>	<b>38 497 000</b>	-	-

## 24. Capital commitments

As at 31 March 2021, the contracted future capital expenditures related to capital construction of power grid facilities amount to RUB 47 369 674 thousand (31 December 2020: RUB 49 318 333 thousand), including VAT.

## 25. Contingencies

### a) Insurance

There are uniform requirements in the Group for extent of insurance coverage, reliability of coverage and insurance protection management procedures. The Group maintain insurance of its plant facilities and equipment, civil liability and other insured risks. The main production assets have insurance coverage, including damage or loss of property, plant and equipment. Nevertheless, there is a risk that damage to third parties, as well as loss or destruction of certain assets, that are not covered or not fully covered by insurance could have an adverse effect on the Group's operations and financial position.

### b) Pending litigations

The Group is a party to certain legal proceedings arising in the ordinary course of business. Management does not believe that these matters would have a material adverse effect on the Group's operating results.

**25. Contingencies (continues)****c) Taxation contingencies in the Russian Federation**

Russian tax legislation is subject to varying interpretations regarding the operations and activities of the Group. Accordingly, management's interpretation of tax legislation and its formal documentation can be successfully challenged by the relevant regional or federal authorities. Tax administration in Russia is gradually increasing. In particular, the risk of checking the tax aspect of transactions without obvious economic substance or with counterparties that violate tax laws is increasing. Tax audits may cover three calendar years preceding the year the tax audit decision was made. Under certain conditions, earlier periods may also be subject to verification.

The Russian tax authorities may impose additional tax liabilities and penalties based on the rules established by transfer pricing legislation, if the price/profitability of controlled transactions differs from the market level. The list of controlled transactions mainly includes transactions concluded between interrelated parties.

Starting from 1 January 2019, control over transfer pricing ("TP") for a significant part of domestic transactions has been removed. However, the exemption from price control may not apply to all transactions made in the domestic market. However, in the case of additional charges, the mechanism of counter-adjustment of tax liabilities can be used, if certain legal requirements are met. Intra-group transactions that have been out of control of the TP since 2019 may, nevertheless, be checked by the territorial tax authorities for obtaining an unjustified tax benefit, and TP methods may be used to determine the amount of additional charges.

The federal executive authority authorized to control and supervise taxes and fees may check prices/profitability in controlled transactions and, if it does not agree with the prices applied by the Group in these transactions, charge additional tax liabilities if the Group is unable to justify the market nature of pricing in these transactions by providing transfer pricing documentation that meets legal requirements.

As the practice of applying tax rules on property taxes continues to develop, tax authorities and courts may challenge the criteria for classifying property as movable or immovable property applied by the Group. The management of the Group does not exclude the risk of outflow of resources, and the impact of such a development of events cannot be estimated reliably. In the opinion of management, the relevant provisions of the legislation have been correctly interpreted, and the Group's position in terms of tax compliance can be justified and protected.

**d) Environmental matters**

The Group runs its operations in the energy market in the Russian Federation for many years. Legislation on environmental protection in the Russian Federation continues to develop, and the duties of authorized state bodies to monitor its compliance are being reviewed. Potential liabilities might arise as a result of changes in existing regulations, civil litigation or legislation cannot be assessed. In the opinion of management, under the current control system and current legislation, there are no probable liabilities that could have a material adverse effect on the Group's financial position, results of operations or cash flows.

## 26. Related party transactions

### a) Control relationships

Related parties are shareholders, affiliates and entities controlled by the Group, members of the Board of Directors and key management personnel of the Company.

As at 31 March 2021 and 31 December 2020, control of the Company was held by PJSC Rosseti. The ultimate controlling party is the State represented by the Federal Agency on Property Management, which owns a controlling stake in PJSC Rosseti.

### b) Transactions with parent company, its subsidiaries and associates

Transactions with the parent company, its subsidiaries and associates include transactions with PJSC Rosseti, its subsidiaries and associates:

	Transaction value		Outstanding balance	
	For the 3 months ended		as at	
	31 March		31 March	31 December
	2021	2020	2021	2020
	(unaudited)	(unaudited)	(unaudited)	(audited)
<b>Sale of goods and services</b>	<b>29 312</b>	<b>5 676</b>	<b>873 560</b>	<b>834 289</b>
Parent company	398	398	-	-
Other revenue	398	398	-	-
Fellow subsidiaries	28 914	5 278	873 560	834 289
Rental income	188	188	-	-
Other revenue	18 961	4 790	-	-
Other income	9 765	300	-	-
<b>Purchase of goods and services</b>	<b>(5 432 688)</b>	<b>(5 166 910)</b>	<b>(1 196 383)</b>	<b>(1 347 188)</b>
Parent company	(15 661)	(10 096)	(6)	(72 793)
Consulting, legal and audit services	(15 661)	(10 096)	-	-
Fellow subsidiaries	(5 417 027)	(5 156 814)	(1 196 377)	(1 274 395)
Power transmission services	(5 350 469)	(5 110 418)	-	-
Short term rent	(1 564)	(1 437)	-	-
Connection services	(2 352)	-	-	-
Allowance for expected credit losses of accounts receivable	(9 982)	-	(845 551)	(805 335)
Other expenses	(52 660)	(44 959)	-	-
<b>Advances given</b>	<b>-</b>	<b>6 678</b>	<b>37 417</b>	<b>36 295</b>
Parent company	-	6 678	-	-
Fellow subsidiaries	-	-	37 417	36 295
<b>Contract liabilities</b>	<b>-</b>	<b>-</b>	<b>(106 824)</b>	<b>(106 795)</b>
Fellow subsidiaries	-	-	(106 824)	(106 795)

## 26. Related party transactions (continues)

### c) Transactions with key management

Key management personnel include members of the Board of Directors, the management of the Executive Board, the Audit Commission, and representatives of the Company's top management.

The remuneration for the key management personnel consists of the salary stipulated by the employment contract, bonuses determined based on the results for the period, non-monetary benefits and other payments. Remuneration or compensation is not payable to members of the Board of Directors who are government employees.

The table below represents the amounts of remuneration to key management personnel for the current period recorded as employee remuneration expenses.

	<b>For the 3 months ended 31 March</b>	
	<b>2021</b>	<b>2020</b>
	<b>(unaudited)</b>	
Short-term employee benefits, including social security contribution	180 841	157 512
Severance package	10 283	-
Changes in end-of-service obligations and other long-term benefits (including pension plans)	(496)	(137)
	<b>190 628</b>	<b>157 375</b>

The present value of defined benefit obligations recorded in the consolidated interim condensed statement of financial position includes liabilities for key management personnel in the amount of RUB 9 160 thousand (31 December 2020: RUB 9 657 thousand).

### 27. Events subsequent to the reporting date

No other significant events occurred after the balance sheet date that would require special explanation or adjustments in the consolidated financial statements.