

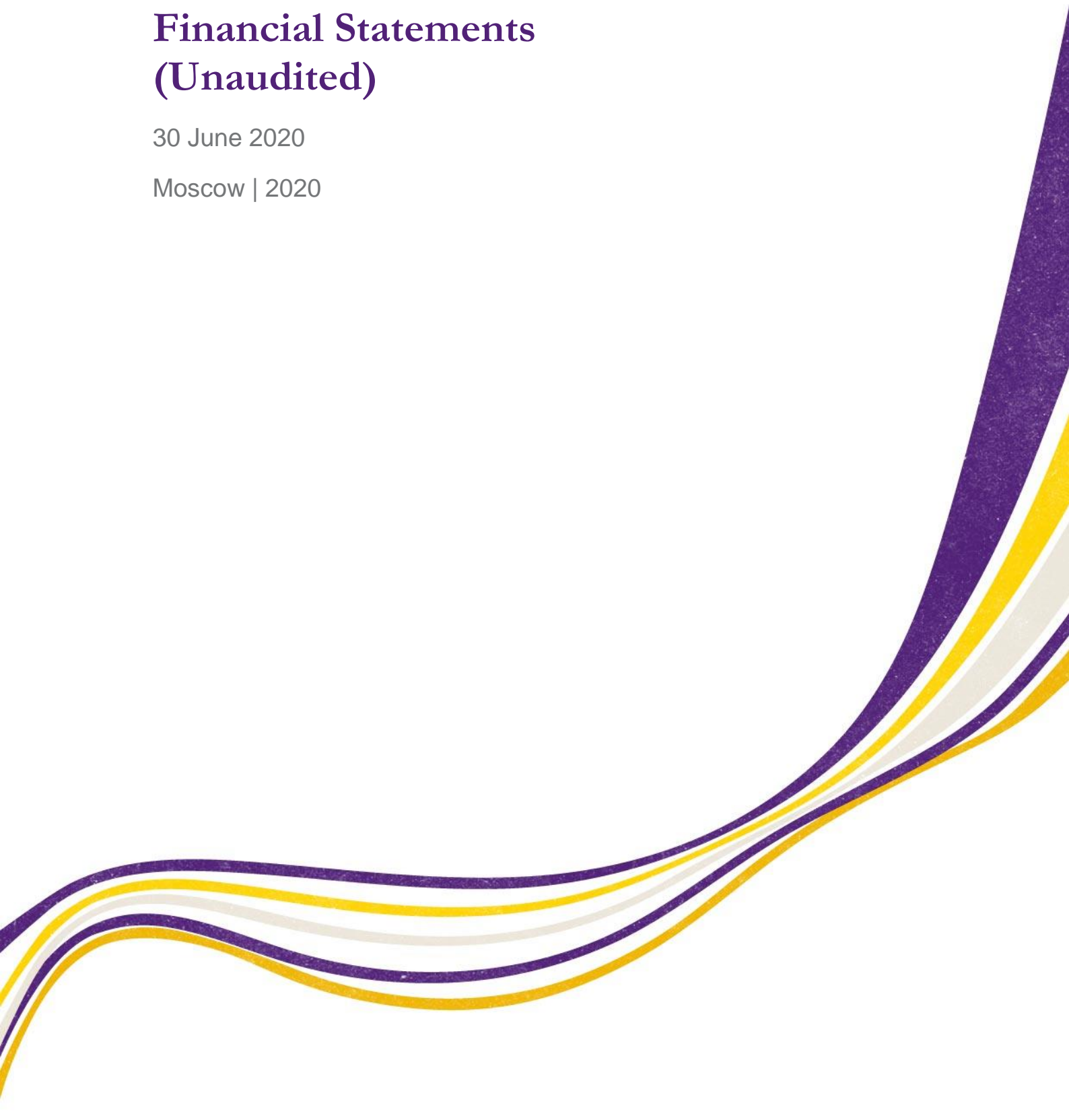
ФБК

PJSC MOSENERGO

IFRS Condensed Interim Consolidated Financial Statements (Unaudited)

30 June 2020

Moscow | 2020



Contents

Report on review of condensed interim consolidated financial statements.....	3
Condensed interim consolidated statement of financial position	5
Condensed interim consolidated statement of comprehensive income	6
Condensed interim consolidated statement of cash flows	7
Condensed interim consolidated statement of changes in equity	8

Notes to the condensed interim consolidated financial statements:

1 General information.....	9
2 Basis of presentation.....	10
3 Summary of significant accounting policies and accounting estimates	13
4 Segment information	15
5 Related parties	17
6 Property, plant and equipment.....	22
7 Accounts receivable and prepayments.....	23
8 Other financial assets.....	23
9 Inventories	24
10 Cash and cash equivalents	24
11 Equity	25
12 Borrowings	26
13 Accounts payable and other liabilities.....	26
14 Income tax	26
15 Revenue	27
16 Operating expenses.....	28
17 Finance income and expense	29
18 Basic and diluted earnings per share, attributable to PJSC Mosenergo.....	29
19 Unrecognised contractual commitments.....	29
20 Fair value of financial instruments	30
21 Events after the reporting period	31



Report on Review of Condensed Interim Consolidated Financial Statements

To the Shareholders of PJSC Mosenergo

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of PJSC Mosenergo and its subsidiaries as of 30 June 2020 and the related condensed interim consolidated statement of comprehensive income for the three and six months ended 30 June 2020, condensed interim consolidated statements of cash flows and changes in equity for the six months ended 30 June 2020, and notes to the condensed interim consolidated financial statements.

Management is responsible for the preparation and presentation of these condensed interim consolidated financial statements in accordance with International Accounting Standard 34, Interim Financial Reporting. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements 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 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.

ФБК

Conclusion

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

President of FBK, LLC



S.M. Shapiguzov
(by virtue of the Charter,
audit qualification certificate 01-001230)

Engagement partner

Date of the Report on Review
5 August 2020

P.V. Sungurova
(audit qualification certificate 01-001300)

Audited entity

Name:

Public Joint Stock Company Mosenergo (PJSC Mosenergo).

Address of the legal entity within its location:

101/3 Vernadskogo Pr., Moscow, 119526, Russian Federation.

State registration:

Registered by the Moscow Registration Chamber on 06 April 1993, statutory registration certificate No. 012.473.

The registration entry was made in the Unified State Register of Legal Entities on 11 October 2002 under primary state registration number 10277003024201027700302420.

Auditor

Name:

FBK, LLC.

Address of the legal entity within its location:

44/1 Myasnitskaya St, Bldg 2AB, Moscow, 101990, Russian Federation.

State registration:

Registered by the Moscow Registration Chamber on 15 November 1993, registration number 484.583.

The registration entry was made in the Unified State Register of Legal Entities on 24 July 2002 under primary state registration number 1027700058286.

Membership in self-regulatory organization of auditors:

Member of Self-regulatory organization of auditors Association "Sodruzhestvo".

Primary number of registration entry in the register of auditors and audit organizations of the self-regulatory organization of auditors 11506030481.

PJSC Mosenergo
Condensed interim consolidated statement of financial position
as of 30 June 2020 (unaudited)
(in millions of Russian Rubles)

	Notes	30 June 2020	31 December 2019 (restated)	31 December 2018 (restated)
Assets				
Non-current assets				
Property, plant and equipment	6	278 287	284 612	227 388
Investment property		1 785	1 803	1 548
Intangible assets		808	580	696
Investments in associates		23 146	22 700	-
Accounts receivable and prepayments	7	714	694	5 317
Other financial assets	8	11 731	13 294	11 979
Total non-current assets		316 471	323 683	246 928
Current assets				
Inventories	9	15 669	15 617	13 815
Accounts receivable and prepayments	7	30 628	34 279	38 347
Income tax receivable		289	397	239
Cash and cash equivalents	10	14 767	11 658	16 220
Other financial assets	8	39 053	27 010	12 567
		100 406	88 961	81 188
Non-current assets held for sale		38	37	43
Total current assets		100 444	88 998	81 231
Total assets		416 915	412 681	328 159
Equity and liabilities				
Equity				
Share capital	11	166 124	166 124	166 124
Share premium	11	48 661	48 661	49 213
Treasury shares	11	-	-	(871)
Revaluation reserve	11	153 122	153 210	104 276
Accumulated loss and other reserves		(38 879)	(41 545)	(41 715)
Total equity		329 028	326 450	277 027
Non-current liabilities				
Borrowings	12	22 700	24 838	3 691
Provision for post-employment benefits		416	413	298
Accounts payable and other liabilities	13	678	1 019	286
Lease liabilities		5 096	5 438	195
Deferred tax liabilities	14	36 951	37 529	28 951
Total non-current liabilities		65 841	69 237	33 421
Current liabilities				
Borrowings	12	3 116	1 125	1 293
Accounts payable and other liabilities	13	13 911	10 374	10 223
Income tax payable		-	649	82
Other taxes payable		1 991	1 959	2 535
Lease liabilities		478	361	2
Provisions		2 550	2 526	3 576
Total current liabilities		22 046	16 994	17 711
Total liabilities		87 887	86 231	51 132
Total equity and liabilities		416 915	412 681	328 159

A.A. Butko
Managing director

05 August 2020

E.Y. Novenkova
Chief Accountant

05 August 2020

The accompanying notes on the pages 9 to 31 are an integral part of these condensed interim consolidated financial statements.

PJSC Mosenergo
Condensed interim consolidated statement of comprehensive income
for the three and six months ended 30 June 2020 (unaudited)
(in millions of Russian Rubles)

	Notes	Three months ended 30 June		Six months ended 30 June	
		2020	2019	2020	2019
Revenue	15	33 153	36 763	92 952	103 855
Operating expenses	16	(33 327)	(35 249)	(84 801)	(89 686)
(Impairment loss) reversal of impairment loss on financial assets	16	(355)	40	(1 372)	(130)
Operating profit (loss)		(529)	1 554	6 779	14 039
Finance income	17	1 581	1 218	2 483	2 602
Finance expense	17	(518)	(207)	(1 833)	(409)
Share of profit (loss) of associates		304	-	446	(224)
Loss on disposal of equity investments		-	-	(3)	-
Profit before income tax		838	2 565	7 872	16 008
Income tax (expense) benefit	14	58	(497)	(1 280)	(3 278)
Profit for the period		896	2 068	6 592	12 730
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss:					
Gain arising from change in fair value of financial assets measured at fair value through other comprehensive income, net of tax					
		708	-	786	-
Total other comprehensive income that will not be reclassified to profit or loss					
		708	-	786	-
Other comprehensive income for the period, net of tax					
		708	-	786	-
Comprehensive income for the period					
		1 604	2 068	7 378	12 730
Profit for the period attributable to:					
Owners of PJSC Mosenergo		896	2 068	6 592	12 730
Comprehensive income for the period attributable to:					
Owners of PJSC Mosenergo		1 604	2 068	7 378	12 730
Basic and diluted earnings per share attributable to the owners of PJSC Mosenergo (in Russian Rubles)					
	18	0,023	0,052	0,166	0,321

A.A. Butko
 Managing director

05 August 2020

E.Y. Novenkova
 Chief Accountant

05 August 2020

The accompanying notes on the pages 9 to 31 are an integral part of these condensed interim consolidated financial statements.

PJSC Mosenergo
Condensed interim consolidated statement of cash flows
for the six months ended 30 June 2020 (unaudited)
(in millions of Russian Rubles)

	Notes	Six months ended 30 June 2019	
		2020	(restated)
Cash flows from operating activities			
Profit before income tax		7 872	16 008
Adjustments to profit before income tax			
Amortisation and depreciation	16	11 376	8 994
Impairment loss on financial assets	16	1 372	130
(Reversal of impairment loss) impairment loss on non-financial assets	16	(21)	36
Change in provisions	16	24	170
Share of (profit) loss of associates		(446)	224
Loss on disposal of equity investments		3	-
Loss on disposal of property, plant and equipment and other assets	16	149	200
Finance income	17	(2 483)	(2 602)
Finance expense	17	1 833	409
Total effect of adjustments		11 807	7 561
Cash flows from operating activities before working capital changes		19 679	23 569
Change in accounts receivable and prepayments		3 861	5 356
Change in inventories		60	139
Change in accounts payable and other liabilities		(207)	(626)
Change in other taxes payable (other than income tax)		(1 110)	(1 420)
Change in provision for post-employment benefits		3	(3)
Total effect of working capital changes		2 607	3 446
Income tax paid		(2 598)	(3 332)
Interest paid		(927)	(332)
Net cash from operating activities		18 761	23 351
Cash flows from investing activities			
Acquisitions of property, plant and equipment and intangible assets		(7 206)	(5 285)
Proceeds from sale of property, plant and equipment		68	147
Repayment of loans issued		-	500
Interest received		1 196	1 197
Dividends received		-	36
Placement of short-term deposits		(8 900)	(2 900)
Net cash used in investing activities		(14 842)	(6 305)
Cash flows from financing activities			
Repayment of borrowings		(649)	(581)
Repayment of lease liabilities		(171)	(85)
Net cash used in financing activities		(820)	(666)
Effect of foreign exchange rate changes on cash and cash equivalents		10	(21)
Increase in cash and cash equivalents		3 109	16 359
Cash and cash equivalents at the beginning of the period	10	11 658	16 220
Cash and cash equivalents at the end of the period	10	14 767	32 579

A.A. Butko
 Managing director

AS August 2020

E.Y. Novenkova
 Chief Accountant

AS August 2020

The accompanying notes on the pages 9 to 31 are an integral part of these condensed interim consolidated financial statements.

PJSC Mosenergo
Condensed interim consolidated statement of changes in equity
for the six months ended 30 June 2020 (unaudited)
(in millions of Russian Rubles)

	Notes	Equity attributable to the owners of the PJSC Mosenergo					Total
		Share capital	Share premium	Treasury shares	Revaluation reserve	Accumulated loss and other reserves	
Balance as of 1 January 2019		166 124	49 213	(871)	104 276	(41 715)	277 027
Profit for the period		-	-	-	-	12 730	12 730
Other comprehensive income (loss):							
Transfers from revaluation surplus on property, plant and equipment to accumulated loss and other reserves		-	-	-	(12)	12	-
Comprehensive income (loss) for the period		-	-	-	(12)	12 742	12 730
Transactions with the owners of PJSC Mosenergo							
Dividends declared	11	-	-	-	-	(8 318)	(8 318)
Balance as of 30 June 2019		166 124	49 213	(871)	104 264	(37 291)	281 439
Balance as of 1 January 2020		166 124	48 661	-	153 210	(41 545)	326 450
Profit for the period		-	-	-	-	6 592	6 592
Other comprehensive income (loss):							
Gain arising from change in fair value of financial assets measured at fair value through other comprehensive income, net of tax		-	-	-	-	786	786
Transfers from revaluation surplus on property, plant and equipment to accumulated loss and other reserves		-	-	-	(88)	88	-
Comprehensive income (loss) for the period		-	-	-	(88)	7 466	7 378
Transactions with the owners of PJSC Mosenergo							
Dividends declared	11	-	-	-	-	(4 800)	(4 800)
Balance as of 30 June 2020		166 124	48 661	-	153 122	(38 879)	329 028

A.A. Butko
 Managing director

05 August 2020

E.Y. Novenkova
 Chief Accountant

05 August 2020

The accompanying notes on the pages 9 to 31 are an integral part of these condensed interim consolidated financial statements.

1 General information

1.1 Organisation and operations

Public Joint Stock Company Mosenergo (hereafter referred to as the “PJSC Mosenergo” or the “Company”) was registered and conducts its activities in the Russian Federation.

The primary activities of the Company and its subsidiaries (together referred to as the “Group” or the “Mosenergo Group”) are the production of the generation of heat and electric power, capacity and heat distribution services in Moscow and the Moscow region.

The Group’s electric and heat generation base includes 15 power plants with operational electricity and heat capacity of 12 825 MW and 43 811 GCal/h, respectively.

The Company is registered at the location in the Inspectorate of the Federal Tax Service No. 29 in Moscow, and also as the largest taxpayer in the Interregional Inspectorate of the Federal Tax Service for the largest taxpayers No. 6. PJSC Mosenergo registered office is located at 101/3, Prospekt Vernadskogo, Moscow, 119526, the Russian Federation.

PJSC Mosenergo and its following subsidiaries form the Mosenergo Group:

Name organisation	Nature of business	Percentage of ownership	
		30 June 2020	31 December 2019
LLC Centralny remontno-mekhanicheskiy zavod	Repair and reconstruction services	100,00%	100,00%
LLC Mosenergoproject	Electrical engineering	100,00%	100,00%
LLC Remontproject	Electrical engineering	99,00%	99,00%

1.2 Relations with the Government and influence on the Group activities

At the date of condensed interim consolidated financial statements the Russian Federation owned (both directly and indirectly) over 50% in PJSC Gazprom, through its 100% subsidiary LLC Gazprom energoholding (immediate parent company), which holds (both directly and indirectly) 53,78% of PJSC Mosenergo as of 30 June 2020. Thus, PJSC Gazprom is the parent company of the Group and the Russian Federation is the ultimate controlling party of the Group.

The number of consumers of electric and heat generation produced by the Group includes a great number of enterprises controlled by the state or directly related to it. The list of the Group’s major fuel suppliers includes subsidiaries of PJSC Gazprom. The state also controls a number of suppliers of the Group.

The Government of the Russian Federation directly affects the Group’s operations through regulations of wholesale electricity (capacity) market and retail heat market by the Federal Antimonopoly Service (the “FAS”) and the executive authorities in the utility rate regulation.

JSC System Operator of the Unified Energy System (SO UES), which is controlled by the Russian Federation through the Federal Agency for State Property Management, regulates operations of generating assets of the Group.

Government policies in the economic, social and other fields can have a significant influence on the Group.

1.3 Business environment

The economy of the Russian Federation displays certain characteristics of an emerging market. Tax, currency and customs legislation of the Russian Federation continues to develop and are a subject to varying interpretations. Fluctuations in oil prices, continuing political tensions in the region, as well as international sanctions against some Russian organisations and citizens have had and can continue to affect the economy of the Russian Federation. The financial markets continue to be volatile and are characterised by frequent significant price movements and increased trading spreads. These events can have a significant impact on the Group's operations and financial position in the future, the consequences of which are difficult to predict. The future economic situation and regulatory environment may differ from the current expectations of the management.

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

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

At present, it is not possible to reliably estimate the duration and extent of the impact of the pandemic on the Group's financial position and results of operations in subsequent reporting periods. The future economic situation in the Russian Federation depends on external factors and measures taken by the Government of the Russian Federation, including to support businesses in response to the COVID pandemic and the development of tax, legal and regulatory legislation. Its impact on the Group's operations may differ from management's current expectations.

1.4 Seasonality

Demand for heat and electric energy produced and sold by the Group is subject to weather conditions and depends on the time of year. The main volume of income from the sale of heat energy falls on the period from October to March. Similarly, although not so explicitly, the main of electricity sales are in the same period. The seasonality of the production of heat and electricity has a corresponding effect on fuel consumption and energy purchases. The seasonality does not impact recognition of income or expenses in the Group.

2 Basis of presentation

This condensed interim consolidated financial information is prepared in accordance with IAS 34 Interim Financial Reporting. The condensed interim consolidated financial information should be read in conjunction with the consolidated financial statements for the year ended 31 December 2019, prepared in accordance with International Financial Reporting Standards (together referred to as the "IFRS"). To improve the presentation, some comparative data in the condensed interim consolidated financial statements were brought in line with the disclosure of information for the current year (Note 2.1).

2.1 Adjustments of comparative information

Condensed interim consolidated statement of financial position

In order to comply with the accounting policies of the parent company LLC Gazprom energoholding, the figures in the column “31 December 2019” and “31 December 2018” of the condensed interim consolidated statement of financial position as of 30 June 2020 have been adjusted as follows:

The line item “Property, plant and equipment” was adjusted by the reclassification of:

- assets recognised on service contracts from the line item “Other non-current assets” of RUB 2 681 million and RUB 4 302 million as of 31 December 2019 and 31 December 2018, respectively, and the line item “Other current assets” of RUB 2 112 million and RUB 2 049 million as of 31 December 2019 and 31 December 2018;
- capitalised expenses on technological connection from the line item “Other non-current assets” of RUB 6 020 million and RUB 6 649 million as of 31 December 2019 and 31 December 2018, respectively, and the line item “Other current assets” of RUB 633 million and RUB 633 million as of 31 December 2019 and 31 December 2018, respectively;
- advances issued for capital construction of RUB 2 407 million and RUB 4 064 million as of 31 December 2019 and 31 December 2018, respectively;

The line item “Accounts receivable and prepayments” was adjusted by the reclassification of:

- loans issued as part of non-current assets of RUB 9 386 million and RUB 10 489 million to the line item “Other financial assets” as part of non-current assets as of 31 December 2019 and 31 December 2018, respectively;
- loans issued as part of current assets of RUB 27 010 million and RUB 2 167 million to the line item “Other financial assets” as part of current assets as of 31 December 2019 and 31 December 2018, respectively;

The line item “Accounts payable and other liabilities” was adjusted by means of highlighting:

- lease liabilities as part of short-term liabilities of RUB 361 million in a separate line item “Lease liabilities” as part of short-term liabilities as of 31 December 2019;
- lease liabilities as part of long-term liabilities in the amount of RUB 5 438 million in a separate line item “Lease liabilities” as part of long-term liabilities as of 31 December 2019;

The line item “Borrowing” was adjusted by means of highlighting:

- finance lease liabilities as part of short-term liabilities of RUB 2 million in a separate line item “Lease liabilities” as part of long-term liabilities as of 31 December 2018;
- finance lease liabilities as part of long-term liabilities of RUB 195 million in a separate line item “Lease liabilities” as part of long-term liabilities as of 31 December 2018;

The line item “Intangible assets” was adjusted by reclassifying the goodwill of RUB 187 million as of 31 December 2018.

PJSC Mosenergo
Notes to the condensed interim consolidated financial statements
30 June 2020 (unaudited)
(in millions of Russian Rubles)

The effect of the changes in the condensed interim consolidated statement of financial position as of 31 December 2019 and 31 December 2018 is set out below.

	31 December 2019			31 December 2018		
	Amount before adjustments	Adjust- ments	Amount after adjustments	Amount before adjustments	Adjust- ments	Amount after adjustments
Property, plant and equipment	270 759	13 853	284 612	209 691	17 697	227 388
Goodwill	-	-	-	187	(187)	-
Intangible assets	580	-	580	509	187	696
Accounts receivable and prepayments	10 080	(9 386)	694	15 806	(10 489)	5 317
Other financial assets	3 908	9 386	13 294	1 490	10 489	11 979
Advances for assets under construction	2 407	(2 407)	-	4 064	(4 064)	-
Other non-current assets	8 701	(8 701)	-	10 951	(10 951)	-
Total non-current assets	320 938	2 745	323 683	244 246	2 682	246 928
Accounts receivable and prepayments	61 289	(27 010)	34 279	40 514	(2 167)	38 347
Other financial assets	-	27 010	27 010	10 400	2 167	12 567
Other current assets	2 745	(2 745)	-	2 682	(2 682)	-
Total current assets	91 743	(2 745)	88 998	83 913	(2 682)	81 231
Total assets	412 681	-	412 681	328 159	-	328 159
Borrowings	24 838	-	24 838	3 886	(195)	3 691
Accounts payable and other liabilities	6 457	(5 438)	1 019	286	-	286
Lease liabilities	-	5 438	5 438	-	195	195
Total non-current liabilities	69 237	-	69 237	33 421	-	33 421
Borrowings	1 125	-	1 125	1 295	(2)	1 293
Accounts payable and other liabilities	10 735	(361)	10 374	10 223	-	10 223
Lease liabilities	-	361	361	-	2	2
Total current liabilities	16 994	-	16 994	17 711	-	17 711
Total liabilities	86 231	-	86 231	51 132	-	51 132
Total equity and liabilities	412 681	-	412 681	328 159	-	328 159

PJSC Mosenergo
Notes to the condensed interim consolidated financial statements
30 June 2020 (unaudited)
(in millions of Russian Rubles)

Condensed interim consolidated statement of cash flows

As a result of the above mentioned changes, the disclosure for the column “For the six months ended 30 June 2019” of the consolidated statement of cash flows for the three and six months ended 30 June 2020 are adjusted as follows:

- Depreciation of assets under service contracts, as well as capitalised expenses on technological connection of RUB 1 275 million was reclassified from the line item “Change in other current and non-current assets” to the line item “Amortisation and depreciation”.

	Six months ended		
	30 June 2019		
Amount	before	Adjust-	Amount after
Cash flow from operating activities	adjustments	ments	adjustments
Amortisation and depreciation	7 719	1 275	8 994
Change in other current and non-current assets	1 275	(1 275)	-

3 Summary of significant accounting policies and accounting estimates

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

3.1 Application of Interpretations and Amendments to existing Standards

The following amendments to current IFRSs became effective for the periods beginning on or after 1 January 2020:

- The amendments to IFRS 3 Business Combinations (issued in October 2018 and apply for annual reporting periods beginning on or after 1 January 2020). The changes clarify the definition of a business and simplify the assessment of whether the acquired combination of activities and assets is an asset group or a business;
- The amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (issued in October 2018 and apply for annual reporting periods beginning on or after January 2020 or after this date). The amendments clarify and bring into line the definition of the term “materiality”, as well as provide recommendations for improving the consistency in its application when referenced in IFRS.
- The amendments to IFRS 16 Leases (issued in May 2020 and effective for annual reporting periods beginning on or after 1 June 2020). The amendments permit lessees, as a practical expedient, not to assess whether particular rent concessions occurring as a direct consequence of the covid-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications. The amendment does not affect lessors.
- The amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures (issued in September 2019 and effective for annual reporting periods beginning on or after 1 January 2020). The amendments affect Interest Rate Benchmark Reform.

The Group has reviewed the abovementioned amendments to standards for the preparation of the condensed interim consolidated financial statements. The amendments to standards have no significant impact on the Group’s condensed interim consolidated financial statements.

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

Certain amendments have been issued that are mandatory for the annual periods beginning on or after 1 January 2022. In particular, the Group has not early adopted the amendments:

- The amendments to IAS 1 Presentation of Financial Statements (issued in January 2020 and effective for annual reporting periods beginning on or after 1 January 2023). Amendments clarify the criteria for classifying obligations as short-term or long-term.
- The amendments to IFRS 9 Financial Instruments (issued in May 2020 and effective for annual reporting periods beginning on or after 1 January 2022). The amendments clarify which fees included when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.
- The amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets (issued in May 2020 and effective for annual reporting periods beginning on or after 1 January 2022). The amendments specify which costs are included in determining the cost of fulfilling a contract for assessing whether the contract is onerous.
- The amendments to IAS 16 Property, Plant and Equipment (issued in May 2020 and effective for annual reporting periods beginning on or after 1 January 2022). The amendments prohibit deducting from the cost of property, plant and equipment amounts received from selling items produced while the asset is preparing for its intended use. Instead, such sales proceeds and related cost are recognised in profit or loss.

The Group is currently assessing the impact of the amendments on its financial position and results of operations.

4 Segment information

The Board of Directors and Managing Director (hereafter referred to as the “Management”) is the Chief operating decision-maker, which reviews the Group’s internal management report in order to assess performance of the Group and allocate resources.

The operating segments are aggregated into two primary reportable segments - electric and heat energy, which generate revenue from manufacturing and sale of electric and heat energy respectively. The other segments consist of services and products sold by the Group such as rental services, feed water sales and maintenance services.

All reportable segments are located in the Russian Federation.

When evaluating the performance of segments and allocating resources, management analyses the information below, prepared in accordance with IFRS. Differences in items between those reported in the segment information and those reported in the Group’s condensed interim consolidated financial statements are due to the unallocated items of income and expense (such as financial income and expense, share of income (loss) of associates, profit tax) that cannot be directly allocated to identifiable reportable segments as these are managed on an overall group basis.

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

PJSC Mosenergo
Notes to the condensed interim consolidated financial statements
30 June 2020 (unaudited)
(in millions of Russian Rubles)

4.1 Financial results of segments

The segment information for the three and six months ended 30 June 2020 and 30 June 2019 is as follows:

	Notes	Electric energy	Heat energy	All other segments	Total	Intra-group transactions	Total
Six months ended 30 June 2020							
Revenue		50 376	41 512	1 484	93 372	(420)	92 952
Revenue from external customers	15	50 376	41 504	1 072	92 952	-	92 952
Intra-group revenue		-	8	412	420	(420)	-
Segment financial result		9 734	(2 330)	(619)	6 785	-	6 785
Depreciation and amortisation	16	(5 113)	(5 472)	(791)	(11 376)	-	(11 376)
(Impairment loss) reversal of impairment loss on financial assets	16	(588)	(814)	30	(1 372)	-	(1 372)
Six months ended 30 June 2019							
Revenue		59 480	43 248	1 640	104 368	(513)	103 855
Revenue from external customers	15	59 480	43 239	1 136	103 855	-	103 855
Intra-group revenue		-	9	504	513	(513)	-
Segment financial result		13 570	790	(354)	14 006	-	14 006
Depreciation and amortisation	16	(4 370)	(3 880)	(744)	(8 994)	-	(8 994)
(Impairment loss) reversal of impairment loss on financial assets	16	(161)	(19)	50	(130)	-	(130)
Three months ended 30 June 2020							
Revenue		20 260	12 355	777	33 392	(239)	33 153
Revenue from external customers	15	20 260	12 354	539	33 153	-	33 153
Intra-group revenue		-	1	238	239	(239)	-
Segment financial result		1 962	(2 593)	38	(593)	-	(593)
Depreciation and amortisation	16	(2 916)	(2 413)	(394)	(5 723)	-	(5 723)
(Impairment loss) reversal of impairment loss on financial assets	16	(199)	(462)	306	(355)	-	(355)
Three months ended 30 June 2019							
Revenue		25 822	10 406	884	37 112	(349)	36 763
Revenue from external customers	15	25 822	10 404	537	36 763	-	36 763
Intra-group revenue		-	2	347	349	(349)	-
Segment financial result		3 305	(1 678)	(272)	1 355	-	1 355
Depreciation and amortisation	16	(2 652)	(1 516)	(375)	(4 543)	-	(4 543)
(Impairment loss) reversal of impairment loss on financial assets	16	186	(115)	(31)	40	-	40

Reconciliation of the segment financial result to the profit before profit tax in the consolidated statement of comprehensive income for the three and six months ended 30 June 2020 and 30 June 2019 is provided as follows:

	Notes	Three months ended 30 June		Six months ended 30 June	
		2020	2019	2020	2019
Segment result for reportable segments		(631)	1 627	7 404	14 360
Segment result for other segments		38	(272)	(619)	(354)
Segment financial result		(593)	1 355	6 785	14 006
Change in provisions	16	43	(85)	(24)	(170)
Net finance income (expense)	17	1 063	1 011	650	2 193
Share of profit (loss) of associates		304	-	446	(224)
Other items		21	284	15	203
Profit before income tax		838	2 565	7 872	16 008

4.2 Core customers

The revenue presented within the electric energy segment includes two customers with the total revenue exceeding 10% of the Group's revenue for the three and six months ended 30 June 2020 and amounting to RUB 14 274 million and RUB 37 429 million, respectively (for the three and six months ended 30 June 2019 the total revenue of the same two customers exceeded 10% of the Group's revenue and amounted to RUB 20 069 million and RUB 46 973 million, respectively).

The revenue presented within the heat energy segment includes the customer with the revenue exceeding 10% of the Group's revenue for the three and six months ended 30 June 2020 and amounting to RUB 11 646 million and RUB 39 145 million, respectively (for the three and six months ended 30 June 2019 the revenue of the same customer exceeded 10% of the Group's revenue and amounted to RUB 9 896 million and RUB 40 748 million, respectively).

5 Related parties

In these condensed interim consolidated financial statements, parties are considered to be related parties, one of which has the ability to control or exercise significant influence on the operating and financial decisions of the other, as defined in IAS 24 Related Party Disclosures.

Transactions with related parties were carried out on terms and conditions similar to transactions with third parties in relation to the Group. Gas and capacity prices are based on tariffs set by the Federal Antimonopoly Service and competitive selections on the wholesale electricity (capacity) market. Loans and borrowings are provided on market conditions. Bank deposits are placed on market conditions.

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

PJSC Mosenergo
Notes to the condensed interim consolidated financial statements
30 June 2020 (unaudited)
(in millions of Russian Rubles)

5.1 Transactions with Gazprom Group and its associates

The significant Group's transactions and balances outstanding with Gazprom Group and its associates are detailed below:

<i>Transactions with related parties</i>	Three months ended 30 June		Six months ended 30 June	
	2020	2019	2020	2019
Revenue	13 188	11 492	42 533	44 345
Heat energy	11 845	9 978	39 602	41 097
Electric energy	905	1 064	2 142	2 383
Other revenue	438	450	789	865
Operating expenses	(7 816)	(9 711)	(38 021)	(45 119)
Fuel	(6 403)	(8 156)	(34 912)	(41 846)
Repair, maintenance and service	(908)	(1 021)	(1 716)	(1 736)
Purchased electricity and capacity	(138)	(126)	(452)	(456)
Heat transmission	(60)	(56)	(244)	(309)
Transportation services	(85)	(83)	(168)	(161)
Medical insurance included in staff costs	(52)	(50)	(103)	(101)
Cleaning services	(77)	(65)	(152)	(147)
Other professional services	(235)	(215)	(496)	(447)
Other operating income	142	61	222	84
Finance income	1 001	384	1 810	760
Interest income on bank deposits and cash balances on current accounts	41	1	136	1
Effect of discounting financial instruments	84	73	155	144
Interest income on loans issued	642	310	1 285	615
Income from participation in other organisations	234	-	234	-
Finance expense	(379)	(55)	(780)	(104)
Interest expense on borrowings	(313)	-	(658)	-
Lease interest expense	(66)	(55)	(122)	(104)
Purchase of non-current and current assets	1 881	2 317	3 042	2 614
Purchase of property, plant and equipment	1 226	580	2 284	819
Purchase of other assets	655	1 737	758	1 795
Other transactions				
Reversal of impairment loss on financial assets	47	46	47	92

<i>Balances outstanding with related parties</i>	30 June 2020	31 December 2019
Long-term financial assets	10 465	11 810
Short-term financial assets	30 150	27 010
Long-term accounts receivable and prepayments	211	473
Short-term accounts receivable and prepayments	21 414	24 304
Allowance for impairment loss on short-term receivables	(207)	(254)
Cash and cash equivalents	3 317	11 460
Total assets	67 082	77 050
Long-term borrowings	(22 700)	(22 700)
Short-term borrowings	(14)	-
Long-term accounts payable and other liabilities	(778)	(900)
Short-term accounts payable and other liabilities	(3 394)	(4 068)
Long-term lease liabilities	(2 851)	(2 149)
Short-term lease liabilities	(299)	(248)
Dividends payable	(2 568)	-
Total liabilities	(32 604)	(30 065)

For the six months ended 30 June 2020 dividends declared to the parent company amounted to RUB 2 568 million (for the six months ended 30 June 2019: RUB 4 467 million).

PJSC Mosenergo
Notes to the condensed interim consolidated financial statements
30 June 2020 (unaudited)
(in millions of Russian Rubles)

5.2 Transactions with other state-controlled entities

Information below excludes transactions and outstanding balances with Gazprom Group and its associates as disclosed in Note 5.1.

The significant Group's transactions during the three and six months ended 30 June 2020 and 30 June 2019 and balances outstanding as of 30 June 2020 and 31 December 2019 with other state-controlled entities are detailed below:

<i>Transactions with related parties</i>	Three months ended 30 June		Six months ended 30 June	
	2020	2019	2020	2019
Revenue	5 820	5 914	13 207	13 418
Electric energy	5 588	5 709	12 456	12 628
Heat energy	164	134	613	654
Other revenue	68	71	138	136
Operating expenses	(751)	(880)	(1 622)	(1 813)
Electricity market administration fees	(385)	(373)	(777)	(752)
Other materials	(249)	(295)	(510)	(591)
Security and fire safety	(44)	(123)	(173)	(247)
Other professional services	(73)	(89)	(162)	(223)
Finance income	120	424	176	634
Interest income on bank deposits and cash balances on current accounts	120	424	176	634
Finance expense	(51)	(96)	(120)	(187)
Lease interest expense	(51)	(96)	(120)	(187)
Other transactions				
(Impairment loss) reversal of impairment loss on financial assets	(22)	(938)	(189)	282
			30 June 2020	31 December 2019
Balances outstanding with related parties				
Long-term accounts receivable and prepayments			369	64
Allowance for impairment loss on long-term receivables			(87)	-
Short-term accounts receivable and prepayments			15 076	15 352
Allowance for impairment loss on short-term receivables			(12 545)	(12 453)
Cash and cash equivalents			5 503	96
Total assets			8 320	3 063
Short-term accounts payable and other liabilities			(1 379)	(1 384)
Long-term lease liabilities			(2 115)	(3 143)
Short-term lease liabilities			(76)	(95)
Dividends payable			(1 269)	-
Total liabilities			(4 839)	(4 622)

For the six months ended 30 June 2020 dividends declared to the other state-controlled entities amounted to RUB 1 269 million (for the six months ended 30 June 2019: RUB 2 208 million).

Some of the transactions on the wholesale electricity and capacity market OREM are conducted through commission agreements with JSC FSC. Current financial system of JSC FSC does not provide the final counterparty with automated information about transactions and outstanding balances with the ultimate consumers. State-controlled entities and Gazprom Group and its associates may also act as counterparties.

PJSC Mosenergo
Notes to the condensed interim consolidated financial statements
30 June 2020 (unaudited)
(in millions of Russian Rubles)

The Group's transactions and balances outstanding with JSC FSC are detailed below:

<i>Transactions with related parties</i>	Three months ended 30 June		Six months ended 30 June	
	2020	2019	2020	2019
Revenue	10 651	16 371	29 167	38 526
Electric energy	10 651	16 371	29 167	38 526
Expenses	(1 734)	(2 335)	(4 343)	(5 225)
Purchased electricity and capacity	(1 734)	(2 335)	(4 343)	(5 225)

<i>Balances outstanding with related parties</i>	30 June 2020	31 December 2019
Short-term accounts receivable and prepayments	1 678	2 647
Allowance for impairment loss on short-term receivables	(7)	(2)
Total assets	1 671	2 645
Short-term accounts payable and other liabilities	(226)	(420)
Total liabilities	(226)	(420)

5.3 Transactions with other related parties

Other related parties are represented by associates. The significant Group's transactions and balances outstanding with associates are detailed below:

<i>Transactions with related parties</i>	Three months ended 30 June		Six months ended 30 June	
	2020	2019	2020	2019
Revenue	234	183	839	894
Heat energy	234	183	839	894
Other transactions				
Impairment loss on financial assets	(278)	-	(997)	-

<i>Balances outstanding with related parties</i>	30 June 2020	31 December 2019
Short-term financial assets	5	-
Long-term accounts receivable and prepayments	1 275	1 275
Allowance for impairment loss on long-term receivables	(1 275)	(1 275)
Short-term accounts receivable and prepayments	3 826	2 830
Allowance for impairment loss on short-term receivables	(3 820)	(2 823)
Total assets	11	7

PJSC Mosenergo
Notes to the condensed interim consolidated financial statements
30 June 2020 (unaudited)
(in millions of Russian Rubles)

5.4 Contractual obligations for the construction of property, plant and equipment

	30 June 2020	31 December 2019
Gazprom Group and its associates	7 562	4 650
Total	7 562	4 650

5.5 Transactions with key management and managing organisation

Short-term remuneration for the services of key management personnel includes remuneration to members of the Board of Directors for fulfilling their duties in these positions and participation in meetings of the Board of Directors, as well as members of the Management Committee of the Company until the transfer of the powers of the sole executive body to the managing organisation of LLC Gazprom energoholding under the contract dated 21.05. 2015 № 2-02/1830, for the performance by them of their duties in their posts on an ongoing basis and consisted of a monthly salary, premium, accrued on these taxes and other obligatory payments into the corresponding budgets, health insurance costs. After the transfer of the powers of the sole executive body, the remuneration of the managing organisation is included in the total amount of short-term remuneration for the services of key management personnel.

	Three months ended 30 June		Six months ended 30 June	
	2020	2019	2020	2019
<i>Transactions with related parties</i>				
Wages and salaries	7	12	17	21
Social taxes and contributions	1	2	3	4
Total	8	14	20	25

There are no outstanding balances as of 30 June 2020 and as of 31 December 2019 for transactions with key management.

Remuneration to managing organisation LLC Gazprom energoholding for the three and six months ended 30 June 2020 was in the amount of RUB 32 million and RUB 65 million respectively (for three and six months ended 30 June 2019: RUB 38 million and RUB 71 million).

PJSC Mosenergo
Notes to the condensed interim consolidated financial statements
30 June 2020 (unaudited)
(in millions of Russian Rubles)

6 Property, plant and equipment

	ROUA	B&C	M&E	TN	Other	CIP	Total
Revalued amount							
Balance as of 31 December 2018	-	128 547	142 888	5 897	23 783	18 292	319 407
Reclassification	84	(84)	-	-	-	-	-
Transfer from other accounts	-	-	6 351	7 282	-	4 064	17 697
Initial recognition	5 375	-	-	-	-	-	5 375
Balance as of 1 January 2019	5 459	128 463	149 239	13 179	23 783	22 356	342 479
Additions	-	6	16	15	41	5 258	5 336
Disposals	-	(10)	(263)	(180)	(29)	(84)	(566)
Transfers	-	237	1 168	-	745	(2 150)	-
Transfer from (to) other accounts	-	14	(5)	-	-	-	9
Balance as of 30 June 2019	5 459	128 710	150 155	13 014	24 540	25 380	347 258
Balance as of 1 January 2020	5 955	124 690	97 597	12 041	18 534	26 298	285 115
Additions	880	-	17	2	2	5 390	6 291
Effect of leases modification	(1 010)	-	-	-	-	-	(1 010)
Disposals	(1)	(156)	(78)	(3)	(8)	(183)	(429)
Transfers	-	309	983	1	68	(1 361)	-
Transfer from other accounts	-	13	-	-	2	-	15
Balance as of 30 June 2020	5 824	124 856	98 519	12 041	18 598	30 144	289 982
Depreciation and impairment loss							
Balance as of 31 December 2018	(40)	(39 080)	(57 152)	(2 031)	(10 701)	(712)	(109 716)
Reclassification	(40)	40	-	-	-	-	-
Balance as of 1 January 2019	(80)	(39 040)	(57 152)	(2 031)	(10 701)	(712)	(109 716)
Depreciation charge	(233)	(2 219)	(4 977)	(615)	(829)	-	(8 873)
Transfers	-	(1)	(17)	-	(22)	40	-
Disposals	-	1	54	19	11	68	153
Transfer from (to) other accounts	-	(4)	2	-	-	-	(2)
Balance as of 30 June 2019	(313)	(41 263)	(62 090)	(2 627)	(11 541)	(604)	(118 438)
Balance as of 1 January 2020	(503)	-	-	-	-	-	(503)
Depreciation charge	(255)	(2 964)	(6 180)	(558)	(1 276)	-	(11 233)
Transfers	-	-	(99)	-	-	99	-
Disposals	1	3	33	-	1	3	41
Balance as of 30 June 2020	(757)	(2 961)	(6 246)	(558)	(1 275)	102	(11 695)
Net book value							
Balance as of 1 January 2019	5 379	89 423	92 087	11 148	13 082	21 644	232 763
Balance as of 30 June 2019	5 146	87 447	88 065	10 387	12 999	24 776	228 820
Balance as of 1 January 2020	5 452	124 690	97 597	12 041	18 534	26 298	284 612
Balance as of 30 June 2020	5 067	121 895	92 273	11 483	17 323	30 246	278 287
Net book value of property, plant and equipment had no revaluation taken place							
Balance as of 1 January 2019	5 419	51 700	72 457	10 922	11 663	21 827	173 988
Balance as of 30 June 2019	5 186	50 644	69 393	10 229	11 660	24 546	171 658
Balance as of 1 January 2020	5 452	50 262	70 006	9 681	11 756	26 146	173 303
Balance as of 30 June 2020	5 067	49 581	66 422	9 294	11 304	30 010	171 678

Abbreviations used in the headings of the table above are as follows: ROUA – right-of-use assets, B&C-buildings and constructions, M&E - machinery and equipment, TN - transmission networks, CIP - construction in progress.

As of 30 June 2020 property, plant and equipment included right-of-use assets with carrying amount of RUB 5 067 million, related mainly to land and office buildings.

The class “Other” includes land, motor vehicles, computer equipment, office supplies and other equipment.

Property, plant and equipment of the Group are not burdened with collateral obligations.

PJSC Mosenergo
Notes to the condensed interim consolidated financial statements
30 June 2020 (unaudited)
(in millions of Russian Rubles)

7 Accounts receivable and prepayments

	30 June 2020	31 December 2019 (restated)
Trade receivables	191	-
Accounts receivable from sale of property, plant and equipment	270	410
Other receivables	208	222
Total financial assets	669	632
Other receivables	45	62
Total non-financial assets	45	62
Total non-current accounts receivable and prepayments	714	694
Trade receivables	21 185	26 028
Accounts receivable on investments	2 784	2 784
Accounts receivable from sale of property, plant and equipment	1 136	786
Other receivables	1 424	1 310
Total financial assets	26 529	30 908
Tax prepayments other than income tax	2 208	1 300
Advances to suppliers and prepaid expenses	1 397	1 848
VAT recoverable	394	161
Other receivables	100	62
Total non-financial assets	4 099	3 371
Total current accounts receivable and prepayments	30 628	34 279

Trade receivables are presented net of allowance for impairment as of 30 June 2020 in the amount of RUB 17 785 million (as of 31 December 2019 RUB 16 545 million). Other non-financial receivables are presented net of allowance for impairment as of 30 June 2020 in the amount of RUB 589 million (as of 31 December 2019 RUB 614 million). Advances to suppliers and prepaid expenses are presented net of allowance for impairment as of 30 June 2020 in the amount of RUB 851 million (as of 31 December 2019 RUB 851 million).

8 Other financial assets

	30 June 2020	31 December 2019 (restated)
Loans issued	8 330	10 661
Impairment loss on loans issued	(1 275)	(1 275)
Equity instruments measured at FVTOCI	4 676	3 908
Total non-current assets	11 731	13 294
Loans issued	30 153	27 010
Deposits	8 900	-
Total current assets	39 053	27 010

Financial assets measured at fair value through other comprehensive income include the following:

	30 June 2020	31 December 2019
LLC GAZEKS-Management		
Share in equity	28,42%	33,33%
Fair value	1 266	1 485
PJSC OGGK-2		
Share in equity	3,89%	3,89%
Fair value	3 410	2 423

On 13 January 2020 PJSC Mosenergo transferred a part of the share of the share capital of LLC GAZEKS-Management in the amount of 4.91804188965702% to LLC Gazprom Mezhhregiongaz .

PJSC Mosenergo
Notes to the condensed interim consolidated financial statements
30 June 2020 (unaudited)
(in millions of Russian Rubles)

With regard to equity investments in LLC GAZEKS-Management, the management estimated that the Group does not have a significant influence on this company based on the following factors:

- The Group does not have any representative in the Board of Directors and does not have a right to appoint them;
- The Group does not participate in policy-making decisions including participate in managerial decisions;
- The Group does not enter into significant transactions, there is no interchange of managing personnel between the PJSC Mosenergo and LLC GAZEKS-Management and there is no sharing of technical information between the companies.

9 Inventories

	30 June 2020	31 December 2019
Spare parts	6 960	6 074
Fuel	6 723	7 731
Materials and supplies	1 839	1 756
Other inventories	147	56
Total	15 669	15 617

As of 30 June 2020 the amount of the write-down of inventories to net realisable value amounted to RUB 445 million (31 December 2019: RUB 449 million).

As of 30 June 2020 and as of 31 December 2019 the Group does not have pledged inventories.

10 Cash and cash equivalents

	30 June 2020	31 December 2019
Cash on hand and bank balances	3 435	118
Deposits with original maturity of three months or less	11 332	11 540
Total cash and cash equivalents	14 767	11 658

As of 30 June 2020 and 31 December 2019, the Group had no arrested cash amounts.

11 Equity

11.1 Share capital and share premium

As of 30 June 2020 and 31 December 2019 the declared share capital comprised 39 749 359 700 ordinary shares of RUB 1 par value each. All issued ordinary shares are fully paid.

As of 30 June 2020 and 31 December 2019 the Group has no authorized shares, additionally authorized for placement, but not placed.

Share premium amounted to RUB 48 661 million includes excess of the cash proceeds from the issue of share capital over its par value amounted to RUB 49 220 million net of the transaction costs amounted to RUB 7 million, and a negative result from the subsequent sale of treasure shares amounted to RUB 552 million.

11.2 Treasury shares

Treasury shares as of 30 June 2020 and 31 December 2019 are realised completely.

On 15 July 2019 the Board of Directors of PJSC Mosenergo approved the sale of treasure shares amounted of 140 229 451 shares, worth RUB 871 million. On 27 August 2019 PJSC Mosenergo entered into a transaction with PJSC OGC-2 to sell its own shares at a weighted average price. The proceeds of this transaction amounted to RUB 319 million. The negative result from the subsequent sale of treasure shares amounted of RUB 552 million is reflected in share premium.

11.3 Dividends

On 24 June 2020 the Annual General Shareholders' Meeting of the PJSC Mosenergo made the decision to pay dividends for the results of Group's activity for 2019. The amount of declared dividends on the issuer shares was RUB 0,12075 per share, total amount of dividends is RUB 4 800 million.

On 13 June 2019 the Annual General Shareholders' Meeting of the PJSC Mosenergo made the decision to pay dividends for the results of Group's activity for 2018. The amount of declared dividends on the issuer shares was RUB 0, 21004 per share, total amount of dividends is RUB 8 320 million. The amount of unclaimed dividends for the result of financial years 2013 to 2014 is RUB 2 million.

11.4 Revaluation reserve

As of 30 June 2020 in the line item "Revaluation reserve" there were disclosed revaluation reserve for property, plant and equipment in the amount of RUB 153 122 million (as of 31 December 2019: RUB 153 210 million).

PJSC Mosenergo
Notes to the condensed interim consolidated financial statements
30 June 2020 (unaudited)
(in millions of Russian Rubles)

12 Borrowings

	30 June 2020	31 December 2019
Bank borrowings	22 700	24 838
Total long-term borrowings	22 700	24 838
Current portion of long-term bank borrowings	3 116	1 125
Total short-term borrowings	3 116	1 125

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

	Currency	Interest rate	Year of maturity	30 June 2020	31 December 2019
BNP Paribas S.A.	EUR	EURIBOR 6M+2,00%	2020	3 102	3 263
Bank GPB (JSC)	RUB	6,25%	2022	22 714	22 700
Total				25 816	25 963

As of 30 June 2020 and 31 December 2019, the Group met financial covenant.

13 Accounts payable and other liabilities

	30 June 2020	31 December 2019 (restated)
Accounts payable for acquired property, plant and equipment	678	1 019
Total financial liabilities	678	1 019
Total non-current accounts payable and other liabilities	678	1 019
Trade payables	4 222	4 919
Accounts payable for acquired property, plant and equipment	2 311	3 040
Dividends payable	4 877	78
Other payables	1 806	1 600
Total financial liabilities	13 216	9 637
Liabilities from contracts with customers	621	652
Other payables	74	85
Total non-financial liabilities	695	737
Total current accounts payable and other liabilities	13 911	10 374

14 Income tax

14.1 Components of income tax

	2020	2019
Six months ended 30 June		
Current income tax expense	(2 059)	(3 086)
Adjustments to current income tax of previous periods	-	(195)
Deffered income tax	779	3
Income tax expense	(1 280)	(3 278)
Three months ended 30 June		
Current income tax expense	(344)	(549)
Deffered income tax	402	52
Income tax benefit (expense)	58	(497)

PJSC Mosenergo
Notes to the condensed interim consolidated financial statements
30 June 2020 (unaudited)
(in millions of Russian Rubles)

14.2 Tax effects of taxable and deductible temporary differences

Tax effects of taxable and deductible temporary differences for the six months ended 30 June 2020 and 30 June 2019 are as follows:

	Opening balance	Effect of new standards	Recognised in P/L ¹⁾	Recognised in OCI ²⁾	Closing balance
Six months ended 30 June 2020					
Property, plant and equipment	(40 361)	-	1 049	-	(39 312)
Investment property	(215)	-	(4)	-	(219)
Non-current financial assets	401	-	84	(201)	284
Accounts receivable and prepayments	535	-	(128)	-	407
Non-current assets held for sale	18	-	(4)	-	14
Accounts payable and other liabilities	71	-	(263)	-	(192)
Lease liabilities	1 137	-	(60)	-	1 077
Provision for post-employment benefits	82	-	1	-	83
Tax losses carried forward	146	-	5	-	151
Provisions	678	-	(6)	-	672
Borrowings	(19)	-	9	-	(10)
Other current and non-current assets	(2)	-	96	-	94
Total	(37 529)	-	779	(201)	(36 951)
Six months ended 30 June 2019					
Property, plant and equipment	(29 966)	(1 052)	564	-	(30 454)
Investment property	(146)	-	(6)	-	(152)
Non-current financial assets	353	-	-	-	353
Accounts receivable and prepayments	(251)	-	(382)	-	(633)
Non-current assets held for sale	33	-	20	-	53
Accounts payable and other liabilities	144	-	(135)	-	9
Lease liabilities	-	1 052	(25)	-	1 027
Provision for post-employment benefits	59	-	(1)	-	58
Tax losses carried forward	145	-	2	-	147
Provisions	658	-	2	-	660
Borrowings	11	-	(35)	-	(24)
Other current and non-current assets	9	-	(1)	-	8
Total	(28 951)	-	3	-	(28 948)

¹⁾P/L – profit or loss, ²⁾OCI – other comprehensive income.

The tax effect of the movement on these temporary differences is recorded at the rate of 20%, which was enacted by the relevant legislation in the Russian Federation.

15 Revenue

	Three months ended 30 June		Six months ended 30 June	
	2020	2019	2020	2019
Electricity and power	20 260	25 822	50 376	59 480
Heat energy	12 354	10 404	41 504	43 239
Other revenue	539	537	1 072	1 136
Total	33 153	36 763	92 952	103 855

Other revenue was primarily received from rental services, feed water sales and maintenance services.

PJSC Mosenergo
Notes to the condensed interim consolidated financial statements
30 June 2020 (unaudited)
(in millions of Russian Rubles)

16 Operating expenses

	Three months ended 30 June		Six months ended 30 June	
	2020	2019 года (restated)	2020	2019 года (restated)
Fuel	18 999	21 665	55 136	62 588
Amortisation and depreciation	5 723	4 543	11 376	8 994
Employee benefits	2 952	2 910	6 035	5 926
Purchased electricity and power	1 903	2 500	4 826	5 763
Repair, maintenance and service	1 280	1 443	2 334	2 446
Other materials	582	512	1 083	1 027
Taxes other than income tax	443	512	950	95
Electricity market administration fees	389	379	788	765
Security and fire safety	253	244	502	477
Transportation services	147	122	270	242
Heat energy transmission	65	59	263	330
Cleaning services	155	89	251	194
Software and maintenance	126	53	234	152
Consulting, legal and audit services	31	28	101	51
Other professional services	366	371	701	670
Change in provisions	(43)	85	24	170
(Reversal of impairment loss) impairment loss on non-financial assets	(14)	16	(21)	36
Loss on disposal of property, plant and equipment	193	9	149	200
Fines, penalties and compensation for breach of contract	(8)	(144)	(30)	(159)
Other operating income	(215)	(147)	(171)	(281)
Total operating expenses	33 327	35 249	84 801	89 686

Due to the adjustments to the comparative figures described in note 2.1, the line items of operating expenses were also reclassified without any change in the total operating expenses.

Impairment loss (reversal of impairment loss) on assets and change in provisions are presented below.

	Three months ended 30 June		Six months ended 30 June	
	2020	2019	2020	2019
(Impairment loss) reversal of impairment loss on trade receivables	(355)	40	(1 372)	(130)
Total (impairment loss) reversal of impairment loss on financial assets	(355)	40	(1 372)	(130)
Reversal of write-downs of inventories	1	-	4	-
(Reversal of impairment loss) impairment loss on other receivables	13	(16)	17	(36)
Total reversal of impairment loss (impairment loss) on non-financial assets	14	(16)	21	(36)
Change in tax provision	43	(85)	(24)	(170)
Total change in provisions	43	(85)	(24)	(170)

For the six months ended 30 June 2020 the average number of employees of the Group was 8 775 (for the six months ended 30 June 2019: 8 513).

PJSC Mosenergo
Notes to the condensed interim consolidated financial statements
30 June 2020 (unaudited)
(in millions of Russian Rubles)

17 Finance income and expense

	Three months ended 30 June		Six months ended 30 June	
	2020	2019	2020	2019
Interest income on loans issued	660	356	1 324	714
Foreign exchange gain	384	70	390	506
Interest income on bank deposits and cash balances on current accounts	210	678	365	1 192
Income from participation in other organisations	240	36	240	36
Effect of discounting financial instruments	87	78	164	154
Total finance income	1 581	1 218	2 483	2 602
Foreign exchange loss	(53)	(25)	(861)	(40)
Interest expense on borrowings	(328)	(19)	(688)	(40)
Lease interest expense	(120)	(145)	(250)	(291)
Interest expense on provision for post-employment benefits	(6)	(7)	(12)	(13)
Other interest expense	(11)	(11)	(22)	(25)
Total finance expense	(518)	(207)	(1 833)	(409)

18 Basic and diluted earnings per share, attributable to PJSC Mosenergo

Earnings per share attributable to owners of PJSC Mosenergo have been calculated by dividing the profit for the period, attributable to the owners of PJSC Mosenergo by the weighted average number of shares outstanding during the period, excluding the weighted average number of ordinary shares purchased by the Group and held as treasury shares (Note 11.2). The calculation of earnings per share is presented in the table below.

	2020	2019
Six months ended 30 June		
Issued shares (million of pieces)	39 749	39 749
Effect of treasury shares (million of pieces)	-	(140)
Weighted average number of ordinary shares (million of pieces)	39 749	39 609
Profit attributable to the owners of PJSC Mosenergo (in RUB million)	6 592	12 730
Profit per ordinary share (basic and diluted) (in RUB)	0,166	0,321
Three months ended 30 June		
Issued shares (million of pieces)	39 749	39 749
Effect of treasury shares (million of pieces)	-	(140)
Weighted average number of ordinary shares (million of pieces)	39 749	39 609
Profit attributable to the owners of PJSC Mosenergo (in RUB million)	896	2 068
Profit per ordinary share (basic and diluted) (in RUB)	0,023	0,052

As of 30 June 2020 and 31 December 2019 there are no dilutive financial instruments outstanding in the Group.

19 Unrecognised contractual commitments

19.1 Capital commitments

As of 30 June 2020 the Group was involved in a number of contracts for construction and purchase of property, plant and equipment for RUB 10 770 million (31 December 2019: RUB 6 748 million).

19.2 Taxation

The Russian Federation tax legislation is subject to varying interpretation and changes, which can occur frequently. The management's interpretation of legislation as applied to the transactions and activities of the Group may be challenged by the relevant regional and federal authorities, in particular, the way of accounting for tax purposes of some income and expenses of the Group as well as deductibility VAT from suppliers and

PJSC Mosenergo
Notes to the condensed interim consolidated financial statements
30 June 2020 (unaudited)
(in millions of Russian Rubles)

contractors. Tax authorities may be taking a more assertive position in their interpretation of the legislation and assessments. As a result, significant additional taxes, penalties and interest may arise.

20 Fair value of financial instruments

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

Financial instruments in Level 1

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

Financial instruments in Level 2

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

Financial instruments in Level 3

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

There was no change in the fair value measurement methods attributed to Level 2 and Level 3 for the six months ended 30 June 2020 (31 December 2019: there was no change). There were no transfers between levels for the six months ended 30 June 2020 (31 December 2019: there were no transfers).

As of 30 June 2020 and 31 December 2019 the Group had the following assets that are measured at fair value:

	Note	Level 1	Level 2	Level 3	Total
Balance as of 30 June 2020					
Financial assets at FVTOCI	8	3 410	-	1 266	4 676
Balance as of 31 December 2019					
Financial assets at FVTOCI	8	2 423	-	1 485	3 908

As of 30 June 2020 and 31 December 2019 the estimated fair value of financial assets and liabilities not recognised at fair value in the condensed interim consolidated statement of financial position is close to their carrying amount.

21 Events after the reporting period

Loan agreement

On 30 July 2020 PJSC Mosenergo made a voluntary repayment of the full amount of borrowing to the BNP Paribas S.A.

Investments in associates

PJSC Mosenergo granted the rights and authority to JSC Gazprom Energoremont to represent the Issuer's interests and dispose of 43,066% of the Issuer's votes in the supreme management body of LLC GEH Industrial assets. However, PJSC Mosenergo retained the right to dispose of the share constituting 43,066% of the authorized capital of LLC GEH Industrial assets.