



**RUSHYDRO GROUP**

**Condensed Consolidated Interim  
Financial Information (Unaudited)  
prepared in accordance with IAS 34**

**As at and for the three months ended 31 March 2019**

## CONTENTS

### Condensed Consolidated Interim Financial Information as at and for the three months ended 31 March 2019 (Unaudited)

Condensed Consolidated Interim Statement of Financial Position.....	1
Condensed Consolidated Interim Income Statement.....	2
Condensed Consolidated Interim Statement of Comprehensive Income.....	3
Condensed Consolidated Interim Statement of Cash Flows.....	4
Condensed Consolidated Interim Statement of Changes in Equity.....	6

### Notes to the Condensed Consolidated Interim Financial Information

Note 1.	The Group and its operations.....	7
Note 2.	Summary of financial reporting framework and new accounting pronouncements.....	7
Note 3.	Principal subsidiaries.....	10
Note 4.	Segment information.....	12
Note 5.	Related party transactions.....	15
Note 6.	Property, plant and equipment.....	17
Note 7.	Other non-current assets.....	18
Note 8.	Cash and cash equivalents.....	18
Note 9.	Accounts receivable and prepayments.....	18
Note 10.	Inventories.....	18
Note 11.	Other current assets.....	19
Note 12.	Equity.....	19
Note 13.	Income tax.....	19
Note 14.	Current and non-current debt.....	20
Note 15.	Non-deliverable forward contract for shares.....	21
Note 16.	Other non-current liabilities.....	21
Note 17.	Accounts payable and accruals.....	21
Note 18.	Other taxes payable.....	22
Note 19.	Revenue.....	22
Note 20.	Government grants.....	22
Note 21.	Operating expenses (excluding impairment losses).....	23
Note 22.	Finance income, costs.....	24
Note 23.	Earnings per share.....	24
Note 24.	Capital commitments.....	24
Note 25.	Contingencies.....	24
Note 26.	Financial instruments and financial risk management.....	26
Note 27.	Fair value of assets and liabilities.....	28
Note 28.	Subsequent events.....	29

	Note	31 March 2019	31 December 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	683,342	669,424
Investments in associates and joint ventures		19,814	19,828
Financial assets at fair value through profit or loss		500	656
Financial assets at fair value through other comprehensive income		593	594
Deferred income tax assets		9,844	9,999
Other non-current assets	7	21,421	22,028
<b>Total non-current assets</b>		<b>735,514</b>	<b>722,529</b>
<b>Current assets</b>			
Cash and cash equivalents	8	43,299	65,432
Income tax receivable		3,532	3,737
Accounts receivable and prepayments	9	83,682	75,189
Inventories	10	27,693	30,721
Other current assets	11	58,568	33,873
		<b>216,774</b>	<b>208,952</b>
Non-current assets classified as held for sale		-	450
<b>Total current assets</b>		<b>216,774</b>	<b>209,402</b>
<b>TOTAL ASSETS</b>		<b>952,288</b>	<b>931,931</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	12	426,289	426,289
Treasury shares	12	(4,613)	(4,613)
Share premium		39,202	39,202
Retained earnings and other reserves		131,336	115,523
<b>Equity attributable to the shareholders of PJSC RusHydro</b>		<b>592,214</b>	<b>576,401</b>
Non-controlling interest		10,422	9,818
<b>TOTAL EQUITY</b>		<b>602,636</b>	<b>586,219</b>
<b>Non-current liabilities</b>			
Non-current debt	14	156,016	157,948
Non-deliverable forward contract for shares	15	29,986	31,896
Deferred income tax liabilities		13,995	13,803
Other non-current liabilities	16	20,097	21,987
<b>Total non-current liabilities</b>		<b>220,094</b>	<b>225,634</b>
<b>Current liabilities</b>			
Current debt and current portion of non-current debt	14	41,049	38,899
Accounts payable and accruals	17	68,492	64,633
Current income tax payable		1,017	1,191
Other taxes payable	18	19,000	15,355
<b>Total current liabilities</b>		<b>129,558</b>	<b>120,078</b>
<b>TOTAL LIABILITIES</b>		<b>349,652</b>	<b>345,712</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>952,288</b>	<b>931,931</b>

Chairman of Management Board – General Director

N.G. Shulginov

Chief Accountant

IU.G. Medvedeva



6 June 2019

**RusHydro Group**  
**Condensed Consolidated Interim Income Statement (unaudited)**  
(in millions of Russian Rubles unless noted otherwise)



	Note	Three months ended 31 March 2019	Three months ended 31 March 2018 (restated)
Revenue	19	99,541	98,511
Government grants	20	10,223	10,398
Other operating income		278	2,626
Operating expenses (excluding impairment losses)	21	(86,658)	(82,733)
<b>Operating profit excluding impairment losses</b>		<b>23,384</b>	<b>28,802</b>
Impairment of property, plant and equipment	6	(1,474)	(483)
Impairment of financial assets, net		(1,471)	(1,483)
<b>Operating profit</b>		<b>20,439</b>	<b>26,836</b>
Finance income	22	3,704	3,013
Finance costs	22	(2,719)	(1,753)
Share of results of associates and joint ventures		158	348
<b>Profit before income tax</b>		<b>21,582</b>	<b>28,444</b>
Income tax expense	13	(5,070)	(4,527)
<b>Profit for the period</b>		<b>16,512</b>	<b>23,917</b>
Attributable to:			
Shareholders of PJSC RusHydro		15,909	22,019
Non-controlling interest		603	1,898
Earnings per ordinary share for profit attributable to the shareholders of PJSC RusHydro – basic and diluted (in Russian Rubles per share)	23	0.0377	0.0521
Weighted average number of shares outstanding – basic and diluted (millions of shares)	23	422,437	422,437

**RusHydro Group**  
**Condensed Consolidated Interim Statement of Comprehensive Income (unaudited)**  
(in millions of Russian Rubles unless noted otherwise)



	Three months ended 31 March 2019	Three months ended 31 March 2018 (restated)
Profit for the period	16,512	23,917
<b>Other comprehensive income, net of tax:</b>		
<i>Items that will not be reclassified to profit or loss</i>		
(Loss) / gain arising on financial assets at fair value through other comprehensive income	(1)	12
<b>Total items that will not be reclassified to profit or loss</b>	<b>(1)</b>	<b>12</b>
<i>Items that may be reclassified subsequently to profit or loss</i>		
Other comprehensive loss	(34)	(2)
<b>Total items that may be reclassified subsequently to profit or loss</b>	<b>(34)</b>	<b>(2)</b>
<b>Total other comprehensive (loss) / income</b>	<b>(35)</b>	<b>10</b>
<b>Total comprehensive income for the period</b>	<b>16,477</b>	<b>23,927</b>
Attributable to:		
Shareholders of PJSC RusHydro	15,874	22,029
Non-controlling interest	603	1,898

**RusHydro Group**  
**Condensed Consolidated Interim Statement of Cash Flows (unaudited)**  
(in millions of Russian Rubles unless noted otherwise)



	Note	Three months ended 31 March 2019	Three months ended 31 March 2018 (restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
<b>Profit before income tax</b>		<b>21,582</b>	<b>28,444</b>
Depreciation of property, plant and equipment and amortisation of intangible assets	21	6,384	5,477
Loss on disposal of property, plant and equipment, net	21	74	84
Share of results of associates and joint ventures		(158)	(348)
Other operating income		(278)	(2,626)
Finance income	22	(3,704)	(3,013)
Finance costs	22	2,719	1,753
Impairment of property, plant and equipment	6	1,474	483
Impairment of financial assets, net		1,471	1,483
Other loss / (income)		18	(223)
<b>Operating cash flows before working capital changes, income tax paid and changes in other assets and liabilities</b>		<b>29,582</b>	<b>31,514</b>
Working capital changes:			
Increase in accounts receivable and prepayments		(9,631)	(11,354)
Decrease in other current assets		252	240
Decrease in inventories		3,076	3,003
Increase in accounts payable and accruals		1,407	3,910
Increase in other taxes payable		3,645	1,681
Decrease / (increase) in other non-current assets		984	(56)
Increase / (decrease) in other non-current liabilities		276	(695)
Income tax paid		(4,692)	(4,226)
<b>Net cash generated by operating activities</b>		<b>24,899</b>	<b>24,017</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property, plant and equipment		(13,735)	(10,383)
Proceeds from sale of property, plant and equipment		7	38
Investment in bank deposits and purchase of other investments		(25,299)	(13,927)
Redemption of bank deposits and proceeds from sale of other investments		323	775
Proceeds from sale of investment in joint venture		450	-
Proceeds from sale of financial assets at fair value through profit or loss		232	-
Interest received		1,091	1,240
<b>Net cash used in investing activities</b>		<b>(36,931)</b>	<b>(22,257)</b>

**RusHydro Group**  
**Condensed Consolidated Interim Statement of Cash Flows (unaudited)**  
(in millions of Russian Rubles unless noted otherwise)



	Note	Three months ended 31 March 2019	Three months ended 31 March 2018 (restated)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Payments for non-deliverable forward for shares	15	(1,224)	(406)
Proceeds from current debt	14	7,912	12,619
Proceeds from non-current debt	14	4,535	31,297
Repayment of debt	14	(17,488)	(54,601)
Interest paid		(3,587)	(4,336)
Dividends paid		(3)	(10)
Lease payments		(181)	(53)
<b>Net cash used in financing activities</b>		<b>(10,036)</b>	<b>(15,490)</b>
Effect of foreign exchange differences on cash and cash equivalents balances		(65)	11
<b>Decrease in cash and cash equivalents</b>		<b>(22,133)</b>	<b>(13,719)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>65,432</b>	<b>70,156</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>8</b>	<b>43,299</b>	<b>56,437</b>

**RusHydro Group**  
**Condensed Consolidated Interim Statement of Changes in Equity (unaudited)**

(in millions of Russian Rubles unless noted otherwise)



	Note	Share capital	Treasury shares	Share premium	Merger reserve	Foreign currency translation reserve	Revaluation reserve on available-for-sale financial assets	Reserve for remeasurement of pension benefit obligation	Retained earnings	Equity attributable to shareholders of PJSC RusHydro	Non-controlling interest	Total equity
<b>As at 1 January 2018 (restated)</b>		<b>426,289</b>	<b>(4,613)</b>	<b>39,202</b>	<b>(135,075)</b>	<b>(415)</b>	<b>14,353</b>	<b>647</b>	<b>220,114</b>	<b>560,502</b>	<b>9,106</b>	<b>569,608</b>
Application of IFRS 9		-	-	-	-	-	(13,894)	-	14,562	668	55	723
<b>As at 1 January 2018 (restated)</b>		<b>426,289</b>	<b>(4,613)</b>	<b>39,202</b>	<b>(135,075)</b>	<b>(415)</b>	<b>459</b>	<b>647</b>	<b>234,676</b>	<b>561,170</b>	<b>9,161</b>	<b>570,331</b>
Profit for the period		-	-	-	-	-	-	-	22,019	22,019	1,898	23,917
Gain arising on financial assets at fair value through other comprehensive income		-	-	-	-	-	12	-	-	12	-	12
Other comprehensive loss		-	-	-	-	(2)	-	-	-	(2)	-	(2)
Total other comprehensive income		-	-	-	-	(2)	12	-	-	10	-	10
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2)</b>	<b>12</b>	<b>-</b>	<b>22,019</b>	<b>22,029</b>	<b>1,898</b>	<b>23,927</b>
<b>As at 31 March 2018</b>		<b>426,289</b>	<b>(4,613)</b>	<b>39,202</b>	<b>(135,075)</b>	<b>(417)</b>	<b>471</b>	<b>647</b>	<b>256,695</b>	<b>583,199</b>	<b>11,059</b>	<b>594,258</b>
<b>As at 1 January 2019</b>		<b>426,289</b>	<b>(4,613)</b>	<b>39,202</b>	<b>(135,075)</b>	<b>(344)</b>	<b>529</b>	<b>833</b>	<b>249,580</b>	<b>576,401</b>	<b>9,818</b>	<b>586,219</b>
Application of IFRS 16	2	-	-	-	-	-	-	-	(61)	(61)	-	(61)
<b>As at 1 January 2019 (restated)</b>		<b>426,289</b>	<b>(4,613)</b>	<b>39,202</b>	<b>(135,075)</b>	<b>(344)</b>	<b>529</b>	<b>833</b>	<b>249,519</b>	<b>576,340</b>	<b>9,818</b>	<b>586,158</b>
Profit for the period		-	-	-	-	-	-	-	15,909	15,909	603	16,512
Loss arising on financial assets at fair value through other comprehensive income		-	-	-	-	-	(1)	-	-	(1)	-	(1)
Other comprehensive loss		-	-	-	-	(34)	-	-	-	(34)	-	(34)
Total other comprehensive loss		-	-	-	-	(34)	(1)	-	-	(35)	-	(35)
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(34)</b>	<b>(1)</b>	<b>-</b>	<b>15,909</b>	<b>15,874</b>	<b>603</b>	<b>16,477</b>
Other movements		-	-	-	-	-	-	-	-	-	1	1
<b>As at 31 March 2019</b>		<b>426,289</b>	<b>(4,613)</b>	<b>39,202</b>	<b>(135,075)</b>	<b>(378)</b>	<b>528</b>	<b>833</b>	<b>265,428</b>	<b>592,214</b>	<b>10,422</b>	<b>602,636</b>

The accompanying notes are an integral part of this Condensed Consolidated Interim Financial Information



## **Note 1. The Group and its operations**

PJSC RusHydro (hereinafter referred to as “the Company”) was incorporated and is domiciled in the Russian Federation. The Company is a joint stock company limited by value of shares and was set up in accordance with Russian regulations.

The primary activities of the Company and its subsidiaries (hereinafter together referred to as “the Group”) are generation and sale of electricity, capacity and heat.

**Economic environment in the Russian Federation.** The Russian Federation displays certain characteristics of an emerging market. Its economy is particularly sensitive to oil and gas prices. The tax, currency and customs legislation continue to develop and are subject to frequent changes and varying interpretations. The Russian economy continues to be negatively impacted by ongoing political tension in the region and international sanctions against certain Russian companies and individuals.

This economic environment has a significant impact on the Group’s operations and financial position. Management is taking necessary measures to ensure sustainability of the Group’s operations. However, the future effects of the current economic situation are difficult to predict and management’s current expectations and estimates could differ from actual results.

During the three months ended 31 March 2019 no substantial changes to the rules of Russian wholesale and retail electricity and capacity markets, their functioning and price setting mechanisms have been made.

**Relations with the Government and current regulation.** As at 31 March 2019 the Russian Federation owned 60.56 percent of the total voting ordinary shares of the Company (31 December 2018: 60.56 percent). As at 31 March 2019 PJSC Bank VTB that is controlled by the Russian Federation owned 13.34 percent of the Company’s shares (31 December 2018: 13.34 percent).

The Group’s major customer base includes a large number of entities controlled by, or related to the Government. Furthermore, the Government controls contractors and suppliers, which provide the Group with electricity dispatch, transmission and distribution services, and a number of the Group’s fuel and other suppliers (Note 5).

In addition, the Government influences the Group’s operations through:

- participation of its representatives in the Company’s Board of Directors;
- regulation of tariffs for electricity, capacity and heating;
- approval and monitoring of the Group’s investment programme, including volume and sources of financing.

Economic, social and other policies of the Russian Government could have a material effect on operations of the Group.

**Seasonality of business.** The demand for the Group’s heat and electricity generation and supply depends on weather conditions and the season. In addition to weather conditions, the electricity production by hydro generation plants depends on water flow in the river systems. In spring and in summer (flood period) electricity production by hydro generation plants is significantly higher than in autumn and in winter. Heat and electricity production by the heat generation assets, to the contrary, is significantly higher in autumn and in winter than in spring and in summer. The seasonal nature of heat and electricity generation has a significant influence on the volumes of fuel consumed by heat generation assets and electricity purchased by the Group.

## **Note 2. Summary of financial reporting framework and new accounting pronouncements**

**Basis of preparation.** This Condensed Consolidated Interim Financial Information has been prepared in accordance with IAS 34, *Interim Financial Reporting* and should be read in conjunction with the annual Consolidated Financial Statements as at and for the year ended 31 December 2018, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

This Condensed Consolidated Interim Financial Information is unaudited. Certain disclosures duplicating information included in the annual Consolidated Financial Statements as at and for the year ended 31 December 2018 have been omitted or condensed.

**Significant accounting policies.** The accounting policies followed in the preparation of this Condensed Consolidated Interim Financial Information are consistent with those applied in the annual Consolidated Financial Statements as at and for the year ended 31 December 2018 except for income tax which is accrued in the interim periods using the best estimate of the weighted average annual income tax rate that would be applicable to expected total annual profit or loss and changes resulting from the adoption of new standards and interpretations, effective from 1 January 2019.

Certain reclassifications have been made to prior period data to conform to the current period presentation. These reclassifications are not material.

**IFRS 16, Leases – adoption and summary of significant accounting policies.** On adoption of IFRS 16, Leases, as at 1 January 2019 the Group recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of IAS 17, Leases. The Group applied transition requirements and practical expedients, which has been provided for in the standard.

The Group applied the modified retrospective method without restatement of comparatives which presumes recognition of cumulative effect of initial application at the date of the initial application. Lease liabilities were measured at the present value of the remaining lease payments, discounted as at 1 January 2019 using the lessee's incremental borrowing rate, that was 8,31 percent. The Group applied unified approach to all classes of lease contracts excluding short-term leases and leases of low-value assets.

Right-of-use assets were recognised in an amount equal to the lease liability, adjusted by the amount of lease payments made or accrued in advance in connection with such lease, which is recognised in the Statement of Financial Position immediately prior to the date of initial application. In addition, for the cash-generating units with negative discounted cash flows, impairment of right-of-use assets in the amount of RR 61 million was recognised.

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases. The requirements of IFRS 16, Leases, were applied to these leases from 1 January 2019.

The Group did not recognise assets and liabilities under operating lease agreements for which the rental payment is variable, depending on the cadastral value of the land.

Reconciliation of lease liabilities as at 1 January 2019 to the operating lease commitments as 31 December 2018 is presented below:

<b>Operating lease commitments as at 31 December 2018</b>	<b>37,322</b>
Adjusted at:	
Commitments relating to land lease agreements	(26,564)
Commitments relating to short-term leases	(110)
Commitments relating to leases of low-value assets	(82)
Commitments relating to rendering service contracts previously classified as leases	(1,545)
Revised lease terms and other adjustments	(2,274)
<b>Adjusted operating lease commitments as at 31 December 2018</b>	<b>6,747</b>
Present value of operating lease commitments as at 1 January 2019	5,190
Commitments relating to leases previously classified as finance leases	729
<b>Lease liabilities as at 1 January 2019</b>	<b>5,919</b>

The carrying amount of the right-of-use assets recognised due to implementation of IFRS 16, Leases, relates to the following groups of property, plant and equipment:

	<b>31 March 2019</b>	<b>1 January 2019</b>
Buildings	2,631	2,764
Facilities	1,742	1,793
Plant and equipment	530	495
Other	59	77
<b>Total right-of-use assets</b>	<b>4,962</b>	<b>5,129</b>

Changes in right-of-use assets are disclosed in Note 6.

The effect on the Condensed Consolidated Interim Statement of Financial Position as at 1 January 2019 is as follows:

	31 December 2018	Change	1 January 2019
<b>Assets</b>			
Property, plant and equipment	669,424	5,129	674,553
<b>TOTAL ASSETS</b>	<b>669,424</b>	<b>5,129</b>	<b>674,553</b>
<b>Equity and liabilities</b>			
Non-current debt	157,948	4,107	162,055
Current debt and current portion of non-current debt	38,899	1,083	39,982
Retained earnings	115,523	(61)	115,462
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>312,370</b>	<b>5,129</b>	<b>317,499</b>

Information about movements of lease liabilities are disclosed in Note 14.

Set out below are the new accounting policies of the Group upon adoption of IFRS 16, Leases, which have been applied from 1 January 2019.

*Right-of-use assets.* The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

*Lease liabilities.* At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

*Short-term leases and leases of low-value assets.* The Group applies the short-term lease recognition exemption to its short-term leases (leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets with a low value, less than RR 300 thousand. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

*Significant judgement in determining the lease term of contracts with renewal options.* The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal or not to exercise an option to terminate a lease.

#### ***New standards and interpretations***

The Group has adopted all new standards and interpretations that were effective from 1 January 2019. Apart from IFRS 16, Leases, the impact of which is described above, the impact of the adoption of other new standards and interpretations has not been significant with respect to this Condensed Consolidated Interim Financial Information.

### Note 3. Principal subsidiaries

All principal subsidiaries are incorporated and operate in the Russian Federation. Differences between the ownership interest and voting interest held by some subsidiaries represent the effect of preference shares and / or effects of indirect ownership, or shares of limited liability companies (LLC).

The Group operates in the three main reportable segments one of which is represented by the Group's parent company – PJSC RusHydro (Note 4). The principal subsidiaries are presented below according to their allocation to the reportable segments as at 31 March 2019 and 31 December 2018.

#### **ESC RusHydro subgroup segment**

ESC RusHydro subgroup segment includes the Group's subsidiaries which sell electricity to final customers. All the entities included in this segment with the exception of JSC ESC RusHydro have the guaranteeing supplier status and are obliged to sign contracts on supplies with all final consumers of their region upon their request.

	31 March 2019		31 December 2018	
	% of ownership	% of voting	% of ownership	% of voting
JSC ESC RusHydro	100.00%	100.00%	100.00%	100.00%
PJSC Krasnoyarskenergosbyt	65.81%	69.40%	65.81%	69.40%
PJSC Ryazanenergosbyt	90.52%	90.52%	90.52%	90.52%
JSC Chuvashskaya Electricity Sales Company	100.00%	100.00%	100.00%	100.00%

#### **RAO ES East subgroup segment**

RAO ES East subgroup segment consists of JSC RAO ES East and its subsidiaries that generate, distribute and sell electricity and heat in the Far East region of the Russian Federation and render transportation, construction, repair and other services.

Principal subsidiaries of this segment are presented below:

	31 March 2019		31 December 2018	
	% of ownership	% of voting	% of ownership	% of voting
JSC RAO ES East	99.98%	99.98%	99.98%	99.98%
PJSC DEK	52.11%	52.17%	52.11%	52.17%
JSC DGK	52.11%	100.00%	52.11%	100.00%
JSC DRSK	52.11%	100.00%	52.11%	100.00%
PJSC Kamchatskenergo	98.72%	98.74%	98.72%	98.74%
PJSC Magadanenergo*	48.99%	49.00%	48.99%	49.00%
PJSC Sakhalinenergo	57.80%	57.82%	57.80%	57.82%
PJSC Yakutskenergo	79.15%	79.16%	79.15%	79.16%

\* Control over PJSC Magadanenergo is achieved by the majority of votes on the shareholders meeting because the remaining part of the shares not owned by the Group are distributed among a large number of shareholders the individual stakes of which are insignificant.

#### **Other segments**

Other segments include:

- the Group's subsidiaries engaged in production and sale of electricity and capacity;
- the Group's subsidiaries primarily engaged in research and development related to the utilities industry and construction of hydropower facilities;
- the Group's subsidiaries engaged in repair, upgrade and reconstruction of equipment and hydropower facilities;
- the Group's subsidiaries engaged primarily in hydropower plants construction;
- minor segments which do not have similar economic characteristics.

**RusHydro Group**  
**Notes to the Condensed Consolidated Interim Financial Information**  
**as at and for the three months ended 31 March 2019 (unaudited)**



(in millions of Russian Rubles unless noted otherwise)

Principal subsidiaries included in other segments are presented below:

		31 March 2019		31 December 2018	
		% of ownership	% of voting	% of ownership	% of voting
JSC	Blagoveschensk TPP	100.00%	100.00%	100.00%	100.00%
JSC	VNIIG named after B. E. Vedeneev	100.00%	100.00%	100.00%	100.00%
JSC	Geotherm	99.74%	99.74%	99.74%	99.74%
JSC	Gidroremont-VKK	100.00%	100.00%	100.00%	100.00%
JSC	Zagorskaya GAES-2	100.00%	100.00%	100.00%	100.00%
JSC	Zaramag HS	99.75%	99.75%	99.75%	99.75%
JSC	Institute Hydroproject	100.00%	100.00%	100.00%	100.00%
PJSC	Kolimaenergo	98.76%	98.76%	98.76%	98.76%
JSC	Lenhydroproject	100.00%	100.00%	100.00%	100.00%
JSC	NIIES	100.00%	100.00%	100.00%	100.00%
JSC	Nizhne-Bureiskaya HPP	100.00%	100.00%	100.00%	100.00%
JSC	Sakhalin GRES-2	100.00%	100.00%	100.00%	100.00%
JSC	Sulak HidroKaskad	100.00%	100.00%	100.00%	100.00%
JSC	TPP in Sovetskaya Gavan	100.00%	100.00%	100.00%	100.00%
JSC	Ust'-Srednekangesstroy	98.76%	100.00%	98.76%	100.00%
JSC	Ust'-Srednekanskaya HPP named after A. F. Dyakov	99.63%	100.00%	99.63%	100.00%
JSC	Chirkeigesstroy	100.00%	100.00%	100.00%	100.00%
JSC	Yakutskaya GRES-2	100.00%	100.00%	100.00%	100.00%

#### **Note 4. Segment information**

Operating segments are components of the Group engaged in operations from which they may earn revenue and incur expenses, including revenue and expenses relating to transactions with other components of the Group. The individual financial information of the operating segments, which based on the same principles as the present consolidated financial statements, is available and is regularly reviewed by the chief operating decision maker (CODM) to make operating decisions about resources to be allocated to the segments and the performance of the segments' operating activities.

The CODM analyses the information concerning the Group by the groups of operations which are aggregated in operating segments presented by the following separate reportable segments: PJSC RusHydro (the Group's parent company), ESC RusHydro subgroup, RAO ES East subgroup and other segments (Note 3). Transactions of other segments are not disclosed as reportable segments based on quantitative indicators for the periods presented.

Management of operating activities of segments is performed with direct participation of individual segment managers accountable to the CODM. Segment managers on a regular basis submit for approval to the CODM results of operating activities and financial performance of segments. The CODM approves the annual business plan at the level of reportable segments as well as analyses actual financial performance of segments. Management bears responsibility for execution of approved plan and management of operating activities at the level of segments.

The segments' operational results are assessed on the basis of EBITDA, which is calculated as operating profit / loss excluding depreciation of property, plant and equipment and amortisation of intangible assets, gains on changes in the carrying value of financial assets at fair value through profit or loss, impairment of property, plant and equipment, impairment of financial assets, gain / loss on disposal of property, plant and equipment and other non-monetary items of operating income and expenses. This definition of EBITDA may differ from the methods applied by other companies. Management believes that EBITDA represents the most useful means of assessing the performance of ongoing operating activities of the Group's operating segments, as it reflects the earnings trends excluding the impact of the above charges.

Segment information also contains capital expenditures and the amount of debt as these indicators are analysed by the CODM. Intersegment debt balances are eliminated from these disclosures.

Other information provided to the CODM is consistent with the information presented in the Group's consolidated financial statements.

Intersegment sales are carried out at market prices.

Segment information for the three months ended 31 March 2019 and 31 March 2018 and as at 31 March 2019 and 31 December 2018 is presented below.

**RusHydro Group**
**Notes to the Condensed Consolidated Interim Financial Information  
as at and for the three months ended 31 March 2019 (unaudited)**

(in millions of Russian Rubles unless noted otherwise)



Three months ended 31 March 2019	PJSC RusHydro	ESC RusHydro subgroup	RAO ES East subgroup	Other segments	Total segments	Unallocated adjustments and intercompany operations	TOTAL
<b>Revenue</b>	<b>28,985</b>	<b>16,959</b>	<b>55,318</b>	<b>7,430</b>	<b>108,692</b>	<b>(9,151)</b>	<b>99,541</b>
<i>including:</i>							
<i>from third parties</i>	25,876	16,953	55,114	1,598	99,541	-	99,541
<i>sales of electricity</i>	16,774	16,675	30,994	266	64,709	-	64,709
<i>sales of capacity</i>	9,021	-	2,909	133	12,063	-	12,063
<i>sales of heat and hot water</i>	58	-	16,933	-	16,991	-	16,991
<i>other revenue</i>	23	278	4,278	1,199	5,778	-	5,778
<i>from intercompany operations</i>	3,109	6	204	5,832	9,151	(9,151)	-
Government grants	-	5	10,101	117	10,223	-	10,223
Operating expenses (excluding depreciation and other non-monetary items)	(9,688)	(16,712)	(56,740)	(6,499)	(89,639)	9,439	(80,200)
<b>EBITDA</b>	<b>19,297</b>	<b>252</b>	<b>8,679</b>	<b>1,048</b>	<b>29,276</b>	<b>288</b>	<b>29,564</b>
Other operating income	11	-	179	13	203	-	203
Depreciation of property, plant and equipment and amortisation of intangible assets	(2,975)	(36)	(2,597)	(817)	(6,425)	41	(6,384)
Other non-monetary items of operating income and expenses	(658)	(498)	(1,815)	27	(2,944)	-	(2,944)
<i>including:</i>							
<i>impairment of property, plant and equipment</i>	(651)	-	(823)	-	(1,474)	-	(1,474)
<i>impairment of financial assets, net</i>	(25)	(492)	(932)	(22)	(1,471)	-	(1,471)
<i>gain arising on financial assets at fair value through profit or loss</i>	-	-	-	75	75	-	75
<i>profit / (loss) on disposal of property, plant and equipment, net</i>	18	(6)	(60)	(26)	(74)	-	(74)
<b>Operating profit / (loss)</b>	<b>15,675</b>	<b>(282)</b>	<b>4,446</b>	<b>271</b>	<b>20,110</b>	<b>329</b>	<b>20,439</b>
Finance income							3,704
Finance costs							(2,719)
Share of results of associates and joint ventures							158
<b>Profit before income tax</b>							<b>21,582</b>
Income tax expense							(5,070)
<b>Profit for the period</b>							<b>16,512</b>
<b>Capital expenditure</b>	<b>11,273</b>	<b>2</b>	<b>3,695</b>	<b>1,910</b>	<b>16,880</b>	<b>-</b>	<b>16,880</b>
<b>31 March 2019</b>							
<b>Non-current and current debt</b>	<b>144,256</b>	<b>2,556</b>	<b>44,337</b>	<b>5,916</b>	<b>197,065</b>	<b>-</b>	<b>197,065</b>

**RusHydro Group**  
**Notes to the Condensed Consolidated Interim Financial Information**  
**as at and for the three months ended 31 March 2019 (unaudited)**

(in millions of Russian Rubles unless noted otherwise)



Three months ended 31 March 2018	PJSC RusHydro	ESC RusHydro subgroup	RAO ES East subgroup	Other segments	Total segments	Unallocated adjustments and intercompany operations	TOTAL
<b>Revenue</b>	<b>30,496</b>	<b>16,658</b>	<b>53,092</b>	<b>6,958</b>	<b>107,204</b>	<b>(8,693)</b>	<b>98,511</b>
<i>including:</i>							
<i>from third parties</i>	27,409	16,644	53,007	1,451	98,511	-	98,511
<i>sales of electricity</i>	18,324	16,312	29,606	232	64,474	-	64,474
<i>sales of capacity</i>	8,975	-	2,104	93	11,172	-	11,172
<i>sales of heat and hot water</i>	69	-	16,600	1	16,670	-	16,670
<i>other revenue</i>	41	332	4,697	1,125	6,195	-	6,195
<i>from intercompany operations</i>	3,087	14	85	5,507	8,693	(8,693)	-
Government grants	-	-	10,332	66	10,398	-	10,398
Operating expenses (excluding depreciation and other non-monetary items)	(10,565)	(16,135)	(52,915)	(6,528)	(86,143)	8,971	(77,172)
<b>EBITDA</b>	<b>19,931</b>	<b>523</b>	<b>10,509</b>	<b>496</b>	<b>31,459</b>	<b>278</b>	<b>31,737</b>
Other operating income	-	-	-	285	285	-	285
Depreciation of property, plant and equipment and amortisation of intangible assets	(3,009)	(35)	(1,765)	(708)	(5,517)	40	(5,477)
Other non-monetary items of operating income and expenses	(175)	(111)	(756)	1,316	274	17	291
<i>including:</i>							
<i>impairment of property, plant and equipment</i>	(258)	-	(225)	-	(483)	-	(483)
<i>impairment of financial assets, net</i>	(795)	(108)	(536)	(44)	(1,483)	-	(1,483)
<i>gain arising on financial assets at fair value through profit or loss</i>	924	-	31	1,386	2,341	-	2,341
<i>loss on disposal of property, plant and equipment, net</i>	(46)	(3)	(26)	(26)	(101)	17	(84)
<b>Operating profit</b>	<b>16,747</b>	<b>377</b>	<b>7,988</b>	<b>1,389</b>	<b>26,501</b>	<b>335</b>	<b>26,836</b>
Finance income							3,013
Finance costs							(1,753)
Share of results of associates and joint ventures							348
<b>Profit before income tax</b>							<b>28,444</b>
Income tax expense							(4,527)
<b>Profit for the period</b>							<b>23,917</b>
<b>Capital expenditure</b>	<b>3,043</b>	<b>-</b>	<b>4,145</b>	<b>4,869</b>	<b>12,057</b>	<b>-</b>	<b>12,057</b>
<b>31 December 2018</b>							
<b>Non-current and current debt</b>	<b>144,751</b>	<b>1,769</b>	<b>44,759</b>	<b>5,568</b>	<b>196,847</b>	<b>-</b>	<b>196,847</b>



## **Note 5. Related party transactions**

Parties are generally considered to be related if they are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

The Group's principal related parties for the three months ended 31 March 2019 and 31 March 2018 and as at 31 March 2019 and 31 December 2018 were associates and joint ventures of the Group, government-related entities.

### **Joint ventures**

The Group had the following balances with its joint ventures:

	<b>31 March 2019</b>	<b>31 December 2018</b>
Promissory notes	7,726	7,551
Loans issued	11	11
Advances to suppliers	-	8

The Group had the following transactions with its joint ventures:

	<b>Three months ended 31 March 2019</b>	<b>Three months ended 31 March 2018</b>
Sales of electricity and capacity	84	77
Other revenue	28	150
Purchased electricity and capacity	132	161

### **Associates**

The Group had the following balances with its associates:

	<b>31 March 2019</b>	<b>31 December 2018</b>
Trade and other receivables	546	513
Accounts payable	1,708	1,593

The Group had the following transactions with its associates:

	<b>Three months ended 31 March 2019</b>	<b>Three months ended 31 March 2018</b>
Sales of electricity and capacity	1,045	961
Other revenue	26	27
Rent	155	154
Purchased electricity and capacity	4	7

### **Government-related entities**

In the normal course of business the Group enters into transactions with the entities related to the Government.

The Group had transactions during the three months ended 31 March 2019 and 31 March 2018 and balances outstanding as at 31 March 2019 and 31 December 2018 with the government-related banks (Note 14). All transactions with the banks are carried out at market rates.

The Group's sales of electricity, capacity and heat to government-related entities comprised approximately 20 percent of total sales of electricity, capacity and heat for the three months ended 31 March 2019 (for the three months ended 31 March 2018: approximately 20 percent). Sales of electricity and capacity under the regulated contracts are made directly to the consumers, within the day-ahead market (DAM) – through commission agreements with JSC Centre of Financial Settlements (CFS). Electricity and capacity supply tariffs under the regulated contracts and electricity and heating supply tariffs in non-pricing zone of the Far East are approved by FTS and by regional regulatory authorities of the Russian Federation. On DAM the price is determined by balancing the demand and supply and such price is applied to all market participants.

During the three months ended 31 March 2019 the Group received government subsidies of RR 10,223 million (for the three months ended 31 March 2018: RR 10,398 million) (Note 20).

Government subsidies receivable comprised RR 4,294 million as at 31 March 2019 (31 December 2018: RR 2,539 million) (Note 9). Accounts payable on free-of-charge targeted contributions of the Group comprised

RR 2,916 million as at 31 March 2019 (31 December 2018: no accounts payable on free-of-charge targeted contributions) (Note 17).

The Group's purchases of electricity, capacity and fuel from government-related entities comprised approximately 30 percent of total expenses on purchased electricity, capacity and fuel for the three months ended 31 March 2019 (for the three months ended 31 March 2018: approximately 30 percent).

Grid companies services on electricity distribution provided to the Group by government-related entities comprised approximately 80 percent of total electricity distribution expenses for the three months ended 31 March 2019 (for the for the three months ended 31 March 2018: approximately 80 percent). The distribution of electricity is subject to tariff regulations.

**Key management of the Group.** Key management of the Group includes members of the Board of Directors of the Company, members of the Management Board of the Company, heads of the business subdivisions of the Company and their deputies, key management of subsidiaries of RAO ES East subgroup segment.

Remuneration to the members of the Board of Directors of the Company for their services in their capacity and for attending Board meetings is paid depending on the results for the period and is calculated based on specific remuneration policy approved by the Annual General Shareholders Meeting of the Company.

Remuneration to the members of the Management Board and to other key management of the Group is paid for their services in full time management positions and is made up of a contractual salary and performance bonuses depending on the results of the work for the period based on key performance indicators approved by the Board of Directors of the Company.

Main compensation for Key management of the Group generally is short-term excluding future payments under pension plans with defined benefits. Pension benefits for key management of the Group are provided on the same terms as for the rest of employees.

Short-term remuneration paid to the key management of the Group for the three months ended 31 March 2019 comprised RR 183 million (for the three months ended 31 March 2018: RR 186 million).

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

<b>Cost</b>	<b>Buildings</b>	<b>Facilities</b>	<b>Plant and equipment</b>	<b>Assets under construction</b>	<b>Other</b>	<b>Total</b>
<b>Balance as at 31 December 2018</b>	<b>87,468</b>	<b>322,228</b>	<b>396,499</b>	<b>308,999</b>	<b>15,343</b>	<b>1,130,537</b>
Recalculation due to adoption of IFRS 16	2,793	1,819	495	-	83	5,190
<b>Balance as at 1 January 2019 (restated)</b>	<b>90,261</b>	<b>324,047</b>	<b>396,994</b>	<b>308,999</b>	<b>15,426</b>	<b>1,135,727</b>
Reclassification	25	(191)	183	(7)	(10)	-
Additions	-	618	1	16,072	189	16,880
Transfers	856	17,455	12,233	(30,609)	65	-
Disposals and write-offs	(117)	(153)	(465)	(106)	(61)	(902)
<b>Balance as at 31 March 2019</b>	<b>91,025</b>	<b>341,776</b>	<b>408,946</b>	<b>294,349</b>	<b>15,609</b>	<b>1,151,705</b>
<b>Accumulated depreciation (including impairment)</b>						
<b>Balance as at 31 December 2018</b>	<b>(40,838)</b>	<b>(184,544)</b>	<b>(185,341)</b>	<b>(39,933)</b>	<b>(10,457)</b>	<b>(461,113)</b>
Recalculation due to adoption of IFRS 16	(29)	(26)	-	-	(6)	(61)
<b>Balance as at 1 January 2019 (restated)</b>	<b>(40,867)</b>	<b>(184,570)</b>	<b>(185,341)</b>	<b>(39,933)</b>	<b>(10,463)</b>	<b>(461,174)</b>
Reclassification	(5)	146	(166)	1	24	-
Impairment charge	-	(772)	(3)	(699)	-	(1,474)
Depreciation charge	(473)	(1,669)	(3,721)	-	(286)	(6,149)
Transfers	(390)	(9,375)	(2,540)	12,310	(5)	-
Disposals and write-offs	45	134	214	21	20	434
<b>Balance as at 31 March 2019</b>	<b>(41,690)</b>	<b>(196,106)</b>	<b>(191,557)</b>	<b>(28,300)</b>	<b>(10,710)</b>	<b>(468,363)</b>
<b>Net book value as at 31 March 2019</b>	<b>49,335</b>	<b>145,670</b>	<b>217,389</b>	<b>266,049</b>	<b>4,899</b>	<b>683,342</b>
<b>Net book value as at 31 December 2018</b>	<b>46,630</b>	<b>137,684</b>	<b>211,158</b>	<b>269,066</b>	<b>4,886</b>	<b>669,424</b>

The carrying amounts of the Group's right-of-use assets and the movements during the reporting period are presented in the table below:

	<b>Right-of-use assets</b>				
	<b>Buildings</b>	<b>Facilities</b>	<b>Plant and equipment</b>	<b>Other</b>	<b>Total</b>
<b>Balance as at 1 January 2019</b>	<b>2,769</b>	<b>2,156</b>	<b>593</b>	<b>63</b>	<b>5,581</b>
Additions	14	837	102	2	955
Depreciation charge	(149)	(87)	(98)	(6)	(340)
Impairment charge	-	(779)	-	-	(779)
Disposals and write-offs	(3)	(1)	-	-	(4)
<b>Balance as at 31 March 2019</b>	<b>2,631</b>	<b>2,126</b>	<b>597</b>	<b>59</b>	<b>5,413</b>

Assets under construction represent the expenditures for property, plant and equipment that are being constructed, including power plants under construction, and advances to construction companies and suppliers of property, plant and equipment. As at 31 March 2019 such advances amounted to RR 33,946 million (31 December 2018: RR 35,413 million).

Additions to assets under construction included capitalised borrowing costs in the amount of RR 2,323 million, the capitalisation rate was 7.88 percent (for the three months ended 31 March 2018: RR 2,231 million, the capitalisation rate was 8.65 percent).

Additions to assets under construction included capitalised depreciation in the amount of RR 58 million (for the three months ended 31 March 2018: RR 86 million).

**Impairment.** Management of the Group considered the market and economic environment in which the Group operates to assess whether any indicators of property, plant and equipment being impaired existed, or that an impairment loss recognised in prior periods may no longer exist or may have decreased. At the reporting date no indicators of significant changes of management's assumptions used to determine the recoverable amounts of cash-generating units as at 31 December 2018 were identified as a result of this analysis.

(in millions of Russian Rubles unless noted otherwise)

Based on the same assumptions, the Group recognised an impairment loss in the amount of RR 1,474 million for the three months ended 31 March 2019 in respect of additions of property, plant and equipment related to cash-generating units impaired in previous periods (for the three months ended 31 March 2018: 483 million).

**Note 7. Other non-current assets**

	<b>31 March 2019</b>	<b>31 December 2018</b>
Long-term promissory notes	40,245	40,475
Discount on long-term promissory notes	(14,555)	(14,826)
Credit loss allowance for long-term promissory notes	(14,025)	(14,025)
Long-term promissory notes, net	11,665	11,624
VAT recoverable	1,535	2,115
Long-term advances to suppliers	744	44
Goodwill	481	481
Cross-currency and interest rate swap	481	1,238
Other non-current assets	6,515	6,526
<b>Total other non-current assets</b>	<b>21,421</b>	<b>22,028</b>

**Note 8. Cash and cash equivalents**

	<b>31 March 2019</b>	<b>31 December 2018</b>
Cash equivalents	29,491	45,451
Cash at bank	13,785	19,961
Cash in hand	23	20
<b>Total cash and cash equivalents</b>	<b>43,299</b>	<b>65,432</b>

Cash equivalents held as at 31 March 2019 and 31 December 2018 comprised short-term bank deposits with original maturities of three months or less.

**Note 9. Accounts receivable and prepayments**

	<b>31 March 2019</b>	<b>31 December 2018</b>
Trade receivables	72,004	<b>65,147</b>
Credit loss allowance for trade receivables	(29,909)	(28,891)
<b>Trade receivables, net</b>	<b>42,095</b>	<b>36,256</b>
<b>VAT recoverable</b>	<b>7,701</b>	<b>8,175</b>
Advances to suppliers and other prepayments	12,583	11,400
Provision for impairment of advances to suppliers and other prepayments	(827)	(834)
<b>Advances to suppliers and other prepayments, net</b>	<b>11,756</b>	<b>10,566</b>
Other receivables	23,188	22,720
Credit loss allowance for other receivables	(5,352)	(5,067)
<b>Other receivables, net</b>	<b>17,836</b>	<b>17,653</b>
Government grants receivables	4,294	2,539
<b>Total accounts receivable and prepayments</b>	<b>83,682</b>	<b>75,189</b>

The Group does not hold any accounts receivable pledged as collateral.

**Note 10. Inventories**

	<b>31 March 2019</b>	<b>31 December 2018</b>
Fuel	15,488	20,146
Materials and supplies	8,836	7,915
Spare parts	2,630	2,438
Other materials	877	368
<b>Total inventories before provision for impairment</b>	<b>27,831</b>	<b>30,867</b>
Provision for impairment of inventories	(138)	(146)
<b>Total inventories</b>	<b>27,693</b>	<b>30,721</b>

There are no inventories pledged as collateral for borrowings as at 31 March 2019 and as at 31 December 2018.

**Note 11. Other current assets**

	31 March 2019	31 December 2018
<b>Deposits</b>	<b>54,918</b>	<b>29,967</b>
<b>Special funds</b>	<b>3,564</b>	<b>3,821</b>
Loans issued	2,870	3,072
Credit loss allowance for loans issued	(2,848)	(3,050)
<b>Loans issued, net</b>	<b>22</b>	<b>22</b>
<b>Other short-term investments</b>	<b>64</b>	<b>63</b>
<b>Total other current assets</b>	<b>58,568</b>	<b>33,873</b>

As at 31 March 2019 the balance of special funds in the amount of RR 3,564 million received by the Group to fund construction of generating facilities, is placed to the special accounts of the Federal Treasury of Russia (as at 31 December 2018 года: RR 3,821 million). These special funds may be used by the Group only upon approval by the Federal Treasury of Russia according to the authorisation procedure, prescribed by the Order of the Ministry of Finance of the Russian Federation No. 213n dated 25 December 2015.

Credit loss allowance for loans issued includes credit loss allowance for loans issued to ZAO Verkhne-Narynskye HPPs in the amount of RR 2,735 million as at 31 March 2019 (provision as at 31 December 2018 года: RR 2,908 million) due to denouncement of agreements between Russian Government and Kyrgyzstan Republic on construction of the Upper Naryn cascade of hydropower plants.

**Note 12. Equity**

	Number of issued and fully paid ordinary shares (Par value of RR 1.00)
As at 31 March 2019	426 288 813 551
As at 31 December 2018	426 288 813 551

**Additional share issue 2018.** On 21 June 2018, the Board of Directors of the Company adopted a resolution to make a placement of 14,013,888,828 ordinary shares by open subscription. The placement price of the additional shares was determined at RR 1.00 per share. On 27 August 2018, the share issue was registered with the Bank of Russia. As at the date of the issue of these financial statements the Company placed 7,000,092,298 additional shares during the pre-emptive right period (Note 28).

**Treasury shares.** As at 31 March 2019 treasury shares were represented by 3,852,259,680 ordinary shares in the amount of RR 4,613 million (31 December 2018: 3,852,259,680 ordinary shares in the amount of RR 4,613 million).

**Note 13. Income tax**

Income tax expense is recognised based on the management's best estimate as of the reporting date of the weighted average annual income tax rate expected for the full financial year. The tax effect of the exceptional, one-off items has not been included in the estimation of the weighted average annual income tax rate. The estimated average annual effective income tax rate used for the three months ended 31 March 2019 was 22 percent (for the three months ended 31 March 2018: 18 percent).

	Three months ended 31 March 2019	Three months ended 31 March 2018
Current income tax expense	4,723	3,885
Deferred income tax expense	347	642
<b>Total income tax expense</b>	<b>5,070</b>	<b>4,527</b>

(in millions of Russian Rubles unless noted otherwise)

**Note 14. Current and non-current debt**

*Non-current debt*

	Due date	31 March 2019	31 December 2018
PJSC Sberbank	2019–2023	44,195	45,487
PJSC Bank VTB	2019–2025	24,222	24,045
Eurobonds (RusHydro Capital Markets DAC) issued in February 2018	2021	20,073	20,434
Eurobonds (RusHydro Capital Markets DAC) issued in September 2017	2022	19,873	20,275
Russian bonds (PJSC RusHydro) issued in April 2016	2019	15,576	15,191
Eurobonds (RusHydro Capital Markets DAC) issued in November 2018	2022	15,111	14,993
Eurobonds in Chinese Yuan (RusHydro Capital Markets DAC) issued in November 2018	2021	14,645	15,121
Russian bonds (PJSC RusHydro) issued in June 2017	2020	10,410	10,205
PJSC ROSBANK	2019–2022	9,013	9,172
Far East and Baikal Region Development Fund	2019–2026	5,004	5,004
Russian bonds (PJSC RusHydro) issued in February 2013	2023	2,183	2,184
Municipal authority of Kamchatka region	2019–2034	1,592	1,560
EBRD	2019–2027	1,329	1,509
ASIAN Development bank	2019–2027	1,286	1,461
Bank GPB (JSC)	2020–2027	758	1,428
Other long-term debt	-	2,047	1,940
Finance lease liabilities	-	6,753	729
<b>Total</b>		<b>194,070</b>	<b>190,738</b>
Less current portion of non-current debt		(36,769)	(32,688)
Less current portion of finance lease liabilities		(1,285)	(102)
<b>Total non-current debt</b>		<b>156,016</b>	<b>157,948</b>

*Current debt*

	31 March 2019	31 December 2018
Bank GPB (JSC)	1,812	381
JSC Raiffeisenbank	1,045	7
BANK ROSSIYA	100	1,762
PJSC ROSBANK	-	3,899
Other current debt	38	60
Current portion of non-current debt	36,769	32,688
Current portion of finance lease liabilities	1,285	102
<b>Total current debt and current portion of non-current debt</b>	<b>41,049</b>	<b>38,899</b>
<i>Reference:</i>		
Interest payable	2,300	2,216

**Compliance with covenants.** The Group is subject to certain covenants related primarily to its debt. As at 31 March 2019 and 31 December 2018 and during the reporting period the Group met all required covenant clauses of the credit agreements.

(in millions of Russian Rubles unless noted otherwise)

**Lease liabilities.** The movements of lease liabilities in respect of the Group's right-of-use assets during the reporting period are presented below:

	<b>Lease liabilities</b>
<b>As at 1 January 2019</b>	<b>5,919</b>
Additions	809
Interest expense on lease liabilities (Note 22)	167
Lease payments	(181)
Recalculations	39
<b>As at 31 March 2019</b>	<b>6,753</b>

**Note 15. Non-deliverable forward contract for shares**

	<b>The fair value of the forward contract</b>
<b>As at 31 December 2018</b>	<b>31,896</b>
Change in the fair value of the non-deliverable forward contract for shares (Note 22)	(686)
Interim payments	(1,224)
<b>As at 31 March 2019</b>	<b>29,986</b>

The table below includes key assumptions made to determine the forward contract's fair value using the Monte-Carlo model:

<b>Key assumptions made to assess the forward contract's fair value</b>	<b>31 March 2019</b>	<b>31 December 2018</b>
Expected term of the forward transaction	2.93 years	3.17 years
Market value of the share	RR 0.5012	RR 0.4871
CB RF key refinancing rate	7.75 percent	7.75 percent
Volatility of shares	27.15 percent	28.82 percent
Risk-free rate	7.78 percent	8.06 percent
Discount rate	8.63 percent	9.05 percent
Expected dividend yield	7.00 percent	7.00 percent

The sensitivity analysis of the fair value of the forward contract to the key assumptions is presented in Note 27.

**Note 16. Other non-current liabilities**

	<b>31 March 2019</b>	<b>31 December 2018</b>
Pension benefit obligations	7,474	7,418
Non-current advances received	4,396	6,743
Other non-current liabilities	8,227	7,826
<b>Total other non-current liabilities</b>	<b>20,097</b>	<b>21,987</b>

**Note 17. Accounts payable and accruals**

	<b>31 March 2019</b>	<b>31 December 2018</b>
Trade payables	28,655	31,119
Advances received	19,765	17,909
Settlements with personnel	10,301	9,156
Accounts payable on free-of-charge targeted contributions	2,916	-
Accounts payable under factoring agreements	1,846	2,753
Dividends payable	167	170
Other accounts payable	4,842	3,526
<b>Total accounts payable and accruals</b>	<b>68,492</b>	<b>64,633</b>

All accounts payable and accruals are denominated in Russian Rubles.

Accounts payable on free-of-charge targeted contributions as at 31 March 2019 is the debts to the constituent budgets of the Far East Federal region according to Russian Government Resolution No. 895 "On achievement of basic rates (tariffs) for electric power (capacity) in the territories of the Far East Federal region", which stipulates the application of a premium to the price of capacity provided by the Company in the

price zones of the wholesale electricity and capacity market with subsequent transfer of the amounts collected to the constituent budgets of the Far East Federal region in the form of free-of-charge targeted contributions.

**Note 18. Other taxes payable**

	<b>31 March 2019</b>	<b>31 December 2018</b>
VAT	11,493	9,185
Insurance contributions	3,529	2,996
Property tax	3,341	2,526
Other taxes	637	648
<b>Total other taxes payable</b>	<b>19,000</b>	<b>15,355</b>

**Note 19. Revenue**

	<b>Three months ended 31 March 2019</b>	<b>Three months ended 31 March 2018</b>
Sales of electricity and capacity in the retail market	43,962	41,868
Sales of electricity in the wholesale market	20,747	22,606
Sales of heat and hot water	16,991	16,670
Sales of capacity in the wholesale market	12,063	11,172
Rendering services for electricity transportation	3,521	3,790
Rendering services for connections to the grid	92	232
Other revenue	2,165	2,173
<b>Total revenue</b>	<b>99,541</b>	<b>98,511</b>

Other revenue includes revenue earned from rendering of construction, repairs and other services.

For the three months ended 31 March 2019 the Group's revenue recognised over time comprised RR 97,284 million (for the three months ended 31 March 2018:RR 96,106 million), recognised at a point in time – RR 2,257 million (for the three months ended 31 March 2018:RR 2,405 million).

**Note 20. Government grants**

In accordance with legislation of the Russian Federation, several companies of the Group are entitled to government subsidies for compensation of the difference between approved economically viable electricity and heat tariffs and actual reduced tariffs and for compensation of losses on purchased fuel, purchased electricity and capacity.

During the three months ended 31 March 2019, the Group received government subsidies of RR 10,223 million (for the three months ended 31 March 2018: RR 10,398 million). The subsidies were received in the following territories: Kamchatsky territory, Sakha Republic (Yakutia), Magadan Region, Chukotka Autonomous Area and other Far East regions.

The total amount of government grants received by the Group companies – guaranteeing suppliers, under the Resolution of the Russian Government No. 895 "On achievement of basic rates (tariffs) for electric power (capacity) in the territories of the Far East Federal region", for the three months ended 31 March 2019 was RR 6,071 million (for the three months ended 31 March 2018 RR 6,596 million).



**Note 21. Operating expenses (excluding impairment losses)**

	<b>Three months ended 31 March 2019</b>	<b>Three months ended 31 March 2018 (restated)</b>
Fuel expenses	23,684	21,239
Employee benefit expenses (including payroll taxes and pension benefit expenses)	19,189	19,006
Purchased electricity and capacity	13,860	11,617
Grid companies services on electricity distribution	10,064	10,889
Depreciation of property, plant and equipment and amortisation of intangible assets	6,384	5,477
Taxes other than on income	2,765	3,046
Other materials	1,557	1,499
Third parties services, including:		
Purchase and transportation of heat power	1,178	1,107
Support of electricity and capacity market operation	985	897
Security expenses	866	840
Repairs and maintenance	859	556
Insurance cost	623	589
Rent	313	452
Consulting, legal and information expenses	277	462
Transportation expenses	224	163
Services of subcontracting companies	174	376
Other third parties services	1,938	2,151
Water usage expenses	992	903
Social charges	331	205
Loss on disposal of property, plant and equipment, net	74	84
Other expenses	321	1,175
<b>Total operating expenses (excluding impairment losses)</b>	<b>86,658</b>	<b>82,733</b>

**Note 22. Finance income, costs**

	Three months ended 31 March 2019	Three months ended 31 March 2018
<i>Finance income</i>		
Interest income	1,860	1,241
Foreign exchange gain	760	10
Change in fair value of the non-deliverable forward contract for shares (Note 15)	686	1,456
Income on discounting	320	119
Other income	78	187
<b>Total finance income</b>	<b>3,704</b>	<b>3,013</b>
<i>Finance costs</i>		
Interest expense	(1,453)	(1,251)
Cross-currency and interest rate swap	(757)	-
Interest expense on lease liabilities (Note 14)	(167)	(24)
Expense on discounting	(44)	(101)
Foreign exchange loss	(35)	(169)
Other costs	(263)	(208)
<b>Total finance costs</b>	<b>(2,719)</b>	<b>(1,753)</b>

**Note 23. Earnings per share**

	Three months ended 31 March 2019	Three months ended 31 March 2018
Weighted average number of ordinary shares issued (millions of shares)	422,437	422,437
Profit for the period attributable to the shareholders of PJSC RusHydro	15,909	22,019
<b>Earnings per share attributable to the shareholders of PJSC RusHydro – basic and diluted (in Russian Rubles per share)</b>	<b>0.0377</b>	<b>0.0521</b>

**Note 24. Capital commitments**

In accordance with consolidated investment programme approved under the consolidated business plan of the Group, as of 31 March 2019 the Group has to invest RR 361,518 million for the period 2019–2023 for reconstruction of the existing and construction of new power plants and grids, including capital commitments for 2019 year in the amount of RR 105,735 million, for 2020 year – RR 71,363 million, for 2021 year – RR 69,284 million, for 2022 year – RR 56,418 million, for 2023 year – RR 58,718 million (31 December 2018: RR 378,241 million for the period 2019–2023).

**Note 25. Contingencies**

**Social commitments.** The Group contributes to the maintenance and upkeep of the local infrastructure and the welfare of its employees, including contributions toward the development and maintenance of housing, hospitals, transport services and other social needs in the geographical areas in which it operates. Management believes that there are no material liabilities that should have been recognized at the reporting date.

**Insurance.** The Group holds limited insurance policies in relation to its assets, operations, public liability or other insurable risks. Accordingly, the Group is exposed for those risks for which it does not have insurance.

**Legal proceedings.** The Group's subsidiaries are parties to certain legal proceedings arising in the ordinary course of business. In the opinion of management, there are no current legal proceedings or other claims outstanding, which, upon final disposition, will have a material adverse effect on the financial position and results of the Group.

**Tax contingencies.** Russian tax legislation which was enacted or substantively enacted at the end of the reporting period, is subject to varying interpretations when being applied to the transactions and activities of the Group. Consequently, tax positions taken by management may be challenged by tax authorities, in particular, the way of accounting for tax purposes of some income and expenses of the Group as well as deductibility of input VAT from suppliers and contractors. The impact of this course of events cannot be assessed with sufficient reliability, but it can be significant in terms of the financial situation and / or the

business of the Group. Russian tax administration is gradually strengthening, including the fact that there is a higher risk of review of tax transactions without a clear business purpose or with tax non-compliant counterparties. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year when decisions about the review was made. Under certain circumstances reviews may cover longer periods.

The Russian transfer pricing legislation is generally aligned with the international transfer pricing principles developed by the Organisation for Economic Cooperation and Development (OECD), although it has specific features. This legislation provides for the possibility of additional tax assessments for controlled transactions (transactions with related parties and certain transactions between unrelated parties) if such transactions are not on an arm's length basis.

During the three months ended 31 March 2019, the Group's subsidiaries had controlled transactions and transactions which highly probably will be considered by tax authorities to be controlled based on the results of the period. Management has implemented internal controls to be in compliance with this transfer pricing legislation. In case of receipt of a request from tax authorities, the management of the Group will provide documentation meeting the requirements of Art. 105.15 of the Tax Code.

Tax liabilities arising from controlled transactions are determined based on their actual transaction prices. It is possible, with the evolution of the interpretation of the transfer pricing rules, that such transfer prices could be challenged. The impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the overall operations of the Group.

New provisions aimed at countering tax evasions have been added to the Russian tax legislation and became effective from 1 January 2015. Specifically, they introduce new rules for controlled foreign companies and the concept of beneficiary owner of income for the purposes of application of preferential provisions of taxation treaties of the Russian Federation. Also, the new provisions introduce the rules for determining tax residency for foreign legal entities at the place of their actual management (if a foreign company is recognised as a Russian tax resident, the whole amount of such company's income will be subject to taxation in Russia).

The Group is currently assessing the effects of new tax rules on the Group's operations and takes necessary steps to comply with the new requirements of the Russian tax legislation. However, there are no sustainable practices yet as to how to apply the new rules; therefore, at present, it does not seem practicable to reliably estimate the probability of claims from Russian tax authorities in relation to the compliance of the Group's companies with the new legislation and the probability of positive outcome of tax disputes (if any). Tax disputes (if any) may have an impact on the Group's overall financial position and results of operations.

Management believes that as at 31 March 2019, its interpretation of the relevant legislation was appropriate and the Group's tax positions would be sustained.

**Environmental matters.** The Group companies and their predecessor entities have operated in the utilities industry in the Russian Federation for many years. The enforcement of environmental regulation in the Russian Federation is evolving and the enforcement posture of government authorities is continually being reconsidered. The Group companies periodically evaluate their obligations under environmental regulations. The assets retirement obligation for ash dumps used by the Group comprised RR 1,344 million as at 31 March 2019 (31 December 2018: RR 1,324 million).

Potential liabilities may arise as a result of changes in legislation and regulation or civil litigation. The impact of these potential changes cannot be estimated but could be material. In the current enforcement climate under existing legislation, management believes that there are no significant liabilities for environmental damage.

**Note 26. Financial instruments and financial risk management**

**Financial risks.** The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk), credit risk and liquidity risk.

This Condensed Consolidated Interim Financial Information does not include all financial risk management information and disclosures required in the annual financial statements; it should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2018.

There have been no changes in the Group's risk management policies during the three months ended 31 March 2019.

**Presentation of financial instruments by measurement category.** The following table provides a reconciliation of classes of financial assets with the measurement categories of IFRS 9 Financial instruments and information about the balance of special funds held on the accounts at the Federal Treasury as at 31 March 2019 and 31 December 2018.

As at 31 March 2019	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Total
<b>Assets</b>				
<b>Other non-current assets (Note 7)</b>	<b>12,362</b>	<b>481</b>	-	<b>12,843</b>
Promissory notes	11,665	-	-	11,665
Cross currency and interest rate swap	-	481	-	481
Long-term receivables	216	-	-	216
Long-term loans issued	481	-	-	481
<b>Financial assets at fair value through profit or loss</b>	-	<b>500</b>	-	<b>500</b>
<b>Financial assets at fair value through other comprehensive income</b>	-	-	<b>593</b>	<b>593</b>
<b>Trade and other receivables (Note 9)</b>	<b>59,513</b>	-	-	<b>59,513</b>
Trade receivables	42,095	-	-	42,095
Other financial receivables	17,418	-	-	17,418
<b>Other current assets (Note 11)</b>	<b>58,504</b>	-	-	<b>58,504</b>
Special funds	3,564	-	-	3,564
Deposits	54,918	-	-	54,918
Short-term loans issued	22	-	-	22
<b>Cash and cash equivalents (Note 8)</b>	<b>43,299</b>	-	-	<b>43,299</b>
<b>Total financial assets</b>	<b>173,678</b>	<b>981</b>	<b>593</b>	<b>175,252</b>
<b>Non-financial assets</b>				<b>777,036</b>
<b>Total assets</b>				<b>952,288</b>

**RusHydro Group**  
**Notes to the Condensed Consolidated Interim Financial Information**  
**as at and for the three months ended 31 March 2019 (unaudited)**



(in millions of Russian Rubles unless noted otherwise)

<b>As at 31 December 2018</b>	<b>Financial assets at amortised cost</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Financial assets at fair value through other comprehensive income</b>	<b>Total</b>
<b>Assets</b>				
<b>Other non-current assets (Note 7)</b>	<b>12,370</b>	<b>1,238</b>	-	<b>13,608</b>
Promissory notes	11,624	-	-	11,624
Cross currency and interest rate swap	-	1,238	-	1,238
Long-term receivables	250	-	-	250
Long-term loans issued	496	-	-	496
<b>Financial assets at fair value through profit or loss</b>	-	<b>656</b>	-	<b>656</b>
<b>Financial assets at fair value through other comprehensive income</b>	-	-	<b>594</b>	<b>594</b>
<b>Trade and other receivables (Note 9)</b>	<b>53,426</b>	-	-	<b>53,426</b>
Trade receivables	36,256	-	-	36,256
Other financial receivables	17,170	-	-	17,170
<b>Other current assets (Note 11)</b>	<b>33,810</b>	-	-	<b>33,810</b>
Special funds	3,821	-	-	3,821
Deposits	29,967	-	-	29,967
Short-term loans issued	22	-	-	22
<b>Cash and cash equivalents (Note 8)</b>	<b>65,432</b>	-	-	<b>65,432</b>
<b>Total financial assets</b>	<b>165,038</b>	<b>1,894</b>	<b>594</b>	<b>167,526</b>
<b>Non-financial assets</b>				<b>763,955</b>
<b>Non-current assets classified as held for sale</b>				<b>450</b>
<b>Total assets</b>				<b>931,931</b>

As at 31 March 2019 financial liabilities of the Group carried at fair value are represented by the non-deliverable forward contract for shares in the amount of RR 29,986 million (Note 15) (31 December 2018: RR 31,896 million).

All other financial liabilities of the Group are carried at amortised cost and are represented mainly by the current and non-current debt (Note 14), trade payables, accounts payable under factoring agreements and other accounts payable (Note 17).

**Note 27. Fair value of assets and liabilities**

**a) Recurring fair value measurements**

Recurring fair value measurements are those that the accounting standards require or permit in the statement of financial position at the end of each reporting period.

The levels in the fair value hierarchy into which the recurring fair value measurements are categorised, are as follows:

<b>As at 31 March 2019</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
Equity investments: Financial assets at fair value through profit or loss	500	-	-	<b>500</b>
Equity investments: Financial assets at fair value through other comprehensive income	-	-	593	<b>593</b>
Cross currency and interest rate swap	-	-	481	<b>481</b>
<b>Total assets requiring recurring fair value measurements</b>	<b>500</b>	<b>-</b>	<b>1,074</b>	<b>1,574</b>
<b>Financial liabilities</b>				
Non-deliverable forward contract for shares	-	-	29,986	<b>29,986</b>
<b>Total liabilities requiring recurring fair value measurements</b>	<b>-</b>	<b>-</b>	<b>29,986</b>	<b>29,986</b>
<b>As at 31 December 2018</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
Equity investments: Financial assets at fair value through profit or loss	656	-	-	<b>656</b>
Equity investments: Financial assets at fair value through other comprehensive income	-	-	594	<b>594</b>
Cross currency and interest rate swap	-	-	1,238	<b>1,238</b>
<b>Total assets requiring recurring fair value measurements</b>	<b>656</b>	<b>-</b>	<b>1,832</b>	<b>2,488</b>
<b>Financial liabilities</b>				
Non-deliverable forward contract for shares	-	-	31,896	<b>31,896</b>
<b>Total liabilities requiring recurring fair value measurements</b>	<b>-</b>	<b>-</b>	<b>31,896</b>	<b>31,896</b>

There were no changes in the valuation techniques, inputs and assumptions for recurring fair value measurements during the three months ended 31 March 2019.

As at 31 March 2019 and 31 December 2018 the fair value of the non-deliverable forward contract for shares is determined based on the Monte-Carlo model, taking into account adjustments and using unobservable inputs, and included in Level 3 of fair value hierarchy (Note 15).

The valuation of the Level 3 financial liability and the related sensitivity to reasonably possible changes in unobservable inputs are as follows as at 31 March 2019 and 31 December 2018:

	Fair value	Valuation technique	Significant unobservable/observable inputs	Reasonably possible change	Reasonably possible values	Change of fair value measurement
<b>Financial liability</b>						
<b>As at 31 March 2019</b>						
Non-deliverable forward contract for shares	29,986	Monte-Carlo model	Dividend yield	-2%	5.00 percent	(266)
				+2%	9.00 percent	257
				-20%	RR 0.4010	5,265
				+20%	RR 0.6014	(5,335)
<b>As at 31 December 2018</b>						
Non-deliverable forward contract for shares	31,896	Monte-Carlo model	Dividend yield	-2%	5.00 percent	(157)
				+2%	9.00 percent	254
				-20%	RR 0.3897	5,048
				+20%	RR 0.5845	(5,040)

Based on management's assessment, possible changes of unobservable inputs do not have a significant impact on the fair value of the non-deliverable forward contract.

The estimated fair value of the non-deliverable forward contract is significantly influenced by observable inputs, in particular, by the market value of the shares which was RR 0.5012 as at 31 March 2019 (31 December 2018: RR 0.4871) (Note 15).

**b) Assets and liabilities not measured at fair value but for which fair value is disclosed**

**Financial assets carried at amortised cost.** The Group considers that the fair value of cash (Level 1 of the fair value hierarchy), cash equivalents and short-term deposits (Level 2 of the fair value hierarchy), short-term accounts receivable (Level 3 of the fair value hierarchy) approximates their carrying value. The fair value of long-term accounts receivable, other non-current and current assets is estimated based on future cash flows expected to be received including expected losses (Level 3 of the fair value hierarchy); the fair value of these assets approximates their carrying value.

**Liabilities carried at amortised cost.** The fair value of floating rate liabilities approximates their carrying value. The fair value of bonds is based on quoted market prices (Level 1 of the fair value hierarchy). Fair value of the fixed rate liabilities is estimated based on expected cash flows discounted at current interest rates for new instruments with similar credit risk and remaining maturity (Level 3 of the fair value hierarchy).

The fair value of current liabilities carried at amortised cost approximates their carrying value.

As at 31 March 2019 the carrying value of bonds exceeded their fair value by RR 181 million. As at 31 December 2018 the fair value of bonds exceeded their carrying value by RR 1,243 million.

As at 31 March 2019 the carrying value of non-current fixed rate debt was RR 64,098 million and exceeded its fair value by RR 4,302 million (31 December 2018: the carrying value of non-current fixed rate debt was RR 69,901 million and exceeded its fair value by RR 3,263 million).

**Note 28. Subsequent events**

In April – May 2019 during the pre-emptive right period the Company placed 7,000,092,298 additional shares at price of RR 1.00 per share or 49.95 percent of the total volume of additional issue of 14,013,888,828 shares (Note 12). The placement of the remaining shares of this issue will be held by open subscription.