



**OGK-2 GROUP**

**CONDENSED INTERIM  
CONSOLIDATED FINANCIAL STATEMENTS  
PREPARED IN ACCORDANCE WITH  
INTERNATIONAL FINANCIAL REPORTING  
STANDARDS (IFRS) (UNAUDITED)**

**31 March 2021  
Saint-Petersburg**

**Translation from the Russian original**

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**OGK-2 Group**  
**Condensed Interim Consolidated Statement of Financial Position (unaudited)**  
**as at 31 March 2021**

(in millions of Russian Roubles)



	Notes	31 March 2021	31 December 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	165,764	160,851
Intangible assets		351	376
Investments in associates		20,803	20,824
Accounts receivable and prepayments	7	438	440
Deferred tax assets	14	4	3
Other non-current assets		477	470
<b>Total non-current assets</b>		<b>187,837</b>	<b>182,964</b>
<b>Current assets</b>			
Inventories	9	9,864	14,248
Accounts receivable and prepayments	7	10,734	11,934
Income tax receivable		9	13
Cash and cash equivalents	10	66	7
Financial assets	8	22,674	15,265
<b>Total current assets</b>		<b>43,347</b>	<b>41,467</b>
<b>TOTAL ASSETS</b>		<b>231,184</b>	<b>224,431</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	11	40,057	40,057
Share premium	11	26,846	26,846
Retained earnings and other reserves		84,869	77,726
<b>Equity attributable to the shareholders of JSC "OGK-2"</b>		<b>151,772</b>	<b>144,629</b>
Non-controlling interest		16	16
<b>Total equity and reserves</b>		<b>151,788</b>	<b>144,645</b>
<b>Non-current liabilities</b>			
Borrowings	12	37,777	38,877
Employee benefit liabilities		1,913	1,893
Accounts payable and other liabilities	13	6,282	7,094
Lease liabilities		424	478
Provisions		1,663	1,640
Deferred income tax liabilities	14	11,700	11,372
<b>Total non-current liabilities</b>		<b>59,759</b>	<b>61,354</b>
<b>Current liabilities</b>			
Borrowings	12	5,325	6,065
Accounts payable and other liabilities	13	10,110	10,852
Current income tax payable		893	688
Other taxes payable	15	3,108	620
Lease liabilities		201	207
<b>Total current liabilities</b>		<b>19,637</b>	<b>18,432</b>
<b>Total liabilities</b>		<b>79,396</b>	<b>79,786</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>231,184</b>	<b>224,431</b>

Managing Director

Chief Accountant



A.V. Semikolenov

L.V. Klishch

17 May 2021

The accompanying notes on pages 7 to 21 are an integral part of these condensed interim consolidated financial statements

**OGK-2 Group**  
**Condensed Interim Consolidated Statement of Comprehensive Income (unaudited)**  
**for the three months ended 31 March 2021**  
(in millions of Russian Roubles)



	Notes	Three months ended 31 March 2021	Three months ended 31 March 2020
Revenues	16	36,861	34,350
Operating expenses	17	(27,520)	(23,836)
Reversal of impairment loss on financial assets		133	74
<b>Operating profit</b>		<b>9,474</b>	<b>10,588</b>
Finance income	18	245	281
Finance expenses	18	(743)	(1,012)
Share of (loss) / profit of associates		(22)	125
<b>Profit before income tax</b>		<b>8,954</b>	<b>9,982</b>
Income tax expense	14	(1,811)	(2,045)
<b>Profit for the period</b>		<b>7,143</b>	<b>7,937</b>
<b>Total comprehensive income for the period</b>		<b>7,143</b>	<b>7,937</b>
<b>Profit / (loss) for the period attributable to:</b>			
Shareholders of JSC «OGK-2»		7,143	7,939
Non-controlling interest		-	(2)
<b>Total comprehensive income (expense) for the period attributable to:</b>			
Shareholders of JSC «OGK-2»		7,143	7,939
Non-controlling interest		-	(2)
<b>Earnings per ordinary share attributable to the shareholders of JSC «OGK-2» – basic and diluted (in Russian Roubles)</b>			
	19	<b>0.06</b>	<b>0.07</b>

Managing Director

Chief Accountant



*(Handwritten signatures in blue ink)*

A.V. Semikolenov

L.V. Klishch

17 May 2021

**OGK-2 Group**  
**Condensed Interim Consolidated Statement of Cash Flows (unaudited)**  
**for the three months ended 31 March 2021**  
(in millions of Russian Roubles)



	Notes	Three months ended 31 March 2021	Three months ended 31 March 2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Profit before income tax		8,954	9,982
Adjustments to reconcile profit before income tax:			
Amortisation and depreciation	17	3,523	3,388
Reversal of impairment loss on financial assets		(133)	(74)
Share of loss / (profit) of associates		22	(125)
Gain on disposal of property, plant and equipment, other non-current assets and assets held for sale	17	(33)	(3,770)
Non-state pensions		22	23
Finance income	18	(245)	(281)
Finance expenses	18	743	1,012
Other non-cash items		(292)	57
<b>Operating cash flows before working capital changes</b>		<b>12,561</b>	<b>10,212</b>
<b>Working capital changes:</b>			
Change in accounts receivable and prepayments		1,307	(2,651)
Change in inventories		(49)	(367)
Change in accounts payable and other liabilities		(1,329)	(1,394)
Change in other taxes payable		2,488	3,120
Change in employee benefit liabilities		(20)	(31)
<b>Working capital changes</b>		<b>2,397</b>	<b>(1,323)</b>
Income tax paid		(1,275)	(609)
Interest paid		(580)	(853)
<b>Net cash from operating activities</b>		<b>13,103</b>	<b>7,427</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property, plant and equipment, intangible assets and other non-current assets		(4,013)	(1,588)
Proceeds from sale of property, plant and equipment and other non-current assets		-	9,687
Loans issued		(7,288)	(7,450)
Proceeds from loans issued		26	9,349
Interest received		95	18
<b>Net cash (used in) / from investing activities</b>		<b>(11,180)</b>	<b>10,016</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Repayment of borrowings		(1,817)	(17,410)
Repayment of lease liabilities		(47)	(40)
<b>Net cash used in financing activities</b>		<b>(1,864)</b>	<b>(17,450)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>59</b>	<b>(7)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	10	<b>7</b>	<b>92</b>
<b>Cash and cash equivalents at the end of the period</b>	10	<b>66</b>	<b>85</b>

Managing Director

Chief Accountant



A.V. Semikolenov

L.V. Klishch

17 May 2021

**OGK-2 Group**  
**Condensed Interim Consolidated Statement of Changes in Equity (unaudited)**  
**for the three months ended 31 March 2021**  
(in millions of Russian Roubles)



**Equity attributable to the shareholders of  
JSC "OGK-2"**

	Share capital	Share premium	Retained earnings and other reserves	Total	Non-controlling interest	Total equity
<b>At 1 January 2020</b>	<b>40,057</b>	<b>26,846</b>	<b>70,423</b>	<b>137,326</b>	<b>15</b>	<b>137,341</b>
Profit for the period	-	-	7,939	7,939	(2)	7,937
<i>Total comprehensive income for the period</i>	-	-	7,939	7,939	(2)	7,937
<b>At 31 March 2020</b>	<b>40,057</b>	<b>26,846</b>	<b>78,362</b>	<b>145,265</b>	<b>13</b>	<b>145,278</b>
<b>At 1 January 2021</b>	<b>40,057</b>	<b>26,846</b>	<b>77,726</b>	<b>144,629</b>	<b>16</b>	<b>144,645</b>
Profit for the period	-	-	7,143	7,143	-	7,143
<i>Total comprehensive income for the period</i>	-	-	7,143	7,143	-	7,143
<b>At 31 March 2021</b>	<b>40,057</b>	<b>26,846</b>	<b>84,869</b>	<b>151,772</b>	<b>16</b>	<b>151,788</b>

Managing Director

Chief Accountant



A.V. Semikolenov

L.V. Klishch

17 May 2021

## **Note 1. General information**

### **1.1. Organisation and operations**

Public Joint Stock Company "The Second Generating Company of the Wholesale Electric Power Market" (JSC "OGK-2", or the "Company") was registered on 9 March 2005 and operates in the Russian Federation.

The primary activities of the Company are generation and sale of electric and heat power. The Company consists of the following power stations (plants): Troitskaya GRES, Stavropolskaya GRES, Pskovskaya GRES, Serovskaya GRES, Surgutskaya GRES-1, Kirishskaya GRES, Ryazanskaya GRES, Novochebasskaya GRES, Cherepovetskaya GRES, Groznenskaya TES, Adlerskaya TES, Svobodnenskaya TES.

The Company is registered by the Izobilnensk District Inspectorate of the Federal Ministry of Taxation of Stavropol Region.

The Company's office is located at 66-1, lit. A, Peterburgskoye Highway, Saint Petersburg, 196140, the Russian Federation.

JSC "OGK-2" and its following subsidiaries form the OGK-2 Group (the "Group"):

<b>Company</b>	<b>Activities</b>	<b>Ownership interest (%)</b>	
		<b>31 March 2021</b>	<b>31 December 2020</b>
«Centr 112» LLC	Fire safety	100%	100%
Limited Liability Company «OGK-Investproject»	Construction	100%	100%
LLC Novomichurinskoe ATP	Freight and passenger transportation services	100%	100%
OJSC Novomichurinskoe PPGT	Rail freight	75%	75%

### **1.2. Relations with the Government and influence on the Group activities**

At the date of the condensed interim consolidated financial statements the Russian Federation owns (both directly and indirectly) over 50% in PJSC "GAZPROM", which holds 100% of LLC Gazprom energoholding. LLC Gazprom energoholding owns 99.59% of PJSC Centerenergoholding as at 31 March 2021 (as at 31 December 2020: 99.59%). PJSC Centerenergoholding (immediate parent company) owns 73.42% of the Company's shares as at 31 March 2021 (as at 31 December 2020: 73.42%). 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 State. The list of the Group's major fuel suppliers includes subsidiaries of PJSC "GAZPROM". The State also controls a number of suppliers of the Group.

The government of the Russian Federation directly affects the Group's operations through regulations of wholesale sales of electricity (capacity) and retail sales of heat exercised by the Federal Antimonopoly Service ("FAS") and the tariffs regulation executive authorities. JSC System Operator of the United Power System ("SO UPS"), which is controlled by the Russian Federation represented by the Federal Executive Body for the State Property Management, regulates operations of generating assets of the Group.

The government's economic, social and other policies could have material effects on the operations of the Group.

### **1.3. Operating environment in the Russian Federation**

The Russian Federation displays certain characteristics of an emerging market. The legal, tax and regulatory frameworks continue to develop and are subject to frequent changes and varying interpretations. Fluctuations in oil prices, continuing political tensions in the region, as well as international sanctions against some Russian organizations 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.

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

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

#### **1.4. Seasonality**

Demand for electricity and heat produced and sold by the Group is influenced by the relative severity of the weather and the season of the year. Revenues from heating are concentrated within the months of October to March. A 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 presentation**

The condensed interim consolidated financial statements ("Financial statements") have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2020, which have been prepared in accordance with IFRS. In order to improve presentation some comparative information was aligned with present disclosure.

#### **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 2020.

#### **3.1. Standards, Interpretations and Amendments to existing Standards that are not yet effective and have not been early adopted by the Group**

A number of amendments to the standards are effective for annual periods beginning on or after 1 January 2022. In particular, the Group has not early adopted the following amendments to standards:

*Amendments to IAS 1 Presentation of Financial Statements* (issued in January 2020 and effective for annual periods beginning on or after 1 January 2023). The amendments specify the requirements for classifying liabilities as current or non-current.

*Amendment to IFRS 9 Financial Instruments* (issued in May 2020 and effective for annual periods beginning on or after 1 January 2022). The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

*Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets* (issued in May 2020 and effective for annual periods beginning on or after 1 January 2022). The amendments clarify what costs are included in the estimate of the costs of fulfilling contract obligations in order to identify it as onerous.

*Amendment to IAS 16 Property, Plant and Equipment* (issued in May 2020 and effective for annual periods beginning on or after 1 January 2022). The amendment prohibits entities deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced during the period when the asset was prepared for its intended use. Instead, such sales and related costs are recognized in profit or loss.

*Amendments to IFRS 3 Business Combinations* (issued in May 2020 and applicable for annual periods beginning on or after 1 January 2022) update a reference to the *Conceptual Framework for Financial Reporting* issued in 2018 to define what constitutes an asset or liability in a business combination, and add a new exemption for liabilities and contingent liabilities.



The Group is currently assessing how these changes will affect its financial position and results of operations.

#### Note 4. Segment information

The Board of Directors and Managing Director (hereafter referred to as the "Management") is the Chief operating decision-maker, which reviews the Group's internal management report in order to assess performance of the Group and allocate resources. Primary activity of the Group is production of electric and heat power and capacity which covers 98,6% of the Group revenue for the three months ended 31 March 2021 (for the three months ended 31 March 2020: 99.0%). The Group operates in the Russian Federation.

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 distances between them, as a result the Group discloses seven reporting segments: Surgutskaya GRES-1, Novocherkasskaya GRES, Kirishskaya GRES, Troitskaya GRES, Stavropolskaya GRES, Ryazanskaya GRES, Serovskaya GRES. All reporting segments are located on the territory of 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 analyzed 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 the value of property, plant and equipment. The Group does not have inter-segment revenue.

#### 4.1 Financial results of segments

The segment information for the three months ended 31 March 2021 and 31 March 2020 is as follows:

Three months ended 31 March 2021	Surgutskaya GRES-1	Novocherkasskaya GRES	Kirishskaya GRES	Troitskaya GRES	
Revenue	5,639	5,629	5,493	4,758	
Segment operating profit*	1,109	511	1,735	2,633	
Three months ended 31 March 2021	Stavropolskaya GRES	Ryazanskaya GRES	Serovskaya GRES	Other operating segments	Total operating segments
Revenue	4,355	3,023	2,497	5,467	36,861
Segment operating profit*	302	1,065	1,589	1,162	10,106
Three months ended 31 March 2020	Surgutskaya GRES-1	Novocherkasskaya GRES	Kirishskaya GRES	Troitskaya GRES	
Revenue	5,511	4,817	4,802	3,440	
Segment operating profit*	913	537	1,741	1,382	
Three months ended 31 March 2020	Stavropolskaya GRES	Ryazanskaya GRES	Serovskaya GRES	Other operating segments	Total operating segments
Revenue	3,486	2,725	1,934	7,635	34,350
Segment operating profit*	119	1,207	502	1,064	7,465

\* Segment operating profit represents segment operating profit under RAR.

The main items of reconciliation of management financial information prepared in accordance with RAR to the consolidated financial statements prepared in accordance with IFRS are provided in consolidated financial statements for the year ended 31 December 2020.

Segment's assets are disclosed below:

	Surgutskaya GRES-1	Novocherkasskaya GRES	Kirishskaya GRES	Troitskaya GRES	
<b>31 March 2021</b>	7,547	33,609	22,290	48,773	
	Stavropolskaya GRES	Ryazanskaya GRES	Serovskaya GRES	Other operating segments	Total assets
<b>31 March 2021</b>	3,335	12,738	18,740	32,842	<b>179,874</b>
	Surgutskaya GRES-1	Novocherkasskaya GRES	Kirishskaya GRES	Troitskaya GRES	
<b>31 December 2020</b>	5,800	34,258	21,748	49,631	
	Stavropolskaya GRES	Ryazanskaya GRES	Serovskaya GRES	Other operating segments	Total assets
<b>31 December 2020</b>	3,355	12,688	19,020	32,858	<b>179,358</b>

The main items of reconciliation of management financial information to the consolidated financial statements prepared in accordance with IFRS are provided in consolidated financial statements for the year ended 31 December 2020.

Management of the Group does not review the information in respect of operating segment's liabilities in order to make a decision about allocation of resources, because of centralisation of significant part of payment transactions.

#### 4.2 Core customers

The revenue presented within segments includes the customer (JSC FSC) with the revenue exceeding 10% of the Group's revenue for the three months ended 31 March 2021 and amounting to RR 14,772 million (for the three months ended 31 March 2020 the revenue of the customer (JSC FSC) exceeded 10% of the Group's revenue and amounted to RR 12,680 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 reporting entity 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. Borrowings are received at market rates. Bank deposits are invested at 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

Significant transactions with Gazprom Group for the three months ended 31 March 2021 and 31 March 2020 and significant balances with these organizations are presented below:

#### Revenues

	Three months ended 31 March 2021	Three months ended 31 March 2020
Electricity and capacity	1,136	1,057
Heating	2	2
Other	230	44
<b>Total</b>	<b>1,368</b>	<b>1,103</b>

**Operating expenses**

	Three months ended 31 March 2021	Three months ended 31 March 2020
Fuel	10,353	8,967
Repairs and maintenance	627	626
Lease	568	1,245
Transport	186	194
Exchange rate differences	(45)	352
Other operating expenses	316	247
<b>Total operating expenses</b>	<b>12,005</b>	<b>11,631</b>

**Finance income and expenses**

	Three months ended 31 March 2021	Three months ended 31 March 2020
<b>Finance income</b>		
Interest income on loans issued	213	189
Effect of discounting of financial Instruments	-	36
Interest income on bank deposits and current bank account balances	-	1
<b>Total finance income</b>	<b>213</b>	<b>226</b>
<b>Finance expenses</b>		
Effect of discounting of financial instruments	134	42
Interest expense on borrowings	94	490
Interest expense on lease liabilities	5	9
<b>Total finance expenses</b>	<b>233</b>	<b>541</b>

**Balances**

	31 March 2021	31 December 2020
Short-term financial assets (Note 8)	22,674	15,265
Short-term accounts receivable and prepayments, gross	1,313	1,375
<b>Total assets</b>	<b>23,987</b>	<b>16,640</b>
Non-current borrowings	5,734	6,834
Current borrowings	90	840
Long-term accounts payable and other liabilities	6,125	6,943
Short-term accounts payable and other liabilities	5,774	6,029
Long-term lease liabilities	9	56
Short-term lease liabilities	197	200
<b>Total liabilities</b>	<b>17,929</b>	<b>20,902</b>

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

	Three months ended 31 March 2021	Three months ended 31 March 2020
Acquisition of property, plant and equipment	1,523	650
Purchases of materials	75	104
<b>Total</b>	<b>1,598</b>	<b>754</b>

**b) Operations with state-controlled entities**

The information presented below does not include transactions and balances with Gazprom Group and its associates, as this information is disclosed in Note 5 (a).

Significant transactions with the state-controlled entities for the three months ended 31 March 2021 and significant balances with these organizations as at 31 March 2021 are presented below:

**Revenues**

	Three months ended 31 March 2021	Three months ended 31 March 2020
Electricity and capacity	7,790	7,282
Heating	179	335
Other revenues	100	113
<b>Total</b>	<b>8,069</b>	<b>7,730</b>

**Operating expenses**

	Three months ended 31 March 2021	Three months ended 31 March 2020
Electricity market administration fees (Note 17)	546	554
Security and fire safety	110	115
Transportation of heat	53	9
Other operating expenses	122	126
<b>Total operating expenses</b>	<b>831</b>	<b>804</b>

**Finance expenses**

	Three months ended 31 March 2021	Three months ended 31 March 2020
<b>Finance expenses</b>		
Interest expense on borrowings	-	185
<b>Total finance expenses</b>	<b>-</b>	<b>185</b>

**Balances**

	31 March 2021	31 December 2020
Long-term accounts receivable and prepayments, gross	444	473
Allowance for expected credit losses of long-term trade receivables	(298)	(361)
Short-term accounts receivable and prepayments, gross	11,476	12,054
Allowance for expected credit losses of short-term accounts receivable	(8,894)	(8,914)
<b>Total assets</b>	<b>2,728</b>	<b>3,252</b>
Short-term accounts payable and other liabilities	479	397
Long-term lease liabilities	392	371
<b>Total liabilities</b>	<b>871</b>	<b>768</b>

**Purchase of current assets**

	Three months ended 31 March 2021	Three months ended 31 March 2020
Purchases of materials	1	136
<b>Total purchase of current assets</b>	<b>1</b>	<b>136</b>

**Other transactions**

	<b>Three months ended 31 March 2021</b>	<b>Three months ended 31 March 2020</b>
Reversal of impairment loss on financial assets	(83)	(65)

Some of the transactions on the wholesale electricity and capacity market are conducted through commission agreements with Joint-stock company Financial Settling Center (JSC FSC). Current financial settlement system of JSC FSC 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.

The Group had the following significant operations with JSC FSC:

**Revenue and operating expenses**

	<b>Three months ended 31 March 2021</b>	<b>Three months ended 31 March 2020</b>
Sales of electricity and capacity	14,772	12,680
Purchases of electricity and capacity	2,388	1,934

**Balances**

	<b>31 March 2021</b>	<b>31 December 2020</b>
Short-term accounts receivable and prepayments, gross	1,981	2,071
Allowance for expected credit losses of short-term accounts receivable	(4)	(7)
Short-term accounts payable and other liabilities	530	394

**c) Other related parties**

Transactions with other related parties represent transactions with the non-state pension funds ("NPF"). For the three months ended 31 March 2021 the Group made contributions of RR 11 million to JSC "NPF "Otkrytie" and JSC "NPF "GAZFOND" (for the three months ended 31 March 2020: RR 11 million).

**d) Key management remuneration**

Short-term remuneration includes remuneration to members of the Board of Directors for the performance of their duties in these positions and participation in meetings of the Board of Directors, salaries and social taxes.

	<b>Three months ended 31 March 2021</b>	<b>Three months ended 31 March 2020</b>
Key management remuneration	16	14

The remuneration of the management company LLC Gazprom energoholding was RR 34 million for the three months ended 31 March 2021 (for the three months ended 31 March 2020: RR 34 million).

**e) Capital commitments**

	<b>31 March 2021</b>	<b>31 December 2020</b>
GAZPROM Group and its associates	10,265	11,405
Other state-controlled entities	-	1
<b>Total</b>	<b>10,265</b>	<b>11,406</b>

**Note 6. Property, plant and equipment**

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

	Right-of-use assets	Production buildings	Constructions	Energy machinery and equipment	Other machinery and equipment	Other	Construction in progress	Total
<b>Cost</b>								
As at 1 January 2020	2,329	60,214	39,226	106,205	56,925	3,692	5,066	273,657
Additions	-	-	-	-	19	66	1,154	1,239
Disposals	-	-	-	(3)	(7)	(1)	(14)	(25)
Changes in terms of lease agreements	24	-	-	-	-	-	-	24
Transfer	-	52	10	998	396	-	(1,456)	-
<b>As at 31 March 2020</b>	<b>2,353</b>	<b>60,266</b>	<b>39,236</b>	<b>107,200</b>	<b>57,333</b>	<b>3,757</b>	<b>4,750</b>	<b>274,895</b>
As at 1 January 2021	2,434	62,339	44,119	110,715	57,296	4,261	5,817	286,981
Additions	-	-	-	-	3	4	8,447	8,454
Disposals	-	-	-	(2,035)	(2)	-	(8)	(2,045)
Reclassification	-	(26)	(1)	-	27	-	-	-
Changes in terms of lease agreements	(11)	-	-	-	-	-	-	(11)
Transfer	-	-	-	2,854	200	69	(3,123)	-
<b>As at 31 March 2021</b>	<b>2,423</b>	<b>62,313</b>	<b>44,118</b>	<b>111,534</b>	<b>57,524</b>	<b>4,334</b>	<b>11,133</b>	<b>293,379</b>
<b>Accumulated depreciation and impairment</b>								
As at 1 January 2020	(230)	(23,438)	(16,938)	(44,390)	(23,477)	(2,158)	(550)	(111,181)
Charge for the period	(86)	(346)	(366)	(1,444)	(1,008)	(89)	-	(3,339)
Disposals	-	-	-	3	7	1	-	11
<b>As at 31 March 2020</b>	<b>(316)</b>	<b>(23,784)</b>	<b>(17,304)</b>	<b>(45,831)</b>	<b>(24,478)</b>	<b>(2,246)</b>	<b>(550)</b>	<b>(114,509)</b>
As at 1 January 2021	(611)	(25,360)	(19,253)	(50,819)	(27,091)	(2,519)	(477)	(126,130)
Charge for the period	(92)	(375)	(422)	(1,492)	(962)	(118)	-	(3,461)
Disposals	-	-	-	1,974	2	-	-	1,976
Reclassification	-	9	-	-	(9)	-	-	-
Transfer of impairment	-	-	-	-	(53)	(4)	57	-
<b>As at 31 March 2021</b>	<b>(703)</b>	<b>(25,726)</b>	<b>(19,675)</b>	<b>(50,337)</b>	<b>(28,113)</b>	<b>(2,641)</b>	<b>(420)</b>	<b>(127,615)</b>
<b>Net book value</b>								
As at 1 January 2020	2,099	36,776	22,288	61,815	33,448	1,534	4,516	162,476
As at 31 March 2020	2,037	36,482	21,932	61,369	32,855	1,511	4,200	160,386
As at 1 January 2021	1,823	36,979	24,866	59,896	30,205	1,742	5,340	160,851
As at 31 March 2021	1,720	36,587	24,443	61,197	29,411	1,693	10,713	165,764

As at 31 March 2021 property, plant and equipment includes right-of-use assets with a carrying value of RR 1,720 million. The right-of-use assets comprise rented land plots, office buildings, as well as initial direct costs associated with the rental of the power station.

Total cash outflow for leases for the three months ended 31 March 2021 is RR 69 million, including interest paid on lease liabilities - RR 22 million, repayment of lease liabilities - RR 47 million (for the three months ended 31 March 2020: total cash outflow for leases - RR 64 million, including interest paid on lease liabilities - RR 24 million, repayment of lease liabilities - RR 40 million).

As at 31 March 2021 property, plant and equipment of the Group are pledged as securities in the amount of RR 4,812 million (as at 31 December 2020: in the amount of RR 4,843 million).

**Note 7. Accounts receivable and prepayments**

	31 March 2021	31 December 2020
<b>Short-term accounts receivable</b>		
Trade receivables	9,583	10,475
Other receivables	118	306
Promissory notes	-	1
<b>Total financial accounts receivable</b>	<b>9,701</b>	<b>10,782</b>
Advances to suppliers and prepaid expenses	981	1,080
Input VAT	24	32
Prepaid other taxes, except for income tax	28	40
<b>Total non-financial accounts receivable</b>	<b>1,033</b>	<b>1,152</b>
<b>Total short-term accounts receivable and prepayments</b>	<b>10,734</b>	<b>11,934</b>
<b>Long-term accounts receivable</b>		
Trade receivables	105	114
Promissory notes	316	309
Other receivables	11	11
<b>Total financial accounts receivable</b>	<b>432</b>	<b>434</b>
Advances to suppliers and prepaid expenses	2	2
Input VAT	4	4
<b>Total non-financial accounts receivable</b>	<b>6</b>	<b>6</b>
<b>Total long-term accounts receivable and prepayments</b>	<b>438</b>	<b>440</b>

Trade receivables are presented net of allowance for expected credit losses of RR 11,062 million and RR 11,240 million as at 31 March 2021 as at 31 December 2020, respectively.

Other receivables are presented net of allowance for expected credit losses of RR 6,895 million and RR 6,921 million as at 31 March 2021 as at 31 December 2020, respectively.

The abovementioned allowances mainly relate to short-term receivables and prepayments, except for the allowance for long-term trade receivables in the amount of RR 323 million as at 31 March 2021 (as at 31 December 2020: RR 361 million).

**Note 8. Financial assets**

	31 March 2021	31 December 2020
Loans issued	22,356	14,975
Equity securities at fair value through profit or loss	318	290
<b>Total short-term financial assets</b>	<b>22,674</b>	<b>15,265</b>

As at 31 March 2021 and 31 December 2020 equity securities at fair value through profit or loss include shares of MOSENERGO.

**Note 9. Inventories**

	31 March 2021	31 December 2020
Spare parts	3,658	7,879
Fuel supplies	4,436	4,638
Materials and supplies	1,770	1,731
<b>Total</b>	<b>9,864</b>	<b>14,248</b>

Inventories are presented net of allowance for obsolescence of RR 160 million as at 31 March 2021 and 31 December 2020.

The Group does not have pledged inventories.

**Note 10. Cash and cash equivalents**

	Currency	31 March 2021	31 December 2020
Current bank accounts	RR	66	7
<b>Total</b>		<b>66</b>	<b>7</b>

**Note 11. Equity**

**Share capital and share premium**

As at 31 March 2021 and as at 31 December 2020 total number of issued ordinary registered shares is 110,441,160,870 shares with nominal value of one share of RR 0.3627. All issued ordinary shares are fully paid.

As at 31 March 2021 and 31 December 2020 the number of authorised for issue but not issued ordinary registered shares is 58,886,766,090 shares.

Share premium in the amount of RR 26,846 million represents the excess of cash received from the issue of share capital over its par value in the amount of RR 28,379 million and a negative result from the subsequent sale of treasury shares in the amount of RR 1,533 million.

**Dividends**

There were no dividends proposed or declared before the condensed interim financial statements were authorized.

**Note 12. Borrowings**

	31 March 2021	31 December 2020
<b>Short-term borrowings</b>		
Current portion of long-term bonds	5,235	5,225
Current portion of other long-term loans	90	840
<b>Total short-term borrowings</b>	<b>5,325</b>	<b>6,065</b>
<b>Long-term borrowings</b>		
Other loans	5,734	6,834
Bonds	32,043	32,043
<b>Total long-term borrowings</b>	<b>37,777</b>	<b>38,877</b>

The conditions of borrowings not repaid at the reporting date are indicated below:

	Currency	Effective interest rate as at 31 March 2021	Maturity date as at 31 March 2021	31 March 2021	31 December 2020
<b>Bonds</b>					
Bond loan 001P-03R	RR	7.12%	2021	5,171	5,086
Bond loan 002P-01	RR	5.75%	2021, 2023	5,061	5,133
Bond loan 003P-01	RR	4.25%	2021, 2023	27,046	27,049
<b>Other loans</b>					
MOSENERGO	RR	5.75%	2021, 2023-2025	5,824	7,674
<b>Total</b>				<b>43,102</b>	<b>44,942</b>

As at 31 March 2021 and 31 December 2020 the Group was in compliance with the financial covenants related to borrowings.



**Note 13. Accounts payable and other liabilities**

	31 March 2021	31 December 2020
<b>Short-term accounts payable</b>		
Trade payables	4,524	5,472
Accounts payable for acquisition of property, plant and equipment	3,886	3,720
Other payables	915	855
<b>Total financial accounts payable</b>	<b>9,325</b>	<b>10,047</b>
Contract liabilities from contracts with customers	13	13
Other payables	772	792
<b>Total non-financial accounts payable</b>	<b>785</b>	<b>805</b>
<b>Total short-term accounts payable and other liabilities</b>	<b>10,110</b>	<b>10,852</b>
<b>Long-term accounts payable</b>		
Trade payables	-	905
Accounts payable for acquisition of property, plant and equipment	6,140	6,044
Other payables	1	1
<b>Total financial accounts payable</b>	<b>6,141</b>	<b>6,950</b>
Other payables	141	144
<b>Total non-financial accounts payable</b>	<b>141</b>	<b>144</b>
<b>Total long-term accounts payable and other liabilities</b>	<b>6,282</b>	<b>7,094</b>

**Note 14. Income tax**

**Income tax charge components**

	Three months ended 31 March 2021	Three months ended 31 March 2020
Current income tax charge for the period	(1,484)	(2,674)
Charge of income tax for prior periods	-	(54)
Occurrence and recovery of temporary difference	(327)	683
<b>Total income tax expense</b>	<b>(1,811)</b>	<b>(2,045)</b>

The tax effect of taxable and deductible temporary differences for the three months ended 31 March 2021 and for the three months ended 31 March 2020 is presented in the table below:

Three months ended 31 March 2021	1 January	Movement for the period recognized in profit and loss	31 March
Property, plant and equipment	(12,131)	(331)	(12,462)
Intangible assets	(11)	(3)	(14)
Inventories	71	5	76
Accounts receivable and prepayments	125	(31)	94
Accounts payable and other liabilities	(63)	45	(18)
Lease liabilities	140	(12)	128
Employee benefit liabilities	163	2	165
Provisions	328	5	333
Unused tax losses	91	(4)	87
Other	(82)	(3)	(85)
<b>Total</b>	<b>(11,369)</b>	<b>(327)</b>	<b>(11,696)</b>

<b>Three months ended 31 March 2020</b>	<b>1 January</b>	<b>Movement for the period recognized in profit and loss</b>	<b>31 March</b>
Property, plant and equipment	(13,045)	33	(13,012)
Intangible assets	(8)	(1)	(9)
Inventories	191	17	208
Assets held for sale	(407)	437	30
Accounts receivable and prepayments	(93)	57	(36)
Accounts payable and other liabilities	77	26	103
Lease liabilities	158	(12)	146
Employee benefit liabilities	183	2	185
Provisions	234	4	238
Unused tax losses	611	137	748
Other	(103)	(17)	(120)
<b>Total</b>	<b>(12,202)</b>	<b>683</b>	<b>(11,519)</b>

The tax effect of changes in these temporary differences is determined at the statutory rate of 20%.

Some deferred tax assets and liabilities have been set off in accordance with the Group's accounting policies. The following is the amount of deferred tax (after offset) reflected in the condensed interim consolidated statement of financial position:

	<b>31 March 2021</b>	<b>31 December 2020</b>
Deferred income tax assets	4	3
Deferred income tax liabilities	(11,700)	(11,372)
<b>Deferred income tax liabilities, net</b>	<b>(11,696)</b>	<b>(11,369)</b>

**Note 15. Other taxes payable**

	<b>31 March 2021</b>	<b>31 December 2020</b>
Value added tax	2,236	35
Property tax	481	180
Social tax	307	309
Other taxes	84	96
<b>Total</b>	<b>3,108</b>	<b>620</b>

**Note 16. Revenues**

	<b>Three months ended 31 March 2021</b>	<b>Three months ended 31 March 2020</b>
Electricity and capacity	34,644	32,211
Heating	1,717	1,809
Other revenues	500	330
<b>Total</b>	<b>36,861</b>	<b>34,350</b>

Other revenues include income from operating leases for the three months ended 31 March 2021 in the amount of RR 26 million, including income from subleasing of the right-of-use assets in the amount of RR 1 million (for the three months ended 31 March 2020: RR 27 million, including income from subleasing of the right-of-use assets in the amount of RR 1 million).

**Note 17. Operating expenses**

	Three months ended 31 March 2021	Three months ended 31 March 2020
Fuel	15,880	14,720
Amortisation and depreciation	3,523	3,388
Electricity and capacity	2,460	1,980
Employee benefits	2,205	2,411
Repairs and maintenance	693	695
Lease	575	1,254
Electricity market administration fees	546	554
Other materials and supplies	461	438
Taxes other than income tax	344	718
Transport	229	227
Security and fire safety	179	181
Consulting, legal and audit services	63	71
Cleaning and maintenance of territories	59	67
Insurance, except for VHI	54	58
Gain on disposal of property, plant and equipment, other non-current assets and assets held for sale	(33)	(3,770)
Exchange rate differences	(43)	355
Other expenses	325	489
<b>Total operating expenses</b>	<b>27,520</b>	<b>23,836</b>

Lease expense for three months ended 31 March 2021 includes expense relating to variable rental payments in the amount of RR 568 million and expense relating to short-term leases in the amount of RR 7 million (for the three months ended 31 March 2020: variable rental payments in the amount of RR 1,245 million and short-term leases in the amount of RR 9 million).

**Note 18. Finance income and expenses**

	Three months ended 31 March 2021	Three months ended 31 March 2020
<b>Finance income</b>		
Interest income on loans issued	213	189
Effect of discounting of financial instruments	13	52
Interest income on bank deposits and current bank account balances	-	2
Other finance income	19	38
<b>Total finance income</b>	<b>245</b>	<b>281</b>
<b>Finance expenses</b>		
Interest expense on borrowings	(534)	(792)
Effect of discounting of financial instruments	(134)	(147)
Interest expense on employee benefit liabilities	(30)	(31)
Unwinding of the present value discount – provision for ash dump	(23)	(18)
Interest expense on lease liabilities	(22)	(24)
<b>Total net finance expenses</b>	<b>(743)</b>	<b>(1,012)</b>

**Note 19. Basic and diluted earnings per share attributable to the shareholders of JSC "OGK-2"**

Earnings per share attributable to the shareholders of JSC "OGK-2" was calculated by dividing the profit of shareholders of JSC "OGK-2" for the reporting period by the weighted average number of shares placed excluding the weighted average number of ordinary shares purchased by the Group and held as treasury shares. The calculation of earnings per share is presented in the table below.

	Three months ended 31 March 2021	Three months ended 31 March 2020
Outstanding shares – weighted average number (thousands of pcs)	110,441,161	110,441,161
Weighted average number of ordinary shares issued (thousands of pcs)	110,441,161	110,441,161
Profit attributable to the shareholders of JSC "OGK-2" (in millions of RR)	7,143	7,939
<b>Earnings per ordinary share attributable to the shareholders of JSC "OGK-2" – basic and diluted (in RR)</b>	<b>0.06</b>	<b>0.07</b>

As at 31 March 2021 and 31 December 2020 there were no financial instruments with dilutive effect.

**Note 20. Commitments and contingencies**

As at 31 March 2021 the Group has unrecognized contractual capital commitments (including VAT) in the amount of RR 25,989 million (as at 31 December 2020: RR 27,812 million).

**Note 21. Fair value of financial instruments**

**Fair value.** 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 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, there were no transfers between levels for three months ended 31 March 2021 (31 December 2020: there was no change, there were no transfers).

**OGK-2 Group**  
**Notes to Condensed Interim Consolidated Financial Statements (unaudited)**  
**for the three months ended 31 March 2021**  
(in millions of Russian Roubles)



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

	Notes	Level 1	Level 2	Level 3	Total
<b>31 March 2021</b>					
<b>Financial assets at fair value</b>					
Equity securities measured at fair value through profit or loss	8	318	-	-	<b>318</b>
<b>Total financial assets</b>		<b>318</b>	-	-	<b>318</b>
<b>31 December 2020</b>					
<b>Financial assets at fair value</b>					
Equity securities measured at fair value through profit or loss	8	290	-	-	<b>290</b>
<b>Total financial assets</b>		<b>290</b>	-	-	<b>290</b>

The estimated fair value of financial assets and liabilities not carried at fair value in the condensed interim consolidated statement of financial position approximates to their carrying amounts as at 31 March 2021 and 31 December 2020.

**Note 22. Events after the reporting period**

In April 2021 the Company redeemed bonds in the amount of RR 4,968 million.

Managing Director

Chief Accountant



A.V. Semikolenov

L.V. Klishch

17 May 2021