

**Public Joint Stock Company  
Territorial Generating Company  
No.1 and its subsidiaries**

**International Financial  
Reporting Standards (IFRS)  
Interim Condensed  
Consolidated Financial  
Statements (unaudited)**

**31 March 2020  
St. Petersburg | 2020**

## Contents

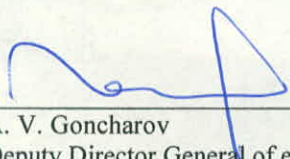
Interim Condensed Consolidated Statement of Financial Position.....	3
Interim Condensed Consolidated Statement of Comprehensive Income .....	4
Interim Condensed Consolidated Statement of Cash Flows.....	5
Interim Condensed Consolidated Statement of Changes in Equity .....	6

### Notes to the Interim Condensed Consolidated Financial Statements


Note 1.	General information.....	7
Note 2.	Basis of preparation .....	8
Note 3.	Summary of Significant Accounting Policies and Accounting Estimates .....	8
Note 4.	Segment information .....	9
Note 5.	Related Parties .....	11
Note 6.	Property, Plant and Equipment.....	17
Note 7	Trade and other receivables .....	18
Note 8	Financial assets.....	18
Note 9	Inventories.....	18
Note 10	Cash and Cash Equivalents .....	19
Note 11	Share capital .....	19
Note 12	Borrowings.....	19
Note 13	Trade and other payables .....	20
Note 14	Income tax.....	20
Note 15	Revenue .....	21
Note 16	Operating Expenses .....	22
Note 17	Finance Income and Finance Costs .....	22
Note 18	Basic and diluted earnings per share, attributable to the owners of PJSC «TGC-1».....	23
Note 19	Commitments .....	23
Note 20	Fair value of financial instruments .....	23
Note 21	Events after the Reporting Period.....	24

**PJSC TERRITORIAL GENERATING COMPANY №1 AND ITS SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2020 (UNAUDITED)**  
*(in millions of Russian Roubles)*

	Notes	31 March 2020	31 December 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	148 683	148 607
Investment property		160	164
Intangible assets		3 041	3 108
Investments in associates		437	421
Trade receivables and prepayments	7	1 224	1 445
Deferred income tax assets	14	303	316
<b>Total non-current assets</b>		<b>153 848</b>	<b>154 061</b>
<b>Current assets</b>			
Inventories	9	3 732	3 613
Trade receivables and prepayments	7	16 264	13 715
Current income tax prepayments		56	156
Cash and cash equivalents	10	881	881
Financial assets	8	1 721	10 010
<b>Total current assets</b>		<b>22 654</b>	<b>28 375</b>
Non-current assets held for sale		-	68
<b>Total current assets</b>		<b>22 654</b>	<b>28 443</b>
<b>Total assets</b>		<b>176 502</b>	<b>182 504</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	11	38 543	38 543
Share premium		22 914	22 914
Accumulated earnings and other reserves		65 546	61 295
<b>Equity attributable to the Company's owners</b>		<b>127 003</b>	<b>122 752</b>
Non-controlling interest		9 044	8 921
<b>Total equity and reserves</b>		<b>136 047</b>	<b>131 673</b>
<b>Non-current liabilities</b>			
Borrowings	12	4 000	4 000
Post-employment benefits obligations		1 159	1 159
Trade and other payables	13	304	290
Lease liabilities		6 796	7 264
Deferred tax liabilities	14	10 414	10 328
<b>Total non-current liabilities</b>		<b>22 673</b>	<b>23 041</b>
<b>Current liabilities</b>			
Borrowings	12	4 111	13 258
Trade and other payables	13	8 391	11 248
Current income tax payable		816	32
Other taxes payable		2 230	986
Lease liabilities		2 234	2 266
<b>Total current liabilities</b>		<b>17 782</b>	<b>27 790</b>
<b>Total liabilities</b>		<b>40 455</b>	<b>50 831</b>
<b>Total equity and liabilities</b>		<b>176 502</b>	<b>182 504</b>

  
A. V. Goncharov  
Deputy Director General of economics and  
finance

«13» May 2020

  
R. V. Stanishevskaya  
Chief Accountant

«13» May 2020

**PJSC TERRITORIAL GENERATING COMPANY №1 AND ITS SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THREE MONTHS ENDED 31 MARCH 2020 (UNAUDITED)**

*(in millions of Russian Roubles)*

	Notes	Three months ended 31 March 2020	Three months ended 31 March 2019
Revenue	15	27 722	31 901
Operating expenses	16	(22 041)	(23 775)
Impairment loss on financial assets		(293)	(217)
<b>Operating profit</b>		<b>5 388</b>	<b>7 909</b>
Finance income	17	249	128
Finance costs	17	(356)	(892)
Share of profit of associates		16	22
<b>Profit before income tax</b>		<b>5 297</b>	<b>7 167</b>
Income tax expense	14	(923)	(1 187)
<b>Profit for the period</b>		<b>4 374</b>	<b>5 980</b>
<b>Total comprehensive income for the period</b>		<b>4 374</b>	<b>5 980</b>
<b>Profit for the period is attributable to:</b>			
Owners of the TGC-1		4 251	6 005
Non-controlling interests		123	(25)
<b>Total comprehensive income for the period is attributable to:</b>			
Owners of the TGC-1		4 251	6 005
Non-controlling interests		123	(25)
<b>Earnings per ordinary share for profit attributable to owners of the TGC-1, basic and diluted (in Russian Roubles)</b>			
	18	<b>0.0011</b>	<b>0.0016</b>

A. V. Goncharov  
Deputy Director General of economics and  
finance

«13» May 2020

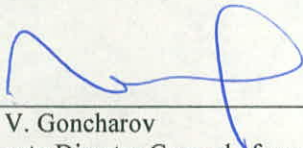
R. V. Stanishevskaya  
Chief Accountant

«13» May 2020


**PJSC TERRITORIAL GENERATING COMPANY №1 AND ITS SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THREE MONTHS**  
**ENDED 31 MARCH 2020 (UNAUDITED)**

(in millions of Russian Roubles)

	Notes	Three months ended 31 March 2020	Three months ended 31 March 2019
<b>Cash flows from operating activities</b>			
<b>Profit before income tax</b>		<b>5 297</b>	<b>7 167</b>
<i>Adjustments for:</i>			
Depreciation and amortisation	16	2 642	2 404
Impairment loss on financial assets		293	217
Share of profit of associates		(16)	(22)
Finance income	17	(249)	(128)
Finance expense	17	356	892
Other non-cash items		(93)	(78)
<b>Operating cash flows before working capital changes</b>		<b>8 230</b>	<b>10 452</b>
<b>Changes in working capital:</b>			
Change in trade receivables and prepayments	7	(2 448)	(1 841)
Change in inventories	9	(119)	675
Change in trade and other payables	13	(923)	(972)
Change in other taxes payable		1 244	1 947
Change in lease liabilities		(49)	32
<b>Changes in working capital</b>		<b>(2 295)</b>	<b>(159)</b>
Income taxes paid		28	(611)
Interest paid		(353)	(470)
<b>Net cash from operating activities</b>		<b>5 610</b>	<b>9 212</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment, intangible assets and other non-current assets		(4 428)	(2 615)
Proceeds from sale of property, plant and equipment and other assets		42	2
Borrowings issued		(13 604)	-
Repayment of borrowings		21 982	-
Interest paid and capitalised		(32)	(45)
Interest received		17	87
<b>Net cash used in (from) investing activities</b>		<b>3 977</b>	<b>(2 571)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		1 273	780
Repayments of borrowings		(10 410)	(6 336)
Repayments of lease liabilities		(450)	(537)
<b>Net cash from financing activities</b>		<b>(9 587)</b>	<b>(6 093)</b>
Effect of exchange rate changes on cash and cash equivalents		-	(247)
<b>Net increase in cash and cash equivalents</b>		<b>-</b>	<b>301</b>
Cash and cash equivalents at the beginning of the year	10	<b>881</b>	<b>6 867</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>10</b>	<b>881</b>	<b>7 168</b>

  
A. V. Goncharov  
Deputy Director General of economics and  
finance

«13» May 2020

  
R. V. Stanishevskaya  
Chief Accountant

«13» May 2020

The accompanying notes on the pages 7-24 are an integral part of these interim condensed consolidated financial statements.

**PJSC TERRITORIAL GENERATING COMPANY №1 AND ITS SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THREE MONTHS ENDED 31 MARCH 2020 (UNAUDITED)**  
*(in millions of Russian Roubles)*

	Attributable to owners of the Company					Non-controlling interest	Total equity
	Share capital	Share premium	Accumulated earnings	Total			
<b>Balance at 1 January 2019</b>	38 543	22 914	54 453	115 910	8 933	124 843	
Profit for the period	-	-	6 005	6 005	(25)	5 980	
<b>Comprehensive income for the period</b>	-	-	6 005	6 005	(25)	5 980	
<b>Balance at 31 March 2019</b>	38 543	22 914	60 458	121 915	8 908	130 823	
<b>Balance at 1 January 2020</b>	38 543	22 914	61 295	122 752	8 921	131 673	
Profit for the period	-	-	4 251	4 251	123	4 374	
<b>Comprehensive income for the period</b>	-	-	4 251	4 251	123	4 374	
<b>Balance at 31 March 2020</b>	38 543	22 914	65 546	127 003	9 044	136 047	



A. V. Goncharov  
Deputy Director General of economics and finance

«13» May 2020



R. V. Stanishevskaya  
Chief Accountant

«13» May 2020

**PJSC TERRITORIAL GENERATING COMPANY №1 AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THREE**  
**MONTHS ENDED 31 MARCH 2020 (UNAUDITED)**

*(in millions of Russian Roubles)*

**Note 1. General information**

**1.1 Organisation and operations**

Public Joint-Stock Company (PJSC) Territorial Generating Company № 1 (here in after “TGC-1”) was incorporated and is domiciled in the Russian Federation.

The Company’s principal business activity is production and sale of electric energy, heat energy and capacity. The Group includes 53 power plants located in four regions of Russia: St. Petersburg, Karelia region, the Leningrad region and the Murmansk region.

The Company is registered in the Russian State Tax Inspection of Saint-Petersburg № 15. The Company’s registered office is located at 16 Dobrolyubova prospect, 2A building, St. Petersburg, Russian Federation, 197198.

PJSC “TGC-1” and its subsidiaries, presented below, are the Group TGC-1 (here in after the “Group”):

Subsidiary	Type of business activity	% of ownership	
		31 March 2020	31 December 2019
	sale of electric energy and capacity,		
JSC Murmanskaya TPP	heat energy, heat capacity	98.8536	98.8536
JSC St Petersburg Heating Grid	transfer and distribution of heat	71.5734	71.5734
LLC St Petersburg Heating Grid	transfer and distribution of heat	71.5734	71.5734

**1.2 Government relations and influence on the Group’s activities**

At the date of interim condensed consolidated financial statements the Russian Federation owned (both directly and indirectly) over 50% in PJSC Gazprom through its 100% subsidiary LLC Gazprom energoholding (immediate Group’s parent company) which holds 51,79% of PJSC “TGC-1” as at 31 March 2020. Thus PJSC Gazprom is the parent company of the Group and the Russian Federation is the ultimate controlling party of the Group.

The Group’s customer base includes a large number of entities controlled by or related to the Government. The Group’s supply chain includes subsidiaries of PJSC Gazprom. The Government also controls the number of Group’s suppliers.

The Russian Federation directly affects the Group’s operations through regulations of wholesale and retail sales of electricity and heat exercised by the Federal Antimonopoly Service (the “FAS”) and the executive authorities in tariff regulation. JSC SO UPS, which is controlled by the Russian Federation as Federal Agency of State Property Management regulates operations of generating assets of the Group.

The Government’s economic, social and other policies could materially affect operations of the Group.

**1.3 Business environment in the Russian Federation**

The economy of the Russian Federation displays certain characteristics of an emerging market. Tax, currency and customs legislation of the Russian Federation continues to develop and are a subject to varying interpretations. Fluctuations in oil prices, continuing political tensions in the region, as well as international sanctions against some Russian organisations and citizens have had and can continue to affect the economy of the Russian Federation.

The financial markets continue to be volatile and are characterised by frequent significant price movements and increased trading spreads. These events may have a further significant impact on the Group’s future operations and financial position, the effect of which is difficult to predict. The future economic and regulatory situation and its impact on the Group’s operations may differ from management’s current expectations.

#### **1.4 Seasonality**

Demand for electricity and heat is influenced by both the season of the year and the relative severity of the weather. Revenues from heating are concentrated within the months of October to March. Similar, though less severe, concentration of electricity sales occurs within the same period. The seasonality of electricity and heat production has a corresponding impact on the usage of fuel and purchases of electricity. This seasonality does not impact on the revenue or cost recognition policies of the Group.

#### **Note 2. Basis of preparation**

These Interim Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34 “Interim Financial Reporting”. These Interim Condensed Consolidated Financial Statements should be read in conjunction with the annual Consolidated Financial Statements as at and for the year ended 31 December 2019, which were prepared in accordance with International Financial Reporting Standards (IFRS).

#### **Note 3. Summary of Significant Accounting Policies and Accounting Estimates**

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

##### **3.1 Application of amendments and interpretations to IFRSs**

The following new amendments and interpretations became effective for the Group from 1 January 2020:

- Changes to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (the amendment - the definition of the term “materiality”);
- Amendments to IFRS 3 Business Combinations (amendment - the definition of the term “business”);
- Revised conceptual basis of financial statements;

The Group has reviewed these interpretations and amendments to standards while preparing interim condensed consolidated financial statements. The interpretations and amendments to standards had no significant impact on the Group’s interim condensed consolidated financial statements.

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

Certain changes to existing standards have been issued that are mandatory for the annual periods beginning after 1 January 2021 or after this date. In particular, the Group did not early apply the following changes to the standards:

- IFRS 17 “Insurance contracts”

The Group is currently assessing the impact of these new standards and amendments on its financial statements.



**PJSC TERRITORIAL GENERATING COMPANY №1 AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THREE**  
**MONTHS ENDED 31 MARCH 2020 (UNAUDITED)**

*(in millions of Russian Roubles)*

---

**Note 4. Segment information**

The Board of Directors and Managing Director is the Chief operating decision-maker. The decision-maker reviews the Group's internal management report in order to assess performance of the Group and allocate resources.

The technology of electricity and heat production does not allow segregation of electricity and heat segments. The Company's branches are managed separately due to significant decentralization and separate location, as a result the Group discloses six primary reportable segments: TPP of Nevsky branch, HPS of Nevsky branch, St. Petersburg Heating Grid, Kolsky branch, Karelsky branch, Murmanskaya TPP.

All reportable segments are located within the Russian Federation.

In the process of evaluation of segments, results and allocation of economic resources of the Group the Management uses financial information provided below prepared in accordance with RAR. The differences between the above-mentioned financial indicators analysed by the Management and IFRS financial information are caused by different approaches applied in IFRS and RAR. The main differences relate to the respective carrying values of property, plant and equipment. The Group does not have inter-segment revenue.

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

**PJSC TERRITORIAL GENERATING COMPANY №1 AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THREE MONTHS ENDED 31 MARCH 2020**  
**(UNAUDITED)**

*(in millions of Russian Roubles)*

**4.1 Financial results of segments**

The segment information for three months ended 31 March 2020 and 31 March 2019 is as follows:

<b>Three months ended 31 March 2020</b>	<b>TPP of Nevsky branch</b>	<b>HPS of Nevsky branch</b>	<b>St Peters- burg Heating Grid</b>	<b>Kolsky branch</b>	<b>Karelsky branch</b>	<b>Murman- skaya TPP</b>	<b>Unallocated segments</b>	<b>Total segments</b>	<b>Eliminations</b>	<b>Adjustments</b>	<b>Total</b>
Revenue:	19 860	1 130	2 407	2 684	2 274	1 610	689	<b>30 654</b>	(2 920)	(12)	<b>27 722</b>
<i>including export</i>	-	33	-	83	-	-	-	<b>116</b>	-	-	<b>116</b>
Depreciation of property, plant, equipment	1 345	128	642	190	132	26	7	<b>2 470</b>	-	98	<b>2 568</b>
Reportable segment profit/(loss)	5 304	717	239	281	331	117	(1 716)	<b>5 273</b>	-	115	<b>5 388</b>

<b>Three months ended 31 March 2019</b>	<b>TPP of Nevsky branch</b>	<b>HPS of Nevsky branch</b>	<b>St Peters- burg Heating Grid</b>	<b>Kolsky branch</b>	<b>Karelsky branch</b>	<b>Murman- skaya TPP</b>	<b>Unallocated segments</b>	<b>Total segments</b>	<b>Eliminations</b>	<b>Adjustments</b>	<b>Total</b>
Revenue:	22 393	1 285	1 997	3 426	2 349	2 296	237	<b>33 983</b>	(2 583)	501	<b>31 901</b>
<i>including export</i>	-	319	-	475	-	-	-	<b>794</b>	-	-	<b>794</b>
Depreciation of property, plant, equipment	1 540	120	627	181	164	24	4	<b>2 659</b>	-	(311)	<b>2 348</b>
Reportable segment profit/(loss)	6 421	687	(147)	956	319	17	(1 832)	<b>6 422</b>	-	1 488	<b>7 909</b>

**PJSC TERRITORIAL GENERATING COMPANY №1 AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THREE**  
**MONTHS ENDED 31 MARCH 2020 (UNAUDITED)**  
*(in millions of Russian Roubles)*

Reconciliation of the segment result to operating profit in the interim condensed consolidated statement of comprehensive income for three months ended 31 March 2020 and 31 March 2019 is provided as follows:

	<b>Three months ended 31 March 2020</b>	<b>Three months ended 31 March 2019</b>
<i>Revenue reclassification adjustments</i>	(12)	501
Depreciation adjustment	(98)	311
Other adjustments	225	676
	<b>127</b>	<b>987</b>
<b>Total adjustments to operating profit</b>	<b>115</b>	<b>1 488</b>

#### **4.2 Key customers**

The revenue presented in segment revenue includes two customers with the revenue exceeding 10% of the Group's revenue for three months ended 31 March 2020 and amounting to RUB 3 734 million (for three months ended 31 March 2019 the revenue of two customers exceeded 10% of the Group's revenue and amounted to RUB 4 306 million).

#### **Note 5. Related Parties**

In the interim condensed consolidated financial statements, a related party is a person or entity that has control or significant influence over the other party in financial and operational decisions as determined in IAS 24 "Related parties".

Transactions with related parties have been made mostly on the same terms and conditions as similar operations with the parties external to the Group. Prices for natural gas and capacity are based on tariffs set by FAS and also based on competitive take-off on the wholesale electricity (capacity) market rates.

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

##### **(a) Gazprom Group and its associates**

As at and for three months, ended 31 March 2020 the Group's significant transactions and outstanding balances with Gazprom Group and its associates are detailed below:

#### **Revenue**

	<b>Three months ended 31 March 2020</b>	<b>Three months ended 31 March 2019</b>
Electricity and capacity	199	246
Heating	135	173
Other sales	24	80
<b>Total</b>	<b>358</b>	<b>499</b>

**PJSC TERRITORIAL GENERATING COMPANY №1 AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THREE**  
**MONTHS ENDED 31 MARCH 2020 (UNAUDITED)**  
*(in millions of Russian Roubles)*

**Operating expenses**

	<b>Three months ended 31 March 2020</b>	<b>Three months ended 31 March 2019</b>
Fuel	(9 614)	(10 798)
Electricity and capacity purchases	(12)	(38)
Repairs, maintenance and service	(89)	(58)
Transportation services	(0)	(5)
Consulting, legal and audit expenses	(33)	(6)
Insurance	(78)	(74)
Penalties and fees	(4)	-
Security and fire safety	(6)	(37)
Cleaning services	(23)	(27)
Software and maintenance	(85)	(47)
Telecommunication services	(1)	(1)
Other operating expenses	(42)	(31)
<b>Total</b>	<b>(9 989)</b>	<b>(11 122)</b>

**Finance Income and Finance Costs**

	<b>Three months ended 31 March 2020</b>	<b>Three months ended 31 March 2019</b>
<b>Finance income</b>		
Interest income on bank deposits and current bank accounts balances	2 218	-
Interest income on loans issued	101	-
<b>Total finance income</b>	<b>104</b>	<b>-</b>
<b>Finance costs</b>		
Interest expense on loans and borrowings	(23)	(62)
Interest expense on lease	(119)	(134)
<b>Total finance costs</b>	<b>(143)</b>	<b>(196)</b>

**Balances**

	<b>31 March 2020</b>	<b>31 December 2019</b>
Short-term financial assets	1 717	10 006
Long-term trade and other receivables	241	241
Long-term advances for suppliers	602	603
Short-term trade and other receivables	165	204
Short-term advances for suppliers	14	11
Cash and cash equivalents	174	240
Advances for capital construction, included in property, plant and equipment	3 583	2 651
<b>Total assets</b>	<b>6 497</b>	<b>13 956</b>
Long-term borrowings and loans	969	1 248
Long-term trade and other payables	187	165
Short-term trade and other payables	1 198	1 585
Short-term payables for purchase of property, plant and equipment	888	2 180
Long-term lease liabilities	5 291	5 834
Short-term lease liabilities	2 094	2 176
Short-term contractual liabilities	1	2
<b>Total liabilities</b>	<b>10 628</b>	<b>13 190</b>

**PJSC TERRITORIAL GENERATING COMPANY №1 AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THREE**  
**MONTHS ENDED 31 MARCH 2020 (UNAUDITED)**

*(in millions of Russian Roubles)*

***Purchase of non-current and current assets***

	<b>Three months ended 31 March 2020</b>	<b>Three months ended 31 March 2019</b>
Purchases of property, plant and equipment	758	680
Purchases of materials and other assets	10	12
<b>Итого</b>	<b>768</b>	<b>693</b>

**(b) *Transactions with other State-controlled entities***

Information below excludes transactions and outstanding balances with Gazprom Group and its associates as disclosed in Note 5 (a).

The Group had the following significant transactions with state-controlled entities as at 31 March 2020 and 31 March 2019:

***Revenue***

	<b>Three months ended 31 March 2020</b>	<b>Three months ended 31 March 2019</b>
Electricity and capacity	2 542	3 409
Heating	7 000	7 848
Other sales	23	8
<b>Total</b>	<b>9 565</b>	<b>11 264</b>

***Operating expenses***

	<b>Three months ended 31 March 2020</b>	<b>Three months ended 31 March 2019</b>
Purchased electricity and capacity	(103)	(234)
Purchased heat energy	(22)	(24)
Heat transfer	(521)	(467)
Electricity transfer	(8)	(49)
Fees of electricity market operators	(216)	(221)
Transportation services	(1)	(1)
Penalties and fines	(2)	(0)
Security and fire safety	(164)	(123)
Software and maintenance	(86)	(68)
Water usage	(778)	(756)
Bank services	(1)	(2)
Telecommunication services	(3)	(7)
Other operating expenses	(81)	(37)
<b>Total</b>	<b>(1 986)</b>	<b>(1 989)</b>

**PJSC TERRITORIAL GENERATING COMPANY №1 AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THREE**  
**MONTHS ENDED 31 MARCH 2020 (UNAUDITED)**

*(in millions of Russian Roubles)*

***Finance Income and Finance Costs***

	Three months ended 31 March 2020	Three months ended 31 March 2019
<b>Finance income</b>		
Interest income on cash deposit and cash in bank	1	35
Прочие финансовые доходы	1	35
<b>Total finance income</b>	<b>1</b>	<b>35</b>
<b>Finance costs</b>		
Interest expense on loans and borrowings	(72)	(130)
Interest expense on lease	(34)	(34)
<b>Total finance costs</b>	<b>(106)</b>	<b>(165)</b>

***Balances***

	31 March 2020	31 December 2019
Long-term trade and other receivables	1 163	1 386
Provision for expected credit losses on long-term receivables	(854)	(757)
Short-term trade and other receivables	9 228	9 927
Short-term advances for suppliers	5	-
Provision for expected credit losses on short-term receivables	(5 031)	(4 496)
Cash and cash equivalents	8	589
<b>Total assets</b>	<b>4 519</b>	<b>6 649</b>
Short-term borrowings	-	8 865
Long-term trade and other payables	110	115
Short-term trade and other payables	1 456	1 141
Payables for purchase of property, plant and equipment	2	-
Long-term lease liabilities	1 202	1 126
Short-term lease liabilities	49	71
Short-term contractual liabilities	225	98
<b>Total liabilities</b>	<b>3 043</b>	<b>11 417</b>

***Purchase of non-current and current assets***

	Three months ended 31 March 2020	Three months ended 31 March 2019
Purchases of property, plant and equipment	28	20
<i>including capitalized borrowing costs from related parties</i>	5	14
Purchases of materials and other assets	932	1 301
<b>Total</b>	<b>960</b>	<b>1 320</b>

Some of the transactions on the wholesale electricity and capacity market are conducted through commission agreements with JSC Centre of Financial Settlements (CFS). CFS's current financial settlement system of CFS does not provide the final counterparty with automated information about transactions and settlement balances with end consumers. Government-related entities, Gazprom Group and its subsidiaries may also act as counterparties.

**PJSC TERRITORIAL GENERATING COMPANY №1 AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THREE**  
**MONTHS ENDED 31 MARCH 2020 (UNAUDITED)**

*(in millions of Russian Roubles)*

The Group had the following significant transactions with CFS, presented below:

**Revenue and operating expenses**

	<b>Three months ended 31 March 2020</b>	<b>Three months ended 31 March 2019</b>
Sales of electricity and capacity	7 176	8 889
Purchases of electricity and capacity	1 219	1 714

**Balances**

	<b>31 March 2020</b>	<b>31 December 2019</b>
Trade and other receivables	2 193	1 036
Provision for expected credit losses on receivables	15	10
Trade and other payables	333	270

**(c) Transactions with other related parties**

Other related parties are mainly represented by the Company's shareholder with a significant influence (Fortum Power and Heat OY) and associates (LLC TGC Service and JSC Hibinskaya Heating Company).

**Revenue**

	<b>Three months ended 31 March 2020</b>	<b>Three months ended 31 March 2019</b>
Electricity and capacity	33	319
Heating	25	27
Other sales	2	1
<b>Total</b>	<b>60</b>	<b>348</b>

**Operating expenses**

	<b>Three months ended 31 March 2020</b>	<b>Three months ended 31 March 2019</b>
Repairs, maintenance and service	(230)	(251)
Heat transfer	(179)	(142)
Other operating expenses	(1)	(1)
<b>Total</b>	<b>(410)</b>	<b>(394)</b>

**Balances**

	<b>31 March 2020</b>	<b>31 December 2019</b>
Short-term trade and other receivables	10	14
Short-term advances for suppliers	4	14
Advances for capital construction, included in property, plant and equipment	4	12
<b>Total assets</b>	<b>19</b>	<b>40</b>
Short-term trade and other payables	399	699
Payables for purchase of property, plant and equipment	162	188
Short-term lease liabilities	47	63
<b>Total liabilities</b>	<b>609</b>	<b>949</b>

**PJSC TERRITORIAL GENERATING COMPANY №1 AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THREE**  
**MONTHS ENDED 31 MARCH 2020 (UNAUDITED)**

*(in millions of Russian Roubles)*

***Purchase of non-current and current assets***

	<b>Three months ended 31 March 2020</b>	<b>Three months ended 31 March 2019</b>
Purchases of property, plant and equipment	178	83
Purchases of materials and other assets	6	2
<b>Total</b>	<b>183</b>	<b>85</b>

***(d) Transactions with the key management personnel***

Short-term compensation for services of key management personnel includes compensation to the members of the Board of Directors and members of Management Board before delegating the authorities of the single executive body to the management company LLC Gazprom Energoholding at 30 September 2019 for their services at the management positions on a regular basis and comprised of a monthly salary, bonuses, taxes charge and other obligatory payments to relevant budgets, medical insurance costs.

Key management personnel includes members of the Board of Directors, Managing Director, members of Management Board.

	<b>Three months ended 31 March 2020</b>	<b>Three months ended 31 March 2019</b>
Salaries and bonuses	13	23
Social taxes and contributions	5	9
Benefits to the Board of Directors	1	-
<b>Total</b>	<b>19</b>	<b>32</b>

Remuneration to managing organisation LLC Gazprom energoholding for three months ended 31 March 2020 was in the amount of RUB 27 million and 31 March 2019 RUB 0 million respectively.

***(e) Amount of outstanding contractual commitments for the construction of property, plant and equipment***

	<b>31 March 2020</b>	<b>31 December 2019</b>
PJSC Gazprom and its subsidiaries	11 027	11 039
State-controlled entities	80	84
Other related parties	1 150	838
<b>Total</b>	<b>12 256</b>	<b>11 961</b>



PJSC TERRITORIAL GENERATING COMPANY №1 AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THREE MONTHS ENDED 31 MARCH 2020 (UNAUDITED)

(in millions of Russian Roubles)

**Note 6. Property, Plant and Equipment**

Movements in the carrying amount of property, plant and equipment were as follows:

	Right-of-use assets	Heating networks	Buildings and constructions	Machinery and equipment	Vehicles and other	Construction in progress	Total
<i>Cost</i>							
<b>Balance as at 1 January 2019</b>	-	56 193	45 659	74 314	43 536	15 225	234 927
Initial applying as at 1 January 2019	8 671	-	-	-	-	-	8 671
Additions	-	10	-	-	9	1 744	1 763
Disposals	-	(1)	(3)	(6)	(19)	(22)	(51)
Transfers	-	3	214	153	724	(1 094)	-
<b>Balance as at 31 March 2019</b>	<b>8 671</b>	<b>56 205</b>	<b>45 870</b>	<b>74 461</b>	<b>44 250</b>	<b>15 853</b>	<b>245 310</b>
<b>Balance as at 1 January 2020</b>	<b>11 372</b>	<b>55 686</b>	<b>46 278</b>	<b>75 708</b>	<b>48 261</b>	<b>20 350</b>	<b>257 655</b>
Additions	-	41	-	-	14	2 488	2 543
Disposals	(18)	-	-	(3)	(42)	(41)	(104)
Effect of lease agreements modifications	93	-	-	-	-	-	93
Transfers	-	125	39	30	1 293	(1 487)	-
Transfer from (to) other accounts	-	-	181	150	45	-	376
<b>Balance as at 31 March 2020</b>	<b>11 447</b>	<b>55 852</b>	<b>46 498</b>	<b>75 885</b>	<b>49 571</b>	<b>21 310</b>	<b>260 563</b>
<i>Accumulated depreciation and impairment</i>							
<b>Balance as at 1 January 2019</b>	-	(26 790)	(19 027)	(30 557)	(20 203)	(7)	(96 584)
Initial applying as at 1 January 2019	-	-	-	-	-	-	-
Charge for the period	(261)	(428)	(187)	(659)	(813)	-	(2 348)
Disposals	-	-	2	6	17	-	25
<b>Balance as at 31 March 2019</b>	<b>(261)</b>	<b>(27 218)</b>	<b>(19 212)</b>	<b>(31 210)</b>	<b>(20 999)</b>	<b>(7)</b>	<b>(98 907)</b>
<b>Balance as at 1 January 2020</b>	<b>(1 485)</b>	<b>(29 947)</b>	<b>(19 903)</b>	<b>(33 410)</b>	<b>(23 629)</b>	<b>(674)</b>	<b>(109 048)</b>
Charge for the period	(352)	(381)	(185)	(735)	(915)	-	(2 568)
Disposals	6	-	-	2	36	-	44
Transfer from other accounts	-	(15)	(169)	(121)	(18)	15	(308)
<b>Balance as at 31 March 2020</b>	<b>(1 831)</b>	<b>(30 343)</b>	<b>(20 257)</b>	<b>(34 264)</b>	<b>(24 526)</b>	<b>(659)</b>	<b>(111 880)</b>
<i>Net book value</i>							
<b>Balance as at 1 January 2019</b>	-	29 403	26 632	43 757	23 333	15 218	138 343
<b>Balance as at 31 March 2019</b>	<b>8 410</b>	<b>28 987</b>	<b>26 658</b>	<b>43 251</b>	<b>23 251</b>	<b>15 846</b>	<b>146 403</b>
<b>Balance as at 1 January 2020</b>	<b>9 887</b>	<b>25 739</b>	<b>26 375</b>	<b>42 298</b>	<b>24 632</b>	<b>19 676</b>	<b>148 607</b>
<b>Balance as at 31 March 2020</b>	<b>9 616</b>	<b>25 509</b>	<b>26 241</b>	<b>41 621</b>	<b>25 045</b>	<b>20 651</b>	<b>148 683</b>

**PJSC TERRITORIAL GENERATING COMPANY №1 AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR**  
**THREE MONTHS ENDED 31 MARCH 2020 (UNAUDITED)**

*(in millions of Russian Roubles)*

As at 31 March 2020 the property, plant and equipment include the right-of-use assets in the amount of RUB 9 616 million, primarily related to the land plots and office buildings.

The “Vehicles and other” group includes land plots, motor vehicles, computer equipment, office fixtures and other equipment.

There were no property, plant and equipment pledged as collateral according to loan agreements.

**Note 7 Trade and other receivables**

	<b>31 March 2020</b>	<b>31 December 2019</b>
<b>Short-term receivables</b>		
Trade receivables	14 857	12 570
Other receivables	252	261
<b>Total financial receivables</b>	<b>15 109</b>	<b>12 831</b>
Advances to suppliers and prepaid expenses	1 009	709
VAT recoverable	48	94
Tax prepayments other than income tax	98	81
<b>Total non-financial receivables</b>	<b>1 155</b>	<b>884</b>
<b>Total short-term receivables and prepayments</b>	<b>16 264</b>	<b>13 715</b>
<b>Long-term receivables</b>		
Trade receivables	602	825
Other receivables	17	17
<b>Total financial receivables</b>	<b>619</b>	<b>842</b>
Other non-financial receivables	3	-
Advances to suppliers and prepaid expenses	602	603
<b>Total non-financial receivables</b>	<b>605</b>	<b>603</b>
<b>Total long-term receivables and prepayments</b>	<b>1 224</b>	<b>1 445</b>

Trade receivables is presented net of allowance for expected credit losses in the amount of RUB 9 922 million and 9 830 million as at 31 March 2020 and 31 December 2019 respectively.

Other receivables is presented net of allowance for expected credit losses in the amount of RUB 86 million and 108 million as at 31 March 2020 and 31 December 2019 respectively.

**Note 8 Financial assets**

	<b>31 March 2020</b>	<b>31 December 2019</b>
Loans issued (including %)	1 721	10 010
<b>Total short-term financial assets</b>	<b>1 721</b>	<b>10 010</b>

**Note 9 Inventories**

	<b>31 March 2020</b>	<b>31 December 2019</b>
Raw materials and other supplies	690	561
Spare parts	231	169
Fuel	2 807	2 879
Other inventories	4	4
<b>Total inventories</b>	<b>3 732</b>	<b>3 613</b>

The Group does not have pledged inventories as at 31 March 2020 and 31 December 2019.

**PJSC TERRITORIAL GENERATING COMPANY №1 AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR**  
**THREE MONTHS ENDED 31 MARCH 2020 (UNAUDITED)**  
*(in millions of Russian Roubles)*

**Note 10 Cash and Cash Equivalents**

	<b>31 March 2020</b>	<b>31 December 2019</b>
Cash in bank and in hand	881	881
<b>Total cash and cash equivalents</b>	<b>881</b>	<b>881</b>

The Group has no restricted cash as at 31 March 2020 (as at 31 December 2019: of RUB 587 million).

**Note 11 Share capital**

*Share capital and share premium*

As at 31 March 2020 and as at 31 December 2019 the declared share capital comprised 3 854 341 416 571 ordinary shares with a par value of RUB 0.01. All shares authorised are issued and fully paid.

Share premium amounted to RUB 22 914 million includes excess of the cash proceeds from the issue of share capital over its par value.

**Note 12 Borrowings**

	<b>31 March 2020</b>	<b>31 December 2019</b>
<b>Long-term borrowings</b>		
Bonds	4 000	4 000
<b>Total long-term borrowings</b>	<b>4 000</b>	<b>4 000</b>
<b>Short-term borrowings</b>		
Bank borrowings	969	10 113
Current portion of long-term bank borrowings	3 098	3 098
Current portion of long-term bonds	44	47
<b>Total short-term borrowings</b>	<b>4 111</b>	<b>13 258</b>

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

	<b>Currency</b>	<b>Contractual interest rate</b>	<b>Maturity</b>	<b>31 March 2020</b>	<b>31 December 2019</b>
<b>Bank borrowings</b>					
PJSC Sberbank RF	RUB	6.76-6.9%	2020	-	8 865
Bank Rossiya	RUB	7.50%	2020	3 098	3 098
Gazprombank JSC	RUB	8.7-8.8%	2020	969	1 248
<b>Bonds</b>					
Bonds 03	RUB	CPI+1.5%	2020-2021	2 033	2 004
Bonds 04	RUB	CPI+1.5%	2020-2022	2 011	2 043
<b>Total</b>				<b>8 111</b>	<b>17 258</b>

The Group is required to comply with certain covenants related to borrowings. The Group complied with these covenants as at 31 March 2020 and as at 31 December 2019.

**PJSC TERRITORIAL GENERATING COMPANY №1 AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR**  
**THREE MONTHS ENDED 31 MARCH 2020 (UNAUDITED)**

*(in millions of Russian Roubles)*

**Note 13 Trade and other payables**

	<b>31 March 2020</b>	<b>31 December 2019</b>
<b>Short-term payables</b>		
Trade payables	4 319	4 912
Short-term payables for purchase of property, plant and equipment	1 281	3 602
Other payables	285	256
<b>Total financial payables</b>	<b>5 885</b>	<b>8 770</b>
Contractual liabilities	1 852	1 924
Other payables	653	555
<b>Total non-financial payables</b>	<b>2 506</b>	<b>2 479</b>
<b>Total short-term payables and other liabilities</b>	<b>8 391</b>	<b>11 249</b>
<b>Long-term payables</b>		
Trade payables	304	289
<b>Total long-term payables and other liabilities</b>	<b>304</b>	<b>289</b>

The total cash flow in respect of lease agreements for three months, ended 31 March 2020 was RUB 612 million including RUB 162 million for interest paid on lease and RUB 450 million for repayment of lease agreements (for three months, ended 31 March 2019: RUB 191 million and RUB 537 million respectively).

**Note 14 Income tax**

Income tax expense comprises the following:

	<b>Three months ended 31 March 2020</b>	<b>Three months ended 31 March 2019</b>
Current income tax charge	(825)	(1 238)
Deferred income tax charge	(98)	51
<b>Total expense tax charge</b>	<b>(923)</b>	<b>(1 187)</b>

Tax effects of taxable and deductible temporary differences for three months ended 31 March 2020 and for three months ended 31 March 2019 are as follows:

	<b>1 January</b>	<b>Recognised in profit or losses</b>	<b>Effect of initial applying of IFRS's</b>	<b>31 March</b>
<b>Three months ended 31 March 2020</b>				
Property, plant and equipment	(12 577)	(132)	-	(12 709)
Trade and other receivables	768	(31)	-	737
Trade and other payables	49	25	-	74
Pension liabilities	202	-	-	202
Lease liabilities	1 527	26	-	1 553
Tax loss carried forward	-	16	-	16
Other assets	18	(2)	-	16
<b>Total</b>	<b>(10 013)</b>	<b>(98)</b>	<b>-</b>	<b>(10 111)</b>

**PJSC TERRITORIAL GENERATING COMPANY №1 AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR**  
**THREE MONTHS ENDED 31 MARCH 2020 (UNAUDITED)**

*(in millions of Russian Roubles)*

<b>Three months ended 31 March 2019</b>				
Property, plant and equipment	(11 294)	555	(1 928)	(12 667)
Trade and other receivables	762	(36)	-	726
Trade and other payables	57	22	-	79
Pension liabilities	155	-	-	155
Lease liabilities	-	(528)	1 928	1 400
Borrowings	-	-	-	-
Tax loss carried forward	-	25	-	25
Other assets	42	13	-	55
<b>Total</b>	<b>(10 278)</b>	<b>51</b>	<b>-</b>	<b>(10 227)</b>

Deferred income tax assets and liabilities were measured at the following tax rates as at 31 March 2020: PJSC «TGC-1» - 17.32%, JSC «Murmanskaya TPP» - 20%, JSC «St Petersburg Heating Grid» - 17.59% (as at 31 December 2019: PJSC «TGC-1» - 17.25%, JSC «Murmanskaya TPP» - 20%, JSC «St Petersburg Heating Grid» - 17.59%). Management considers the rates to be applied to the period when the assets are realised and liabilities are settled.

Some deferred tax assets and liabilities have been set off in accordance with the Group accounting policies. Amounts of deferred tax (after offsetting) reflected in the interim condensed consolidated statement of financial position are as follows:

	<b>31 March 2020</b>	<b>31 December 2019</b>
Deferred income tax assets	303	316
Deferred income tax liabilities	(10 414)	(10 328)
<b>Deferred income tax liabilities, net</b>	<b>(10 111)</b>	<b>(10 012)</b>

**Note 15 Revenue**

	<b>Three months ended 31 March 2020</b>	<b>Three months ended 31 March 2019</b>
Electricity and capacity	13 649	16 307
Heating	13 787	15 476
Other sales	286	118
<b>Total</b>	<b>27 722</b>	<b>31 901</b>

In the first quarter of 2020 Group received the grants for the income compensation for companies providing heating services (sales to heat consumers) per tariffs that don't cover expenses for a total amount of RUB 676 million (in the first quarter 2019 – RUB 1 172 million).

**PJSC TERRITORIAL GENERATING COMPANY №1 AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR**  
**THREE MONTHS ENDED 31 MARCH 2020 (UNAUDITED)**

*(in millions of Russian Roubles)*

**Note 16 Operating Expenses**

	<b>Three months ended 31 March 2020</b>	<b>Three months ended 31 March 2019</b>
Fuel	11 261	13 267
Depreciation and amortization	2 642	2 404
Purchased electricity and capacity	1 393	2 111
Purchased heat energy	386	375
Heat transfer	610	604
Employee benefits	2 524	2 307
Repairs, maintenance and service	673	555
Taxes other than income tax	430	352
Other materials	185	188
Fees of electricity market operators	217	222
Security and fire safety	246	198
Water usage	816	789
Other operating expenses	658	403
<b>Total operating expenses</b>	<b>22 041</b>	<b>23 775</b>

**Note 17 Finance Income and Finance Costs**

	<b>Three months ended 31 March 2020</b>	<b>Three months ended 31 March 2019</b>
<b>Финансовые доходы</b>		
Interest income on bank deposits and current bank accounts balances	4	86
Exchange differences	-	40
Effect of discounting of financial instruments	143	1
Interest income on loans issued	101	-
Income from ownership in other companies	16	22
Other financial income	1	1
<b>Total finance income</b>	<b>265</b>	<b>150</b>
<b>Finance costs</b>	<b>-</b>	<b>-</b>
Interest expense on borrowings	(212)	(319)
Exchange differences	-	(255)
Interest expense on lease	(162)	(191)
Effect of discounting of financial instruments	(14)	(172)
<b>Total finance costs</b>	<b>(388)</b>	<b>(937)</b>
Net of capitalized borrowing costs related to qualified assets	32	45
<b>Total finance costs, net</b>	<b>(91)</b>	<b>(742)</b>

**PJSC TERRITORIAL GENERATING COMPANY №1 AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR**  
**THREE MONTHS ENDED 31 MARCH 2020 (UNAUDITED)**  
*(in millions of Russian Roubles)*

**Note 18 Basic and diluted earnings per share, attributable to the owners of PJSC «TGC-1»**

Earnings per share attributable to owners of PJSC TGC-1 have been calculated by dividing the profit for the period, attributable to the owners of PJSC TGC-1 by the weighted average number of shares placed (Note 12). The calculation of earnings per share is presented in the table below.

	<b>Three months ended 31 March</b>	
	<b>2020</b>	<b>2019</b>
Issued shares (thousand of pieces)	3854341,417	3854341,417
<b>Weighted average number of ordinary shares (thousand of pieces)</b>	<b>3854341,417</b>	<b>3854341,417</b>
Profit for the period attributable to owners of PJSC "TGC-1" (in RUB mln)	4 251	6 005
<b>Earnings per ordinary share attributable to the owners of PJSC "TGC-1" after tax – basic and diluted – in Russian Roubles</b>	<b>0.0011</b>	<b>0.0016</b>

There are no dilutive financial instruments outstanding in the Group as at 31 March 2020 and 31 March 2019.

**Note 19 Commitments**

As at 31 March 2020, the Group had outstanding contractual commitments relating to the construction and purchase of property, plant and equipment in the amount of RUB 12 952 million including VAT (31 December 2019: RUB 13 276 million).

**Note 20 Fair value of financial instruments**

*Fair values*

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

***Financial instruments in Level 1***

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

***Financial instruments in Level 2***

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

***Financial instruments in Level 3***

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

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

**PJSC TERRITORIAL GENERATING COMPANY №1 AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR**  
**THREE MONTHS ENDED 31 MARCH 2020 (UNAUDITED)**

*(in millions of Russian Roubles)*

---

As at 31 March 2020 and 31 December 2019 the estimated fair value of financial assets and liabilities, that are not recognized at fair value in consolidated statement of financial position, is slightly different from their present value.

**Note 21    Events after the Reporting Period**

***Borrowings***

During the period between reporting date and signing date, the Group received short-term borrowings of RUB 445 million.

During the period between reporting date and signing date, the Group repaid borrowings a total of RUB 593 million.

***Government grants***

During the period between reporting date and signing date the Group received a grant from Saint-Petersburg regional budget for a total amount of RUB 274 million.

***Budget funding***

In April 2020 JSC St Petersburg Heating Grid received the budget funding of Saint-Petersburg under reconstruction heat grids in the amount of RUB 3 000 million that will result subsequently to reducing of TGC's share.