



RUSHYDRO GROUP

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

As at and for the three and six months ended 30 June 2021

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Report on Review of Condensed Consolidated Interim Financial Information

To the Shareholders and Board of Directors of Public Joint Stock Company Federal Hydro-Generating Company – RusHydro:

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Public Joint Stock Company Federal Hydro-Generating Company – RusHydro and its subsidiaries (together – the “Group”) as at 30 June 2021 and the related condensed consolidated interim statements of income and comprehensive income for the three-month and six-month periods then ended, condensed consolidated interim statements of cash flows and changes in equity for the six-month period then ended, and the related explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34, “Interim Financial Reporting”. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

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

Conclusion

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

AO PricewaterhouseCoopers Audit

26 August 2021
Moscow, Russian Federation

T. V. Sirotnskaya
T. V. Sirotnskaya, certified auditor (licence No. 01-000527), AO PricewaterhouseCoopers Audit

Audited entity: Public Joint Stock Company Federal Hydro-Generating Company – RusHydro

Independent auditor:
AO PricewaterhouseCoopers Audit

Record made in the Unified State Register of Legal Entities on 26 December 2004 under State Registration Number 1042401810494

Registered by the Government Agency Moscow Registration Chamber on 28 February 1992 under No. 008.890

Taxpayer Identification Number 2460066195

Record made in the Unified State Register of Legal Entities on 22 August 2002 under State Registration Number 1027700148431

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	Note	30 June 2021	31 December 2020
ASSETS			
Non-current assets			
Property, plant and equipment	6	692,336	682,652
Investments in associates and joint ventures		17,500	16,800
Financial assets at fair value through other comprehensive income		572	461
Deferred income tax assets		16,103	16,673
Other non-current assets	7	19,292	19,140
Total non-current assets		745,803	735,726
Current assets			
Cash and cash equivalents	8	41,976	58,291
Income tax receivable		3,832	4,700
Accounts receivable and prepayments	9	59,665	52,195
Inventories	10	32,398	35,149
Other current assets	11	75,934	55,974
		213,805	206,309
Assets of disposal group classified as held for sale	12	1,349	-
Total current assets		215,154	206,309
TOTAL ASSETS		960,957	942,035
EQUITY AND LIABILITIES			
Equity			
Share capital	13	439,289	439,289
Treasury shares	13	(4,613)	(4,613)
Share premium		39,202	39,202
Retained earnings and other reserves		143,410	125,709
Equity attributable to the shareholders of PJSC RusHydro		617,288	599,587
Non-controlling interest	13	9,484	9,353
TOTAL EQUITY		626,772	608,940
Non-current liabilities			
Non-current debt	15	121,449	129,926
Non-deliverable forward contract for shares	16	9,731	15,025
Deferred income tax liabilities		19,308	17,591
Other non-current liabilities	17	18,784	22,810
Total non-current liabilities		169,272	185,352
Current liabilities			
Current debt and current portion of non-current debt	15	67,823	76,064
Accounts payable and accruals	18	76,733	54,408
Current income tax payable		58	819
Other taxes payable	19	17,057	16,452
		161,671	147,743
Liabilities of disposal group classified as held for sale	12	3,242	-
Total current liabilities		164,913	147,743
TOTAL LIABILITIES		334,185	333,095
TOTAL EQUITY AND LIABILITIES		960,957	942,035

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



	Note	Six months ended 30 June		Three months ended 30 June	
		2021	2020	2021	2020
Revenue	20	204,886	193,866	93,424	87,652
Government grants	21	26,842	24,191	14,473	12,721
Other operating income	1	534	861	123	558
Operating expenses (excluding impairment losses)	22	(181,122)	(164,613)	(84,367)	(76,311)
Operating profit excluding impairment losses		51,140	54,305	23,653	24,620
Impairment of financial assets, net		(3,072)	(3,086)	(1,122)	(815)
Impairment of property, plant and equipment	6	(213)	(692)	(171)	(310)
Operating profit		47,855	50,527	22,360	23,495
Finance income	23	7,404	13,098	4,215	6,748
Finance costs	23	(5,316)	(6,327)	(3,002)	(4,402)
Share of results of associates and joint ventures		1,086	106	1,002	68
Profit before income tax		51,029	57,404	24,575	25,909
Income tax expense	14	(10,739)	(10,579)	(4,714)	(4,992)
Profit for the period		40,290	46,825	19,861	20,917
Attributable to:					
Shareholders of PJSC RusHydro		40,000	45,907	20,208	21,251
Non-controlling interest		290	918	(347)	(334)
Earnings per ordinary share for profit attributable to the shareholders of PJSC RusHydro – basic and diluted (in Russian Rubles per share)		0.0919	0.1087	0.0464	0.0503
Weighted average number of shares outstanding – basic and diluted (millions of shares)		435,437	422,437	435,437	422,437

	Note	Six months ended 30 June		Three months ended 30 June	
		2021	2020	2021	2020
Profit for the period		40,290	46,825	19,861	20,917
Other comprehensive income, net of income tax:					
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurement of pension benefit obligations		811	(414)	811	(414)
Gain / (loss) arising on financial assets at fair value through other comprehensive income		55	(25)	48	(13)
Total items that will not be reclassified to profit or loss		866	(439)	859	(427)
<i>Items that may be reclassified subsequently to profit or loss</i>					
Accumulated loss on foreign translation reserve recycled to profit or loss	13	-	348	-	-
Other items of comprehensive (loss) / income		(2)	50	(2)	1
Total items that may be reclassified subsequently to profit or loss		(2)	398	(2)	1
Total other comprehensive income / (loss)		864	(41)	857	(426)
Total comprehensive income for the period		41,154	46,784	20,718	20,491
Attributable to:					
Shareholders of PJSC RusHydro		40,800	45,958	21,001	20,917
Non-controlling interest		354	826	(283)	(426)

	Note	Six months ended 30 June 2021	Six months ended 30 June 2020
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before income tax		51,029	57,404
Depreciation of property, plant and equipment and amortisation of intangible assets	22	15,512	13,919
Loss on disposal of property, plant and equipment, net	22	200	287
Share of results of associates and joint ventures		(1,086)	(106)
Other operating income		(534)	(861)
Finance income	23	(7,404)	(13,098)
Finance costs	23	5,316	6,327
Impairment of property, plant and equipment	6	213	692
Impairment of financial assets, net		3,072	3,086
Other (income) / loss		9	94
Operating cash flows before working capital changes, income tax paid and changes in other assets and liabilities		66,327	67,744
Working capital changes:			
Increase in accounts receivable and prepayments		(10,846)	(9,980)
Decrease in other current assets, net of deposits and special funds		16	690
Decrease in inventories		2,750	2,680
Decrease in accounts payable and accruals, net of dividends payable		(14)	(13)
Increase in other taxes payable		697	1,107
Increase in other non-current assets		(80)	(521)
(Decrease) / increase in other non-current liabilities		(815)	947
Income tax paid		(8,599)	(9,071)
Net cash generated by operating activities		49,436	53,583
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(23,416)	(22,998)
Proceeds from sale of property, plant and equipment		96	56
Investment in bank deposits and purchase of other investments		(45,188)	(56,790)
Redemption of bank deposits and proceeds from sale of other investments		23,363	60,268
Proceeds from sale of subsidiaries, net of disposed cash		40	(435)
Interest received		2,103	2,733
Return of special funds on special accounts		1,377	-
Placement of special funds on special accounts		-	(6,000)
Contribution to the equity of disposed subsidiary due to the assets swap transaction		-	(575)
Net cash used in investing activities		(41,625)	(23,741)

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



	Note	Six months ended 30 June 2021	Six months ended 30 June 2020
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from current debt		21,357	17,589
Proceeds from non-current debt		18,358	18,499
Repayment of debt		(55,824)	(44,005)
Interest paid		(6,791)	(7,091)
Dividends paid		(186)	(216)
Payments for non-deliverable forward for shares	16	(507)	(1,299)
Proceeds from share issue		-	6,000
Proceeds on other financial instruments		70	-
Proceeds from cross-currency and interest rate swap, net		103	-
Payments on cross-currency and interest rate swap		-	(67)
Repayment of lease liabilities		(705)	(428)
Net cash used in financing activities		(24,125)	(11,018)
Foreign exchange losses on cash balances		(1)	(29)
(Decrease) / increase in cash and cash equivalents		(16,315)	18,795
Cash and cash equivalents at the beginning of the period		58,291	41,047
Cash and cash equivalents at the end of the period	8	41,976	59,842

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 financial assets	Reserve for remeasurement of pension benefit obligation	Retained earnings	Equity attributable to shareholders of PJSC RusHydro	Non-controlling interest	Total equity
As at 1 January 2020		426,289	(4,613)	39,202	(135,075)	(382)	358	187	239,698	565,664	4,211	569,875
Profit for the period		-	-	-	-	-	-	-	45,907	45,907	918	46,825
Remeasurement of pension benefit obligations		-	-	-	-	-	-	(322)	-	(322)	(92)	(414)
Loss arising on financial assets at fair value through other comprehensive income		-	-	-	-	-	(25)	-	-	(25)	-	(25)
Accumulated loss on foreign translation reserve recycled to profit or loss	13	-	-	-	-	348	-	-	-	348	-	348
Other comprehensive income		-	-	-	-	34	-	-	16	50	-	50
Total other comprehensive loss		-	-	-	-	382	(25)	(322)	16	51	(92)	(41)
Total comprehensive income		-	-	-	-	382	(25)	(322)	45,923	45,958	826	46,784
Dividends	13	-	-	-	-	-	-	-	-	-	(179)	(179)
Changes in non-controlling interest due to asset swap transaction	13	-	-	-	-	-	-	74	(6,375)	(6,301)	1,191	(5,110)
Changes in non-controlling interest due to disposal of the subsidiary	13	-	-	-	-	-	-	-	(24)	(24)	24	-
Other changes		-	-	-	-	-	-	-	54	54	-	54
As at 30 June 2020		426,289	(4,613)	39,202	(135,075)	-	333	(61)	279,276	605,351	6,073	611,424
As at 1 January 2021		439,289	(4,613)	39,202	(135,075)	-	337	632	259,815	599,587	9,353	608,940
Profit for the period		-	-	-	-	-	-	-	40,000	40,000	290	40,290
Remeasurement of pension benefit obligations		-	-	-	-	-	-	747	-	747	64	811
Income arising on financial assets at fair value through other comprehensive income		-	-	-	-	-	55	-	-	55	-	55
Other comprehensive loss		-	-	-	-	-	-	-	(2)	(2)	-	(2)
Total other comprehensive income		-	-	-	-	-	55	747	(2)	800	64	864
Total comprehensive income		-	-	-	-	-	55	747	39,998	40,800	354	41,154
Dividends	13	-	-	-	-	-	-	-	(23,099)	(23,099)	(207)	(23,306)
Other changes		-	-	-	-	-	-	-	-	-	(16)	(16)
As at 30 June 2021		439,289	(4,613)	39,202	(135,075)	-	392	1,379	276,714	617,288	9,484	626,772

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.

Operating Environment of the Group The Russian Federation displays certain characteristics of an emerging market. Russia’s economy is particularly sensitive to oil and gas prices. The legal, tax and regulatory frameworks 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.

On 12 March 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic. In response to the pandemic, Russian authorities have taken a range of measures to curb the spread and mitigate the impact of COVID-19, such as bans and restrictions on movement, self-isolation, and restrictions on commercial activities, including the closure of businesses. Some of the above measures were subsequently relaxed, however, as of 30 June 2021, the infection levels remain high, vaccination rate is low, and there is a risk that the Russian authorities would impose additional restrictions in 2021 or later.

These measures, in particular, have significantly limited economic activity in Russia and have already had and may still have a negative impact on the business, market participants, customers of the Group, as well as on the Russian and global economy for an indefinite period of time. Economic activity remains low, and economic recovery is closely related to continued restrictive measures.

Management reviewed the impact of the pandemic on the Group’s financial performance, including the following key accounting estimates:

- measurement of expected credit losses for financial assets: for the measurement, the Group uses, among other things, forecasts of macroeconomic indicators, of which inflation forecasts have the greatest impact on the calculation. The Group’s management analysed the current economic forecasts in the expected credit losses model and concluded that they did not lead to a significant increase in expected credit losses;
- property, plant and equipment impairment assessment (Note 6);
- assessment of financial assets and liabilities measured at fair value (Level 3) (Notes 16, 27).

The Group’s management monitor the development of the economic situation and take necessary measures to ensure sustainability of the Group’s operations.

Future implications of the current economic situation and the measures mentioned above are difficult to predict, and current expectations and estimates of the management may differ from the actual results.

Relations with the Government and current regulation. As at 30 June 2021 the Russian Federation owned 61.73 percent of the total voting ordinary shares of the Company (31 December 2020: 61.73 percent). As at 30 June 2021 PJSC Bank VTB that is controlled by the Russian Federation owned 12.95 percent of the Company’s shares (31 December 2020: 12.95 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.

Changes in the Group Structure. In the first half of 2020 the Group completed the first stage of the asset swap with LLC IC Donalink, which included the exchange of a 100 percent interest in JSC LUR and a 100 percent interest in the share capital of LLC Primorskaya GRES for a 41.98 percent interest in the Group’s subsidiary PJSC DEK. At the first stage the Group transferred 100 percent minus 1 share of JSC LUR and a 85.54 percent interest in LLC Primorskaya GRES in exchange for a 38.04 percent interest in PJSC DEK. The

fair value of the assets transferred was determined as RR 5 110 million which is equivalent to the fair value of PJSC DEK shares received. The carrying amount of disposed net assets of the subsidiaries amounted to RR 4,545 million.

The difference between the fair value of received shares of PJSC Far East Energy Company and the carrying amount of disposed net assets of the subsidiaries is recorded within other operating income.

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 2020, 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 2020 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 2020 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 2021.

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

Critical accounting estimates and judgements. The preparation of Condensed Consolidated Interim Financial Information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing this Condensed Consolidated Interim Financial Information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Consolidated Financial Statements as at and for the year ended 31 December 2020 with the exception of changes in estimates that are required in determining the expected weighted average annual income tax rate (Note 14) and judgements in respect of valuation of the non-deliverable forward contract for the shares (Note 16), and the discount rate used in determining pension benefit obligations which increased from 6.00 percent as at 31 December 2020 to 7.20 percent as at 30 June 2021.

New standards and interpretations

The Group has adopted all new standards and interpretations that were effective from 1 January 2021. The impact of the adoption of new standards and interpretations has not been significant with respect to this Condensed Consolidated Interim Financial Information.

Apart from new standards and interpretations becoming effective from 1 January 2021 and after that date applicable to the Group as disclosed in the consolidated financial statements as at and for the year ended 31 December 2020, the following interpretations and amendments were issued which are applicable to the Group:

- Disclosure of Accounting Policies – Amendments to IAS 1 (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023);
- Definition of Accounting Estimates – Amendments to IAS 8 (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023);
- Covid-19-Related Rent Concessions – Amendments to IFRS 16 (issued on 31 March 2021 and effective for annual periods beginning on or after 1 April 2021);

- Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12 (issued on 7 May 2021 and effective for annual periods beginning on or after 1 January 2023).

These amendments are not expected to affect significantly the Group's consolidated financial statements.

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 – RusHydro generation, Supply companies, Far East energy companies (Note 4).

The principal subsidiaries are presented below according to their allocation to the reportable segments as at 30 June 2021 and 31 December 2020.

RusHydro generation segment

RusHydro generation segment is represented by the Group's parent company – PJSC RusHydro and its subsidiaries that produce and sell electricity and capacity, as well as hydroelectric power plants under construction.

The main subsidiaries included in RusHydro generation segment are presented below:

		30 June 2021		31 December 2020	
		% of ownership	% of voting	% of ownership	% of voting
JSC	Zagorskaya GAES-2	100.00%	100.00%	100.00%	100.00%
JSC	Zaramag HS	99.75%	99.75%	99.75%	99.75%
JSC	Nizhne-Bureiskaya HPP	100.00%	100.00%	100.00%	100.00%

Supply companies segment

Supply companies 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.

		30 June 2021		31 December 2020	
		% of ownership	% of voting	% of ownership	% of voting
JSC	Chuvashskaya Electricity Sales Company*	100.00%	100.00%	100.00%	100.00%
JSC	ESC RusHydro	100.00%	100.00%	100.00%	100.00%
PJSC	DEK	94.50%	94.51%	94.50%	94.51%
PJSC	Krasnoyarskenegosbyt	65.81%	69.40%	65.81%	69.40%
PJSC	Ryazanenergobyt	90.52%	90.52%	90.52%	90.52%

* As at 30 June 2021 assets and liabilities of JSC Chuvashskaya Electricity Sales Company are represented as assets and liabilities of disposal group classified as held for sale (Note 12).

(in millions of Russian Rubles unless noted otherwise)

Far East energy companies segment

Far East energy companies segment consists of the Group's subsidiaries that generate and distribute electricity and generate, distribute and sell 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:

		30 June 2021		31 December 2020	
		% of		% of	
		ownership	% of voting	ownership	% of voting
JSC	Blagoveschensk TPP	100.00%	100.00%	100.00%	100.00%
JSC	DGK	100.00%	100.00%	100.00%	100.00%
JSC	DRSK	94.50%	100.00%	94.50%	100.00%
JSC	RAO ES East	99.98%	99.98%	99.98%	99.98%
JSC	Sakhalin GRES-2	100.00%	100.00%	100.00%	100.00%
JSC	TPP in Sovetskaya Gavan	100.00%	100.00%	100.00%	100.00%
JSC	Ust'-Srednekanskaya HPP named after A. F. Dyakov	99.63%	100.00%	99.63%	100.00%
JSC	Yakutskaya GRES-2	100.00%	100.00%	100.00%	100.00%
PJSC	Kamchatskenergo	98.74%	98.76%	98.74%	98.76%
PJSC	Kolimaenergo	98.76%	98.76%	98.76%	98.76%
PJSC	Magadanenergo*	48.99%	49.00%	48.99%	49.00%
PJSC	Sakhalinenergo	89.96%	89.97%	76.59%	76.60%
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 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.

Principal subsidiaries included in other segments are presented below:

		30 June 2021		31 December 2020	
		% of		% of	
		ownership	% of voting	ownership	% of voting
JSC	VNIIG named after B. E. Vedeneev	100.00%	100.00%	100.00%	100.00%
JSC	Gidroremont-VKK	100.00%	100.00%	100.00%	100.00%
JSC	Institute Hydroproject	100.00%	100.00%	100.00%	100.00%
JSC	Lenhydroproject	100.00%	100.00%	100.00%	100.00%
JSC	Ust'-Srednekangesstroy	98.76%	100.00%	98.76%	100.00%
JSC	Chirkeigesstroy	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 condensed consolidated interim financial information, 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: RusHydro generation, Supply companies, Far East energy companies 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, 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 condensed consolidated interim financial information.

Intersegment sales are carried out at market prices.

Segment information for the six months and three months ended 30 June 2021 and 30 June 2020 and as at 30 June 2021 and 31 December 2020 is presented below.

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Six months ended 30 June 2021	RusHydro generation	Supply companies	Far East energy companies	Other segments	Total segments	Unallocated adjustments and intercompany operations	TOTAL
Revenue	75,760	85,878	94,430	13,405	269,473	(64,587)	204,886
<i>including:</i>							
<i>from third parties</i>	66,406	78,662	57,709	2,109	204,886	-	204,886
<i>sales of electricity and capacity in the retail market</i>	183	65,121	19,557	-	84,861	-	84,861
<i>sales of electricity in the wholesale market</i>	39,891	6,537	1,596	-	48,024	-	48,024
<i>sales of capacity in the wholesale market</i>	26,184	6,691	85	-	32,960	-	32,960
<i>sales of heat and hot water</i>	86	-	26,989	-	27,075	-	27,075
<i>other revenue</i>	62	313	9,482	2,109	11,966	-	11,966
<i>from intercompany operations</i>	9,354	7,216	36,721	11,296	64,587	(64,587)	-
Government grants	-	52	26,790	-	26,842	-	26,842
Operating expenses (excluding depreciation and other non-monetary items)	(26,476)	(82,777)	(106,945)	(13,956)	(230,154)	64,789	(165,365)
EBITDA	49,284	3,153	14,275	(551)	66,161	202	66,363
Other operating income	64	-	467	3	534	-	534
Depreciation of property, plant and equipment	(7,704)	(166)	(7,124)	(660)	(15,654)	142	(15,512)
Other non-monetary items of operating income and expenses	(569)	(841)	(2,040)	(80)	(3,530)	-	(3,530)
<i>including:</i>							
<i>impairment of property, plant and equipment (impairment) / reversal of financial assets, net</i>	(136)	-	(77)	-	(213)	-	(213)
<i>profit / (loss) on disposal of property, plant and equipment, net</i>	(450)	(775)	(1,865)	18	(3,072)	-	(3,072)
<i>profit / (loss) on disposal of subsidiaries, net</i>	16	(10)	(98)	(108)	(200)	-	(200)
<i>profit / (loss) on disposal of subsidiaries, net</i>	1	(56)	-	10	(45)	-	(45)
Operating profit / (loss)	41,075	2,146	5,578	(1,288)	47,511	344	47,855
Finance income							7,404
Finance costs							(5,316)
Share of results of associates and joint ventures							1,086
Profit before income tax							51,029
Income tax expense							(10,739)
Profit for the period							40,290
Capital expenditure	9,724	632	14,077	1,894	26,327	-	26,327
30 June 2021							
Non-current and current debt	104,356	4,935	78,523	1,458	189,272	-	189,272

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Six months ended 30 June 2020	RusHydro generation	Supply companies	Far East energy companies	Other segments	Total segments	Unallocated adjustments and intercompany operations	TOTAL
Revenue	71,422	80,024	94,282	18,551	264,279	(70,413)	193,866
<i>including:</i>							
<i>from third parties</i>							
<i>sales of electricity and capacity in the retail market</i>	64,249	73,182	53,391	3,044	193,866	-	193,866
<i>sales of electricity in the wholesale market</i>	188	59,769	17,694	1	77,652	-	77,652
<i>sales of capacity in the wholesale market</i>	42,728	6,315	1,029	17	50,089	-	50,089
<i>sales of heat and hot water</i>	21,185	6,625	85	85	27,980	-	27,980
<i>other revenue</i>	80	-	24,654	1	24,735	-	24,735
<i>from intercompany operations</i>	68	473	9,929	2,940	13,410	-	13,410
Government grants	7,173	6,842	40,891	15,507	70,413	(70,413)	-
Operating expenses (excluding depreciation and other non-monetary items)	-	1	24,190	-	24,191	-	24,191
	(21,136)	(77,518)	(104,277)	(19,107)	(222,038)	71,633	(150,405)
EBITDA	50,286	2,507	14,195	(556)	66,432	1,220	67,652
Other operating income	17	-	42	71	130	-	130
Depreciation of property, plant and equipment	(6,976)	(150)	(6,204)	(714)	(14,044)	125	(13,919)
Other non-monetary items of operating income and expenses	(600)	(1,224)	(1,387)	(124)	(3,335)	(1)	(3,336)
<i>including:</i>							
<i>impairment of property, plant and equipment</i>	(437)	-	(225)	(30)	(692)	-	(692)
<i>impairment of financial assets, net</i>	(226)	(1,193)	(1,576)	(91)	(3,086)	-	(3,086)
<i>loss on disposal of property, plant and equipment, net</i>	(157)	(31)	(91)	(7)	(286)	(1)	(287)
<i>profit on disposal of subsidiaries, net</i>	220	-	505	4	729	-	729
Operating profit / (loss)	42,727	1,133	6,646	(1,323)	49,183	1,344	50,527
Finance income							13,098
Finance costs							(6,327)
Share of results of associates and joint ventures							106
Profit before income tax							57,404
Income tax expense							(10,579)
Profit for the period							46,825
Capital expenditure	11,642	133	14,877	735	27,387	-	27,387
31 December 2020							
Non-current and current debt	125,560	6,787	72,592	1,051	205,990	-	205,990

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Three months ended 30 June 2021	RusHydro generation	Supply companies	Far East energy companies	Other segments	Total segments	Unallocated adjustments and intercompany operations	TOTAL
Revenue	39,314	36,719	37,737	9,420	123,190	(29,766)	93,424
<i>including:</i>							
<i>from external companies</i>	35,363	34,242	22,562	1,257	93,424	-	93,424
<i>sales of electricity and capacity in the retail market</i>	114	27,843	8,791	-	36,748	-	36,748
<i>sales of electricity in the wholesale market</i>	23,393	2,948	703	-	27,044	-	27,044
<i>sales of capacity in the wholesale market</i>	11,794	3,301	37	-	15,132	-	15,132
<i>sales of heat and hot water</i>	25	-	8,657	-	8,682	-	8,682
<i>other revenue</i>	37	150	4,374	1,257	5,818	-	5,818
<i>from intercompany operations</i>	3,951	2,477	15,175	8,163	29,766	(29,766)	-
Government grants	-	22	14,451	-	14,473	-	14,473
Operating expenses (excluding depreciation and other non-monetary items)	(13,603)	(35,671)	(47,185)	(9,855)	(106,314)	29,873	(76,441)
EBITDA	25,711	1,070	5,003	(435)	31,349	107	31,456
Other operating income	59	-	63	1	123	-	123
Depreciation of property, plant and equipment	(3,900)	(82)	(3,553)	(402)	(7,937)	135	(7,802)
Other non-monetary items of operating income and expenses	(239)	(225)	(986)	33	(1,417)	-	(1,417)
<i>including:</i>							
<i>impairment of property, plant and equipment</i>	(101)	-	(70)	-	(171)	-	(171)
<i>(impairment) / reversal of impairment of financial assets, net</i>	(98)	(206)	(832)	14	(1,122)	-	(1,122)
<i>(loss) / profit on disposal of property, plant and equipment, net</i>	(40)	(19)	(84)	19	(124)	-	(124)
Operating profit / (loss)	21,631	763	527	(803)	22,118	242	22,360
Finance income							4,215
Finance costs							(3,002)
Share of results of associates and joint ventures							1,002
Profit before income tax							24,575
Income tax expense							(4,714)
Profit for the period							19,861
Capital expenditure	6,250	230	8,355	728	15,563	-	15,563

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Three months ended 30 June 2020	RusHydro generation	Supply companies	Far East energy companies	Other segments	Total segments	Unallocated adjustments and intercompany operations	TOTAL
Revenue	36,262	34,548	39,495	10,545	120,850	(33,198)	87,652
<i>including:</i>							
<i>from third parties</i>							
<i>sales of electricity and capacity in the retail market</i>	33,047	32,124	20,866	1,615	87,652	-	87,652
<i>sales of electricity in the wholesale market</i>	106	25,283	7,873	1	33,263	-	33,263
<i>sales of capacity in the wholesale market</i>	22,347	3,309	369	-	26,025	-	26,025
<i>sales of heat and hot water</i>	10,535	3,327	37	-	13,899	-	13,899
<i>other revenue</i>	23	-	7,702	-	7,725	-	7,725
<i>from intercompany operations</i>	36	205	4,885	1,614	6,740	-	6,740
Government grants	3,215	2,424	18,629	8,930	33,198	(33,198)	-
Operating expenses (excluding depreciation and other non-monetary items)	-	-	12,721	-	12,721	-	12,721
	(10,285)	(33,896)	(48,143)	(11,044)	(103,368)	34,034	(69,334)
EBITDA	25,977	652	4,073	(499)	30,203	836	31,039
Other operating income	11	-	41	1	53	-	53
Depreciation of property, plant and equipment	(3,525)	(81)	(2,990)	(361)	(6,957)	65	(6,892)
Other non-monetary items of operating income and expenses	(138)	(330)	(221)	(15)	(704)	(1)	(705)
<i>including:</i>							
<i>impairment of property, plant and equipment</i>	(173)	-	(122)	(15)	(310)	-	(310)
<i>reversal of impairment / (impairment) of financial assets, net</i>	39	(299)	(549)	(6)	(815)	-	(815)
<i>profit / (loss) on disposal of property, plant and equipment, net</i>	1	(31)	(55)	2	(83)	(1)	(84)
<i>(loss) / profit on disposal of subsidiaries, net</i>	(5)	-	505	4	504	-	504
Operating profit / (loss)	22,325	241	903	(874)	22,595	900	23,495
Finance income							6,748
Finance costs							(4,402)
Share of results of associates and joint ventures							68
Profit before income tax							25,909
Income tax expense							(4,992)
Profit for the period							20,917
Capital expenditure	5,017	4	8,921	84	14,026	-	14,026

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 six months ended 30 June 2021 and 30 June 2020 and as at 30 June 2021 and 31 December 2020 were associates and joint ventures of the Group, government-related entities.

Sales of electricity and capacity, as well as heat and hot water to associates and joint ventures of the Group are carried out at market prices or at established tariffs.

Joint ventures

The Group had the following balances with its joint ventures:

	Note	30 June 2021	31 December 2020
Long-term promissory notes receivable	7	9,527	9,098

The Group had the following transactions with its joint ventures:

	Six months ended 30 June		Three months ended 30 June	
	2021	2020	2021	2020
Sales of electricity and capacity	261	368	165	222
Other revenue	24	54	18	26
Purchased electricity and capacity	238	241	93	113

Associates

The Group had the following balances with its associates:

	30 June 2021	31 December 2020
Trade and other receivables	327	254
Accounts payable	1,814	1,776
Short-term lease liabilities	1,618	1,308
Long-term lease liabilities	1,630	1,729

The value of assets in the form of right of use under lease agreements with associated organizations as at 30 June 2021 to RR 1,992 million (as at 31 December 2020: RR 2,034 million).

The Group had the following transactions with its associates:

	Six months ended 30 June		Three months ended 30 June	
	2021	2020	2021	2020
Sales of electricity and capacity	831	818	354	348
Sales of heat and hot water	797	729	296	264
Other revenue	57	56	29	27
Interest expense on lease liabilities	119	99	53	52

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 and six months ended 30 June 2021 and 30 June 2020 and balances outstanding as at 30 June 2021 and 31 December 2020 with the government-related banks. All transactions with the banks are carried out at market rates. The Company also entered into a non-deliverable forward contract for its treasury shares and cross-currency and interest rate swap arrangement with PJSC VTB Bank (Notes 11 and 16).

Debt on long-term loans from state-related banks amounted to RR 81,233 million as at 30 June 2021 (as at 31 December 2020: RR 78,819 million), debt on other long-term borrowings from state-related parties amounted to RR 5,512 million as at 30 June 2021 (as at 31 December 2020: RR 5,832 million). Debt on short-

term loans from state-related banks amounted to RR 6,592 million as at 30 June 2021 (as at 31 December 2020: RR 5,015 million), debt on other short-term borrowings from state-related parties amounted to RR 2,763 million as at 30 June 2021 (as at 31 December 2020: RR 1,006 million). Effective interest rate range for loans from state-related banks: 5.69 - 8.50 percent.

Outstanding liabilities under lease agreements with government-related parties amounted to RR 3,380 million as at 30 June 2021 (as at 31 December 2020: RR 3,379 million), including the short-term portion of liabilities of RR 687 million as at 30 June 2021 (as at 31 December 2020: RR 682 million). The value of assets in the form of right of use for such contracts as at 30 June 2021 to RR 2,856 million (as at 31 December 2020: RR 2,874 million). Interest expense on lease obligations with government-related parties for the six months ended 30 June 2021 to RR 136 million (for the six months ended 30 June 2020: RR 138 million). Interest expense on lease obligations with government-related parties for the three months ended 30 June 2021 to RR 67 million (for the three months ended 30 June 2020: RR 63 million).

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 and six months ended 30 June 2021 (for the three and six months ended 30 June 2020: 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 heat supply tariffs in the non-pricing zone of the Far East are approved by the Federal Antimonopoly Service (FAS) and by regional regulatory authorities of the Russian Federation. On the DAM, the price is determined by balancing the demand and supply and such price is applied to all market participants.

During the six months ended 30 June 2021 the Group received government subsidies of RR 26,842 million (for the six months ended 30 June 2020: RR 24,191 million). During the three months ended 30 June 2021 the Group received government subsidies of RR 14,473 million (for the three months ended 30 June 2020: RR 12,721 million) (Note 21).

Government subsidies receivable comprised RR 4,302 million as at 30 June 2021 (31 December 2020: RR 526 million) (Note 9). Accounts payable on free-of-charge targeted contributions of the Group comprised RR 3,460 million as at 30 June 2021 (31 December 2020: no accounts payable on free-of-charge targeted contributions) (Note 18).

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 and six months ended 30 June 2021 (for the three and six months ended 30 June 2020: approximately 30 percent). Tariffs for the purchase of electricity and capacity are approved by the FAS and by regional regulatory authorities of the Russian Federation, the price on the DAM is determined by balancing the demand and supply and such price is applied to all market participants, the purchase of fuel is carried out at market prices.

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 and six months ended 30 June 2021 (for the three and six months ended 30 June 2020: 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 the segment Far East energy companies.

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.

The compensation for key management of the Group - is mostly short-term except for 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 six months ended 30 June 2021 comprised RR 582 million (for the six months ended 30 June 2020: RR 533 million). Short-term remuneration paid to the key management of the Group for the three months ended 30 June 2021 comprised RR 340 million (for the three months ended 30 June 2020: RR 353 million).

Note 6. Property, plant and equipment

Cost	Buildings	Facilities	Plant and equipment	Assets under construction	Other	Right-of-use assets	Total
Balance as at 31 December 2020	110,264	453,391	490,122	177,108	17,053	10,590	1,258,528
Additions	43	30	1,354	23,251	975	674	26,327
Transfers	717	1,664	17,367	(19,761)	13	-	-
Reclassification to non-current assets and assets of disposal group classified as held for sale	(279)	(5)	(337)	-	(50)	(15)	(686)
Disposals of subsidiaries	(112)	(18)	(8)	-	(1)	-	(139)
Disposals and write-offs	(139)	(58)	(467)	(374)	(405)	(98)	(1,541)
Balance as at 30 June 2021	110,494	455,004	508,031	180,224	17,585	11,151	1,282,489
Accumulated depreciation (including impairment)							
Balance as at 31 December 2020	(53,723)	(246,144)	(240,430)	(21,804)	(10,759)	(3,016)	(575,876)
Reclassification	954	(2,085)	1,116	-	15	-	-
Impairment charge	(23)	(9)	(26)	(154)	(1)	-	(213)
Depreciation charge	(963)	(4,398)	(8,535)	-	(622)	(779)	(15,297)
Transfers	(228)	(56)	(428)	712	-	-	-
Reclassification to non-current assets and assets of disposal group classified as held for sale	55	4	302	-	36	7	404
Disposals of subsidiaries	17	6	6	-	1	-	30
Disposals and write-offs	54	30	445	82	136	52	799
Balance as at 30 June 2021	(53,857)	(252,652)	(247,550)	(21,164)	(11,194)	(3,736)	(590,153)
Net book value as at 30 June 2021	56,637	202,352	260,481	159,060	6,391	7,415	692,336
Net book value as at 31 December 2020	56,541	207,247	249,692	155,304	6,294	7,574	682,652

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

	Right-of-use assets				
	Buildings	Facilities	Plant and equipment	Other	Total
Balance as at 31 December 2020	1,884	4,250	1,336	104	7,574
Additions	246	317	5	106	674
Reclassification	(11)	(115)	121	5	-
Depreciation charge	(262)	(318)	(170)	(29)	(779)
Disposals and write-offs	(28)	(16)	(4)	(6)	(54)
Balance as at 30 June 2021	1,829	4,118	1,288	180	7,415

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 30 June 2021 such advances amounted to RR 31,088 million (31 December 2020: RR 31,761 million).

Additions to assets under construction included capitalised borrowing costs in the amount of RR 2,023 million, the capitalisation rate was 6.80 percent (for the three months ended 30 June 2020: RR 3,434 million, the capitalisation rate was 7.47 percent).

Additions to assets under construction included capitalised depreciation in the amount of RR 187 million (for the three months ended 30 June 2020: RR 101 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 2020 were identified as a result of this analysis.

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Based on the same assumptions, the Group recognised an impairment loss in the amount of RR 213 million for the three months ended 30 June 2021 in respect of additions of property, plant and equipment related to cash-generating units impaired in previous periods (for the three months ended 30 June 2020: 692 million). For the three months ended 30 June 2021, the impairment loss was RR 171 million (for the three months ended 30 June 2020: RR 310 million).

Note 7. Other non-current assets

	30 June 2021	31 December 2020
Long-term promissory notes	28,045	37,552
Discount on long-term promissory notes	(11,844)	(12,385)
Expected credit loss allowance for long-term promissory notes	(4,662)	(14,025)
Long-term promissory notes, net	11,539	11,142
VAT recoverable	907	1,168
Goodwill	481	481
Other non-current assets	6,365	6,349
Total other non-current assets	19,292	19,140

As at 30 June 2021 the long-term promissory notes of LLC ENERGO-FINANCE in the amount of RR 9,363 million was written off against expected credit loss allowance due to the liquidation of the company in April 2021.

Note 8. Cash and cash equivalents

	30 June 2021	31 December 2020
Cash equivalents	27,817	44,553
Cash at bank	14,146	13,723
Cash in hand	13	15
Total cash and cash equivalents	41,976	58,291

Cash equivalents held as at 30 June 2021 and 31 December 2020 comprised short-term bank deposits with original maturities of three months or less.

Note 9. Accounts receivable and prepayments

	30 June 2021	31 December 2020
Trade receivables	64,506	66,176
Expected credit loss allowance for trade receivables	(30,519)	(31,569)
Trade receivables, net	33,987	34,607
VAT recoverable	7,471	6,459
Advances to suppliers and other prepayments	9,522	6,317
Provision for impairment of advances to suppliers and other prepayments	(721)	(704)
Advances to suppliers and other prepayments, net	8,801	5,613
Other receivables	9,700	10,142
Expected credit loss allowance for other receivables	(4,596)	(5,152)
Other receivables, net	5,104	4,990
Government grants receivables	4,302	526
Total accounts receivable and prepayments	59,665	52,195

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

(in millions of Russian Rubles unless noted otherwise)

Note 10. Inventories

	30 June 2021	31 December 2020
Fuel	17,416	21,927
Materials and supplies	11,058	10,028
Spare parts	3,922	3,230
Other materials	212	190
Total inventories before provision for impairment	32,608	35,375
Provision for impairment of inventories	(210)	(226)
Total inventories	32,398	35,149

There are no inventories pledged as collateral for borrowings as at 30 June 2021 and as at 31 December 2020.

Note 11. Other current assets

	30 June 2021	31 December 2020
Deposits	63,112	41,331
Special funds	10,197	11,615
Loans issued	3,277	3,321
Expected credit loss allowance for loans issued	(3,223)	(3,291)
Loans issued, net	54	30
Cross currency and interest rate swap	2,501	2,914
Other current assets	70	84
Total other current assets	75,934	55,974

As at 30 June 2021 the balance of special funds in the amount of RR 10,197 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 2020 года: RR 11,615 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.

Note 12. Assets and liabilities of disposal group classified as held for sale

In August 2021 the Group concluded an agreement with LLC Transenergoprom to sell 100 percent of shares of JSC Chuvashskaya Electricity Sales Company (Note 28).

As at 30 June 2021 assets and liabilities of JSC Chuvashskaya Electricity Sales Company are represented as assets and liabilities of disposal group classified as held for sale:

	30 June 2021
Non-current assets	
Property, plant and equipment	282
Other non-current assets	68
Total non-current assets	350
Current assets	
Accounts receivable and prepayments (net of expected credit loss allowance of RR 3,755 million)	922
Other current assets	77
Total current assets	999
Total assets of disposal group classified as held for sale	1,349
Non-current liabilities	
Other non-current liabilities	1,140
Total non-current liabilities	1,140
Current liabilities	
Current debt and current portion of non-current debt	1,207
Accounts payable and accruals	827
Other taxes payable	68
Total current liabilities	2,102
Total liabilities of disposal group classified as held for sale	3,242

Assets and liabilities of disposal group classified as held for sale do not include intercompany balances eliminated in this consolidated financial information. These intercompany balances are represented by:

	30 June 2021
Intercompany accounts payable and accruals	76

Revenue and operating expenses of the disposal group classified as held for sale are represented by:

	Примечание	Six months ended 30 June	
		2021	2020
Revenue	20	6,249	5,550
Operating expenses	22	(5,335)	(4,914)
Operating profit		914	636

Revenue and operating expenses of disposal group classified as held for sale do not include intercompany revenue and operating expenses eliminated in this consolidated financial information. This information is represented by:

	Six months ended 30 June	
	2021	2020
Intercompany operating expenses	(543)	(515)

Note 13. Equity

	Number of issued and fully paid ordinary shares (Par value of RR 1.00)
As at 30 June 2021	439 288 905 849
As at 31 December 2020	439 288 905 849

Treasury shares. As at 30 June 2021 treasury shares were represented by 3,852,259,324 ordinary shares in the amount of RR 4,613 million (31 December 2020: 3,852,259,324 ordinary shares in the amount of RR 4,613 million).

Changes in non-controlling interest. The change in non-controlling interest in the first half of 2020 is due to changes in the Group's structure. As a result of the asset swap transaction with LLC MK Donalink a negative non-controlling interest in the amount of RR 1,191 million was disposed of. The fair value of the Group assets transferred in exchange for 38.04 percent of PJSC DEK shares comprised RR 5,110 million. The difference between the carrying amount of the non-controlling interest disposed and the fair value of the assets transferred is recognised in retained earnings. As a result of the sale of the subsidiary CJSC MEK a negative non-controlling interest in the amount of RR 24 million was disposed of.

Foreign currency translation reserve. As a result of the sale of the subsidiary CJSC MEK in the first half of 2020, the accumulated loss on foreign translation reserve in amount of RR 348 million related to the translation to the reporting currency of the assets and liabilities of the subsidiary denominated in Armenian drams was recycled to profit or loss.

Dividends. On 30 June 2021, the Company declared dividends for the year ended 31 December 2020 of RR 0.0530 per share in the total amount of RR 23,303 million (RR 23,099 million excluding dividends to subsidiaries).

Dividends for the year ended 31 December 2019 were declared as at 30 September 2020.

Declared dividends of the Group's subsidiaries in favour of non-controlling interest holders amounted to RR 207 million for the six months ended 30 June 2021 (for the six months ended 30 June 2020: RR 179 million).

Note 14. 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 six months ended 30 June 2021 was 21 percent (for the six months ended 30 June 2020: 18 percent).

	Six months ended 30 June		Three months ended 30 June	
	2021	2020	2021	2020
Current income tax expense	8,683	9,085	3,384	4,479
Deferred income tax expense	2,056	1,494	1,330	513
Total income tax expense	10,739	10,579	4,714	4,992

Note 15. Current and non-current debt

Non-current debt

	30 June 2021	31 December 2020
Eurobonds (RusHydro Capital Markets DAC)	67,821	88,463
<i>in Russian Rubles</i>	50,913	71,425
<i>in Chinese Yuans</i>	16,908	17,038
Bank loans	94,013	91,754
Russian bonds (PJSC RusHydro)	2,727	2,912
Other long-term debt	5,612	5,932
Lease liabilities	9,420	9,250
Total	179,593	198,311
Less current portion of non-current debt	(54,862)	(65,543)
Less current portion of lease liabilities	(3,282)	(2,842)
Total non-current debt	121,449	129,926

Bonds redemption. Eurobonds with a nominal value of RR 20,000 million issued in February 2018 were repaid in February 2021.

Current debt

	30 June 2021	31 December 2020
Bank loans	6,916	6,673
Other short-term debt	2,763	1,006
Current portion of non-current debt	54,862	65,543
Current portion of lease liabilities	3,282	2,842
Total current debt and current portion of non-current debt	67,823	76,064
<i>Reference:</i>		
Interest payable	1,279	1,863

Compliance with covenants. The Group is subject to certain covenants related primarily to its debt. As at 30 June 2021 and 31 December 2020 and during the reporting period the Group met all required covenant clauses of the credit agreements.

Note 16. Non-deliverable forward contract for shares

	The fair value of the forward contract
As at 31 December 2020	15,025
Change in the fair value of the non-deliverable forward contract for shares (Note 23)	(4,787)
Interim payments	(507)
As at 30 June 2021	9,731

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

(in millions of Russian Rubles unless noted otherwise)

Key assumptions made to assess the forward contract's fair value	30 June 2021	31 December 2020
Expected term of the forward transaction	3.68 years	4.17 years
Market value of the share	RR 0.8664	RR 0.7871
CB RF key refinancing rate	5.50 percent	4.25 percent
Volatility of shares	26.61 percent	28.75 percent
Risk-free rate	6.97 percent	5.35 percent
Discount rate	7.24 percent	5.96 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 17. Other non-current liabilities

	30 June 2021	31 December 2020
Pension benefit obligations	6,757	7,787
Non-current advances received	1,981	3,185
Other non-current liabilities	10,046	11,838
Total other non-current liabilities	18,784	22,810

Note 18. Accounts payable and accruals

	30 June 2021	31 December 2020
Trade payables	24,618	28,306
Dividends payable	23,277	157
Advances received	11,556	10,329
Settlements with personnel	8,124	10,131
Accounts payable on free-of-charge targeted contributions	3,460	-
Other accounts payable	5,698	5,485
Total accounts payable and accruals	76,733	54,408

Accounts payable on free-of-charge targeted contributions as at 30 June 2021 represents the amounts payable 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 19. Other taxes payable

	30 June 2021	31 December 2020
VAT	10,620	9,956
Insurance contributions	3,419	3,470
Property tax	2,428	2,439
Other taxes	590	587
Total other taxes payable	17,057	16,452

Note 20. Revenue

	Six months ended 30 June		Three months ended 30 June	
	2021	2020	2021	2020
Sales of electricity and capacity in the retail market	84,861	77,652	36,748	33,263
Sales of electricity in the wholesale market	48,024	50,089	27,044	26,025
Sales of capacity in the wholesale market	32,960	27,980	15,132	13,899
Sales of heat and hot water	27,075	24,735	8,682	7,725
Rendering services for electricity transportation	8,196	7,831	3,756	3,650
Rendering services for connections to the grid	436	715	192	281
Other revenue	3,334	4,864	1,870	2,809
Total revenue	204,886	193,866	93,424	87,652

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

For the six months ended 30 June 2021 the Group's revenue recognised over time comprised RR 201,116 million (for the six months ended 30 June 2020: RR 188,287 million), recognised at a point in time – RR 3,770 million (for the six months ended 30 June 2020: RR 5,579 million).

For the three months ended 30 June 2021 the Group's revenue recognised over time comprised RR 91,362 million (for the three months ended 30 June 2020: RR 84,562 million), recognised at a point in time – RR 2,062 million (for the three months ended 30 June 2020: RR 3,091 million).

Note 21. 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 six months ended 30 June 2021, the Group received government subsidies of RR 26,842 million (for the six months ended 30 June 2020: RR 24,191 million). During the three months ended 30 June 2021, the Group received government subsidies of RR 14,473 million (for the three months ended 30 June 2020: RR 12,721 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 six months ended 30 June 2021 was RR 15,763 million (for the six months ended 30 June 2020: RR 14,464 million). For the three months ended 30 June 2021 these subsidies amounted to RR 7,608 million (for the three months ended 30 June 2020: RR 7,232 million).

Note 22. Operating expenses (excluding impairment losses)

	Six months ended 30 June		Three months ended 30 June	
	2021	2020	2021	2020
Employee benefit expenses (including payroll taxes and pension benefit expenses)	40,112	39,605	20,233	19,987
Fuel expenses	39,025	37,103	14,722	14,394
Purchased electricity and capacity	33,487	24,200	14,678	10,793
Grid companies services on electricity distribution	19,952	18,491	9,280	8,393
Depreciation of property, plant and equipment and amortisation of intangible assets	15,512	13,919	7,802	6,892
Taxes other than on income	6,884	6,567	3,440	3,287
Other materials	4,693	4,439	2,747	2,660
Third parties services, including:				
Repairs and maintenance	2,996	2,273	2,043	1,361
Purchase and transportation of heat power	2,382	1,949	1,124	951
Support of electricity and capacity market operation	2,211	2,081	1,088	1,034
Security expenses	1,936	1,921	974	970
Insurance cost	1,180	1,177	559	568
Consulting, legal and information expenses	984	872	535	371
Services of subcontracting companies	733	789	601	584
Rent	392	419	213	214
Transportation expenses	300	308	184	159
Other third parties services	3,036	3,809	1,415	1,731
Water usage expenses	2,702	2,634	1,499	1,393
Social charges	579	585	410	332
Travel expenses	407	303	255	132
Purchase of oil products for sale	352	349	280	110
Loss on disposal of property, plant and equipment, net	200	287	124	84
Other expenses / (income)	1,067	533	161	(89)
Total operating expenses (excluding impairment losses)	181,122	164,613	84,367	76,311

Note 23. Finance income, costs

	Six months ended 30 June		Three months ended 30 June	
	2021	2020	2021	2020
<i>Finance income</i>				
Change of fair value of non-deliverable forward contract for shares (Note 16)	4,787	8,375	2,431	3,599
Interest income	2,098	2,734	1,130	1,481
Income on discounting	224	229	68	110
Foreign exchange gain	98	80	410	1,558
Change of fair value of cross-currency and interest rate swap	-	1,616	-	-
Other income	197	64	176	-
Total finance income	7,404	13,098	4,215	6,748
<i>Finance costs</i>				
Interest expense	(4,191)	(3,951)	(2,019)	(1,988)
Interest expense on lease liabilities	(351)	(279)	(168)	(142)
Change of fair value of cross-currency and interest rate swap	(310)	-	(594)	(2,073)
Expense on discounting	(71)	(108)	(36)	(19)
Foreign exchange loss	(14)	(1,602)	-	-
Other costs	(379)	(387)	(185)	(180)
Total finance costs	(5,316)	(6,327)	(3,002)	(4,402)

Note 24. Capital commitments

In accordance with consolidated investment programme approved under the consolidated business plan of the Group, as of 30 June 2021 the Group has to invest RR 471,747 million for the period 2021–2025 for reconstruction of the existing and construction of new power plants and grids, including capital commitments for 2021 in the amount of RR 95,931 million, for 2022 – RR 109,754 million, for 2023 – RR 99,871 million, for 2024 – RR 85,865 million, for 2025 – RR 80,326 million (31 December 2020: RR 499,010 million for the period 2021–2025).

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. As at 30 June 2021 management estimates the probability of unfavourable outcome with respect to legal claims in the amount of RR 3 354 million as low. Legal claims from grid companies refer to disputes over the cost of electricity distribution services and those concerning timeframes for connections to the grid. Legal claims from contractors relate to contestation of previously signed offset agreements. In the opinion of management, there are no other undisclosed or unrecognised 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, while Russian tax administration is gradually strengthening. 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.

In 2020 the Company joined the tax monitoring system (a new form of interaction with the tax authorities that does not involve in-house or on-site inspections, as a general rule). Nevertheless, an on-site inspection of the Company can be made with regard to open periods (2018, 2019 and 2020 years). Within the tax monitoring framework, the Company may request a reasoned opinion of the tax authority on certain controversial tax issues. A reasoned opinion is binding on both the tax authorities and the Company.

The Company has agreed with the tax authorities a roadmap for preparing transition to the tax monitoring system of the Group's subsidiaries. Since 2021, PJSC Krasnoyarskenergosbyt entered into tax monitoring. For other subsidiaries of the Group 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.

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 in respect of the periods that are open for the review of the completeness of tax calculation and payment in accordance with the Chapter 14.5 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.

Changes 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 takes necessary steps to comply with these changes 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 these changes 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 of the Group believes that as at 30 June 2021 and as at 31 December 2020 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 comprised RR 1,841 million as at 30 June 2021 (31 December 2020: RR 1,624 million) and was included into other non-current obligations.

Potential liabilities may arise as a result of changes in legislation and regulation, civil litigation or other circumstances. 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 2020.

There have been no changes in the Group's risk management policies during the six months ended 30 June 2021.

(in millions of Russian Rubles unless noted otherwise)

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 30 June 2021 and 31 December 2020.

As at 30 June 2021	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Total
Assets				
Other non-current assets (Note 7)	12,531	165	-	12,696
Promissory notes	11,539	-	-	11,539
Long-term receivables	599	-	-	599
Long-term loans issued	393	-	-	393
Other non-current assets	-	165	-	165
Financial assets at fair value through profit or loss	-	1	-	1
Financial assets at fair value through other comprehensive income	-	-	572	572
Trade and other receivables (Note 9)	38,301	-	-	38,301
Trade receivables	33,987	-	-	33,987
Other financial receivables	4,314	-	-	4,314
Other current assets (Note 11)	73,363	2,501	-	75,864
Special funds	10,197	-	-	10,197
Deposits	63,112	-	-	63,112
Short-term loans issued	54	-	-	54
Cross currency and interest rate swap	-	2,501	-	2,501
Cash and cash equivalents (Note 8)	41,976	-	-	41,976
Total financial assets	166,171	2,667	572	169,410
Non-financial assets				790,198
Assets of disposal group classified as held for sale				1,349
Total assets				960,957

RusHydro Group
Notes to the Condensed Consolidated Interim Financial Information
as at and for the three and six months ended 30 June 2021 (unaudited)



(in millions of Russian Rubles unless noted otherwise)

As at 31 December 2020	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Total
Assets				
Other non-current assets (Note 7)	12,037	-	-	12,037
Promissory notes	11,142	-	-	11,142
Long-term receivables	456	-	-	456
Long-term loans issued	439	-	-	439
Financial assets at fair value through profit or loss	-	2	-	2
Financial assets at fair value through other comprehensive income	-	-	461	461
Trade and other receivables (Note 9)	39,047	-	-	39,047
Trade receivables	34,607	-	-	34,607
Other financial receivables	4,440	-	-	4,440
Other current assets (Note 11)	52,976	2,914	-	55,890
Special funds	11,615	-	-	11,615
Deposits	41,331	-	-	41,331
Short-term loans issued	30	-	-	30
Cross currency and interest rate swap	-	2,914	-	2,914
Cash and cash equivalents (Note 8)	58,291	-	-	58,291
Total financial assets	162,351	2,916	461	165,728
Non-financial assets				776,307
Total assets				942,035

As at 30 June 2021 financial liabilities of the Group carried at fair value are represented by the non-deliverable forward contract for shares in the amount of RR 9,731 million (Note 16) (31 December 2020: RR 15,025 million), as well as by other current liabilities in the amount of RR 108 million (Note 18) (31 December 2020: RR 72 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 15), trade payables and other accounts payable (Notes 17 and 18).

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:

30 June 2021	Level 1	Level 2	Level 3	Total
Financial assets				
Equity investments: Financial assets at fair value through profit or loss	1	-	-	1
Equity investments: Financial assets at fair value through other comprehensive income	-	-	572	572
Cross currency and interest rate swap	-	-	2,501	2,501
Other non-current assets	-	-	165	165
Total assets requiring recurring fair value measurements	1	-	3,238	3,239
Financial liabilities				
Non-deliverable forward contract for shares	-	-	9,731	9,731
Other current liabilities	-	-	108	108
Total liabilities requiring recurring fair value measurements	-	-	9,839	9,839
31 December 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Equity investments: Financial assets at fair value through profit or loss	2	-	-	2
Equity investments: Financial assets at fair value through other comprehensive income	-	-	461	461
Cross currency and interest rate swap	-	-	2,914	2,914
Total assets requiring recurring fair value measurements	2	-	3,375	3,377
Financial liabilities				
Non-deliverable forward contract for shares	-	-	15,025	15,025
Other current liabilities	-	-	72	72
Total liabilities requiring recurring fair value measurements	-	-	15,097	15,097

There were no changes in the valuation techniques, inputs and assumptions for recurring fair value measurements during the six months ended 30 June 2021.

As at 30 June 2021 and 31 December 2020 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 is included in Level 3 of fair value hierarchy (Note 16).

The valuation of the Level 3 financial liability and the related sensitivity to reasonably possible changes in unobservable and observable inputs are as follows as at 30 June 2021 and 31 December 2020:

	Fair value	Valuation technique	Significant unobservable/observable inputs	Reasonably possible change	Reasonably possible values	Change of fair value measurement
Financial liability						
As at 30 June 2021						
Non-deliverable forward contract for shares	9,731	Monte-Carlo model	Dividend yield	-2%	5.00 percent	(1,102)
			Market value of the share	+2%	9.00 percent	1,080
				-20%	RR 0.6931	8,745
				+20%	RR 1.0397	(8,711)
As at 31 December 2020						
Non-deliverable forward contract for shares	15,025	Monte-Carlo model	Dividend yield	-2%	5.00 percent	(1,004)
			Market value of the share	+2%	9.00 percent	796
				-20%	RR 0.6297	7,617
				+20%	RR 0.9445	(7,766)

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 0.8664 as at 30 June 2021 (31 December 2020: RR 0.7871) (Note 16).

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, discounted at current interest rates, 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 30 June 2021 the fair value of bonds exceeded their carrying value by RR 258 million. As at 31 December 2020 the fair value of bonds exceeded their carrying value by RR 2,065 million.

As at 30 June 2021 the carrying value of non-current fixed rate debt was RR 74,922 million and exceeded its fair value by RR 1,710 million (31 December 2020: the carrying value of non-current fixed rate debt was RR 65,404 million and exceeded its fair value by RR 188 million).

Note 28. Subsequent events

In August 2021 the Group concluded an agreement with LLC Transenergoprom to sell 100 percent of shares of JSC Chuvashskaya Electricity Sales Company for a cash consideration of RR 300 million (Note 12).

Under the terms of agreement the shares will be transferred within 5 months from the date of conclusion of the agreement after fulfilling a number of conditions including the repayment of the debt to banks and cancellation of the Company's guarantees on these loans.