

JSC SUEK

**Consolidated Interim
Condensed Financial Information
and Review Report**

for the six months ended 30 June 2020



Independent Auditors' Report on Review of Consolidated Interim Condensed Financial Information

To the Shareholders of JSC SUEK

Introduction

We have reviewed the accompanying consolidated interim condensed statement of financial position of JSC SUEK (the "Company") and its subsidiaries (the "Group") as at 30 June 2020, and the related consolidated interim condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the consolidated interim condensed financial information (the "consolidated interim condensed financial information"). Management is responsible for the preparation and presentation of this consolidated interim condensed financial information in accordance with IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this consolidated interim condensed 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 consolidated interim condensed 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 consolidated interim condensed financial information as at 30 June 2020 and for the six-month period then ended is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

Andrey Kim

JSC "KPMG"

Moscow, Russia

10 July 2020

Reviewed entity: JSC SUEK

Registration No. in the Unified State Register of Legal Entities
1027700151380.

Moscow, Russia

Audit firm: JSC "KPMG", a company incorporated under the Laws of the Russian Federation, a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Registration No. in the Unified State Register of Legal Entities 1027700125628.

Member of the Self-regulated Organization of Auditors Association "Sodruzhestvo" (SRO AAS). The Principal Registration Number of the Entry in the Register of Auditors and Audit Organisations: No. 12006020351.

JSC SUEK**Consolidated interim condensed statement of profit or loss and other comprehensive income for the six months ended 30 June 2020***Millions of US Dollars*

	Notes	Six months ended 30 June	
		2020	2019
Revenue	4	3,327	3,960
Cost of sales	5	(1,831)	(2,207)
Distribution costs	6	(879)	(960)
General and administrative expenses		(92)	(107)
Other income, net		21	7
Operating profit		546	693
Finance costs, net		(181)	(186)
Foreign exchange (loss)/gain		(196)	171
Profit before tax		169	678
Income tax expense		(37)	(127)
Net profit for the period		132	551
Net profit attributable to:			
Ordinary shareholders of the parent		129	546
Non-controlling interests		3	5
Net profit for the period		132	551
Basic and diluted earnings per share (in US Dollars)		0.55	2.31
Other comprehensive (loss)/income			
Items which may be reclassified to profit or loss in the future:			
Translation difference		(277)	111
Transfer of changes in fair value of cash flow hedges to profit or loss, net of deferred tax		(10)	(85)
Effective portion of changes in fair value of cash flow hedges, net of deferred tax		(251)	176
Total items which may be reclassified to profit or loss in the future		(538)	202
Total other comprehensive (loss)/income for the period		(538)	202
Total other comprehensive (loss)/income attributable to:			
Ordinary shareholders of the parent		(516)	187
Non-controlling interests		(22)	15
Total other comprehensive (loss)/income for the period		(538)	202
Total comprehensive (loss)/income attributable to:			
Ordinary shareholders of the parent		(387)	731
Non-controlling interests		(19)	22
Total comprehensive (loss)/income for the period		(406)	753

Stepan Solzhenitsyn
Chief Executive Officer

10 July 2020

Andrei Vanyushin
Chief Financial Officer

The accompanying notes on pages 7 to 14 are an integral part of this consolidated interim condensed financial information.

JSC SUEK**Consolidated interim condensed statement of financial position as at 30 June 2020***Millions of US Dollars*

	Notes	30 June 2020	31 December 2019
ASSETS			
Non-current assets		13,518	14,165
Property, plant and equipment	7	12,156	12,226
Right-of-use assets	7	1,022	1,631
Deferred tax assets		171	132
Goodwill		78	78
Other assets		91	98
Current assets		2,045	2,306
Inventories		767	766
Trade accounts and other receivables		712	957
Prepaid and recoverable taxes		194	265
Derivative financial assets		88	142
Cash and cash equivalents		284	176
Total assets		15,563	16,471
EQUITY AND LIABILITIES			
Equity		4,981	5,501
Share capital		—	—
Share premium		104	104
Revaluation reserve		4,795	4,866
Hedging reserve		(144)	117
Translation reserve		(1,939)	(1,684)
Retained earnings		2,012	1,923
Attributable to ordinary shareholders of the parent		4,828	5,326
Non-controlling interests		153	175
Non-current liabilities		7,760	7,770
Long-term borrowings	8	5,321	4,939
Deferred tax liabilities		1,403	1,476
Long-term lease liabilities	7	698	984
Other liabilities		338	371
Current liabilities		2,822	3,200
Short-term borrowings	8	1,510	1,799
Trade accounts and other payables		748	998
Derivative financial liabilities		252	12
Taxes payable		163	166
Short-term lease liabilities		149	225
Total shareholders' equity and liabilities		15,563	16,471

The accompanying notes on pages 7 to 14 are an integral part of this consolidated interim condensed financial information.

JSC SUEK**Consolidated interim condensed statement of cash flows for the six months ended 30 June 2020***Millions of US Dollars*

	Notes	Six months ended 30 June	
		2020	2019
Profit before tax		169	678
Adjustments to profit before tax:			
Depreciation and amortisation		519	481
Finance costs, net		181	186
Foreign exchange loss/(gain)		196	(171)
Bad debt expense		1	5
Other, net		(5)	(2)
Changes in working capital items:			
Decrease in trade accounts and other receivables		159	77
(Increase)/decrease in inventories		(30)	51
Decrease/(increase) in prepaid and recoverable taxes (other than income tax)		27	(22)
(Decrease)/increase in trade accounts and other payables		(221)	43
Increase/(decrease) in taxes payable (other than income tax)		11	(32)
Net cash inflow from operations		1,007	1,294
Income tax paid		(57)	(122)
Net cash inflow from operating activities		950	1,172
Investing activities			
Purchase of property, plant and equipment		(506)	(705)
Business combination	12	(156)	(3)
Loans issued, net		(2)	(19)
Interest received		4	9
Payments for the acquisition of SGC group		—	(123)
Other non-current investments, net		—	8
Net cash outflow used in investing activities		(660)	(833)
Financing activities			
Proceeds from long-term borrowings		1,838	396
Repayments of long-term borrowings		(1,479)	(429)
(Repayments of)/proceeds from short-term borrowings, net		(62)	63
Payment for purchase of leased railcars	7	(196)	—
Interest and commissions paid		(134)	(146)
Payment of lease liabilities		(132)	(160)
Dividends paid to non-controlling interests		(5)	(10)
Acquisition of non-controlling interests		—	(15)
Net cash outflow used in financing activities		(170)	(301)
Foreign exchange effect on cash and cash equivalents		(12)	9
Net increase in cash and cash equivalents		108	47
Cash and cash equivalents at the beginning of the period		176	166
Cash and cash equivalents at the end of the period		284	213

The accompanying notes on pages 7 to 14 are an integral part of this consolidated interim condensed financial information.

JSC SUEK
**Consolidated interim condensed statement of changes in shareholders' equity
for the six months ended 30 June 2020**
Millions of US Dollars

	Share capital	Share premium	Revaluation reserve	Hedging reserve	Translation reserve	Retained earnings	Attributable to ordinary shareholders of the parent	Non-controlling interests	Total
Balance at 1 January 2019	—	104	5,665	26	(1,812)	1,063	5,046	189	5,235
Net profit for the period	—	—	—	—	—	546	546	5	551
Other comprehensive income	—	—	—	91	96	—	187	15	202
Transfer to retained earnings	—	—	(79)	—	—	77	(2)	2	—
Total comprehensive income for the period	—	—	(79)	91	96	623	731	22	753
Transactions with owners:									
Acquisition of non-controlling interests	—	—	—	—	—	—	—	(18)	(18)
Dividends to non-controlling interests	—	—	—	—	—	—	—	(10)	(10)
Total transactions with owners	—	—	—	—	—	—	—	(28)	(28)
Balance at 30 June 2019	—	104	5,586	117	(1,716)	1,686	5,777	183	5,960
Balance at 1 January 2020	—	104	4,866	117	(1,684)	1,923	5,326	175	5,501
Net profit for the period	—	—	—	—	—	129	129	3	132
Other comprehensive loss	—	—	—	(261)	(255)	—	(516)	(22)	(538)
Transfer to retained earnings	—	—	(71)	—	—	69	(2)	2	—
Total comprehensive loss for the period	—	—	(71)	(261)	(255)	198	(389)	(17)	(406)
Transactions with owners:									
Dividends to shareholders	—	—	—	—	—	(109)	(109)	—	(109)
Dividends to non-controlling interests	—	—	—	—	—	—	—	(5)	(5)
Total transactions with owners	—	—	—	—	—	(109)	(109)	(5)	(114)
Balance at 30 June 2020	—	104	4,795	(144)	(1,939)	2,012	4,828	153	4,981

The accompanying notes on pages 7 to 14 are an integral part of this consolidated interim condensed financial information.

JSC SUEK

Notes to the consolidated interim condensed financial information for the six months ended 30 June 2020

Millions of US Dollars, unless otherwise stated

1. GENERAL INFORMATION

Organisation and principal activities. Joint Stock Company (“JSC”) “Siberian Coal Energy Company” (“SUEK” or the “Company”) was founded on 1 December 1999. The Company and its subsidiaries are collectively referred to as the Group. The address of registered office is Dubininskaya st. 53, bld. 7, Moscow, Russian Federation. The principal activities of the Group are the extraction and sale of coal and generation and sales of electricity, heat and capacity.

AIM Capital SE, registered in the Republic of Cyprus, is the immediate parent company of SUEK with 92.2% interest in the Company’s share capital.

A company that holds business interests beneficially for Mr. Andrey Melnichenko indirectly owns 100% of AIM Capital SE.

2. BASIS OF PRESENTATION

The International Financial Reporting Standards (“IFRS”) consolidated interim condensed financial information (“consolidated interim condensed financial information”) of the Group has been prepared in accordance with International Accounting Standard 34 – “*Interim Financial Reporting*”.

The accounting policies and judgements applied by the Group are consistent with those disclosed in the audited consolidated financial statements for the year ended 31 December 2019.

This consolidated interim condensed financial information does not contain all the information required for presentation in a complete set of IFRS financial statements and therefore should be read in conjunction with SUEK’s consolidated annual financial statements for the year ended 31 December 2019.

The following RUB/USD exchange rates were applied at 30 June and during the periods then ended:

	<u>2020</u>	<u>2019</u>
Period end (year end for 2019)	69.95	61.91
Average rate for 6 months ended 30 June	69.37	65.34

The consolidated interim condensed financial information of the Group has been prepared on the historical cost basis, except for:

- mining assets carried at fair value; and
- derivative financial instruments which are stated at fair value.

The fair value of assets and liabilities is determined with reference to various market information and other valuation methods as considered appropriate. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in valuation techniques, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data.

Financial instruments carried at amortised cost. At 30 June 2020, the fair values of financial instruments carried at amortised cost, which are mainly loans and receivables, did not materially differ from the carrying values.

JSC SUEK

Notes to the consolidated interim condensed financial information for the six months ended 30 June 2020

Millions of US Dollars, unless otherwise stated

Financial instruments carried at fair value. Fair values of derivative financial assets and liabilities were determined using inputs from observable market data, which correspond to Level 2 of the hierarchy of fair values.

Mining assets carried at fair value. The fair value of mining assets was determined using discounted cash flow method corresponding to Level 3 of the hierarchy of fair values.

Seasonality of business. The business and operating results of the Group are substantially dependent on domestic and international demand. Coal and energy markets are cyclical and exhibit fluctuations in supply and demand from year to year and are subject to numerous factors, including, but not limited to:

- Russian and global economic conditions;
- regional and global supply and demand for domestic and foreign coal and expectations regarding future supply and demand;
- fluctuations in industries with high demand for coal, such as power generation companies and metallurgical plants;
- unseasonably warm or cool temperatures or other climatic conditions;
- availability and price of alternative fuels and power.

3. SEGMENTAL INFORMATION

The Group evaluates performance and makes investment and strategic decisions based on a review of the profitability of the Group as a whole, and based on operating segments. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses and whose operating results are regularly reviewed by management.

Operating segments identified by management are coal, logistics, energy and corporate segments. The coal segment includes coal extraction, coal washing, sales and distribution in the Russian Federation and abroad; the logistics segment includes railroad transportation and transshipment in ports; the energy segment includes generation and sales of electricity, heat and capacity and the corporate segment includes operations of holding companies.

JSC SUEK**Notes to the consolidated interim condensed financial information
for the six months ended 30 June 2020***Millions of US Dollars, unless otherwise stated*

Operating segment information for the Group at 30 June 2020 and for the the six months then ended is as follows:

	<u>Coal</u>	<u>Logistics</u>	<u>Energy</u>	<u>Corporate</u>	<u>Inter- segment elimination</u>	<u>Total</u>
<i>Segment revenue and profitability</i>						
Segment external revenues	2,038	94	1,195	—	—	3,327
Russian Federation	246	94	1,195	—	—	1,535
Pacific region	1,264	—	—	—	—	1,264
Atlantic region	528	—	—	—	—	528
Inter-segment revenues	281	876	34	24	(1,215)	—
Segment expenses	<u>(2,338)</u>	<u>(721)</u>	<u>(897)</u>	<u>(40)</u>	<u>1,215</u>	<u>(2,781)</u>
Operating (loss)/profit	<u>(19)</u>	<u>249</u>	<u>332</u>	<u>(16)</u>	<u>—</u>	<u>546</u>
Depreciation and amortisation	(288)	(110)	(118)	(3)	—	(519)
Interest expense and interest on lease	(71)	(44)	(50)	(103)	103	(165)
Interest income	1	3	1	102	(103)	4
(Loss)/profit before tax	(89)	235	281	(258)	—	169
Income tax benefit/(expense)	<u>9</u>	<u>(47)</u>	<u>(51)</u>	<u>52</u>	<u>—</u>	<u>(37)</u>
Net (loss)/profit for the period	<u>(80)</u>	<u>188</u>	<u>230</u>	<u>(206)</u>	<u>—</u>	<u>132</u>
Capital expenditures incurred during the period	423	15	57	1	—	496
<i>Segment assets and liabilities</i>						
Total segment assets	<u>12,988</u>	<u>2,440</u>	<u>3,349</u>	<u>1,642</u>	<u>(4,856)</u>	<u>15,563</u>
Total segment liabilities	<u>4,783</u>	<u>1,156</u>	<u>2,114</u>	<u>7,385</u>	<u>(4,856)</u>	<u>10,582</u>

JSC SUEK**Notes to the consolidated interim condensed financial information
for the six months ended 30 June 2020***Millions of US Dollars, unless otherwise stated*

Operating segment information for the Group for the six months ended 30 June 2019 is as follows:

	<u>Coal</u>	<u>Logistics</u>	<u>Energy</u>	<u>Corporate</u>	<u>Inter- segment elimination</u>	<u>Total</u>
<i>Segment revenue and profitability</i>						
Segment external revenues	2,711	112	1,137	—	—	3,960
Russian Federation	299	112	1,137	—	—	1,548
Pacific region	1,442	—	—	—	—	1,442
Atlantic region	970	—	—	—	—	970
Inter-segment revenues	491	916	5	23	(1,435)	—
Segment expenses	<u>(3,050)</u>	<u>(777)</u>	<u>(822)</u>	<u>(53)</u>	<u>1,435</u>	<u>(3,267)</u>
Operating profit/(loss)	<u>152</u>	<u>251</u>	<u>320</u>	<u>(30)</u>	<u>—</u>	<u>693</u>
Depreciation and amortisation	(282)	(108)	(88)	(3)	—	(481)
Interest expense expense and interest on lease	(76)	(42)	(62)	(96)	96	(180)
Interest income	3	3	2	100	(96)	12
Profit before tax	29	236	258	155	—	678
Income tax benefit/(expense)	<u>2</u>	<u>(47)</u>	<u>(51)</u>	<u>(31)</u>	<u>—</u>	<u>(127)</u>
Net profit for the period	<u>31</u>	<u>189</u>	<u>207</u>	<u>124</u>	<u>—</u>	<u>551</u>
Capital expenditures incurred during the period	356	45	37	1	—	439

Operating segment assets and liabilities of the Group at 31 December 2019 is as follows:

	<u>Coal</u>	<u>Logistics</u>	<u>Energy</u>	<u>Corporate</u>	<u>Inter- segment elimination</u>	<u>Total</u>
Total segment assets	<u>13,271</u>	<u>2,601</u>	<u>3,682</u>	<u>1,210</u>	<u>(4,293)</u>	<u>16,471</u>
Total segment liabilities	<u>5,013</u>	<u>1,409</u>	<u>2,493</u>	<u>6,348</u>	<u>(4,293)</u>	<u>10,970</u>

4. REVENUE

	<u>Six months ended 30 June</u>	
	<u>2020</u>	<u>2019</u>
Coal	1,930	2,577
Capacity	425	353
Electricity	379	355
Heat	370	404
Petroleum coke	47	106
Other	<u>176</u>	<u>165</u>
Total	<u>3,327</u>	<u>3,960</u>

JSC SUEK**Notes to the consolidated interim condensed financial information
for the six months ended 30 June 2020***Millions of US Dollars, unless otherwise stated*

	Six months ended 30 June	
	2020	2019
5. COST OF SALES		
Coal and petroleum coke purchased from third parties	442	638
Depreciation and amortisation	412	373
Labour	386	425
Consumables and spares	143	224
Purchased fuel	125	135
Purchased power	83	111
Repairs and maintenance services	59	66
Property and other taxes	29	26
Personnel transportation services	19	17
Fire and rescue brigade expenses	17	19
Transportation services	15	35
Transfer of heat	15	17
Tax on mining	14	21
Drilling and blasting services	9	18
Land and other rent	2	4
Other	61	78
Total	1,831	2,207

Proceeds from the sale of electricity and purchased power are presented after deduction of cost of electricity generated by the Group and consumed for own process needs in the amount of 57 million USD for the period ended 30 June 2020 (for the period ended 30 June 2019 – 52 million USD).

	Six months ended 30 June	
	2020	2019
6. DISTRIBUTION COSTS		
Railway services	531	575
Freight	147	140
Depreciation and amortization	107	108
Stevedoring from third parties	53	66
Labour	22	24
Repair and maintenance services	7	24
Customs expenses and export duties	3	6
Other	9	17
Total	879	960

7. RIGHT-OF-USE ASSETS

In the first half of 2020 the Group purchased railcars from lease for a consideration of 196 million USD. The net book value of the railcars was reclassified from right-of-use assets to property, plant and equipment in the amount of 408 million USD.

Closing balance of a lease liability of 161 million USD relates to railcars in lease (399 million USD as at 31 December 2019).

JSC SUEK**Notes to the consolidated interim condensed financial information
for the six months ended 30 June 2020***Millions of US Dollars, unless otherwise stated***8. BORROWINGS**

	<u>Effective interest rate</u>	<u>30 June 2020</u>	<u>31 December 2019</u>
<i>Long-term borrowings</i>			
Variable rate borrowings		3,804	2,952
Unsecured USD-denominated borrowings	6M LIBOR + 0.9% to 1M LIBOR + 3%	2,531	2,780
Unsecured RUB-denominated borrowings	CBRR + 0.3% to CBRR + 1.6%	1,037	—
Unsecured EUR-denominated borrowings	6M EURIBOR + 0.37% to 6M EURIBOR + 2.25%	236	172
Fixed rate borrowings		2,940	3,631
Unsecured USD-denominated borrowings	4%	1,428	1,624
Unsecured RUB-denominated bonds	6.9% to 8.3%	1,185	840
Unsecured USD-denominated borrowings	2.9% to 3.2%	176	190
Unsecured RUB-denominated borrowings	0.05% to 4%	151	977
Subtotal		6,744	6,583
Less: Current portion of long-term borrowings		1,423	1,644
Total long-term borrowings		5,321	4,939
<i>Short-term borrowings</i>			
Fixed rate borrowings		87	155
Unsecured USD-denominated borrowings	3%	83	150
Other borrowings		4	5
Subtotal		87	155
Current portion of long-term borrowings		1,423	1,644
Total short-term borrowings		1,510	1,799

The central treasury department of the Group maintains flexibility in funding by ensuring the availability of credit line facilities. The unused portion of these lines at 30 June 2020 totalled 2,637 million USD (31 December 2019 – 2,889 million USD).

The Group's long-term borrowings have restrictive covenants including, but not limited to, the requirement to maintain minimum ratios associated with:

- consolidated net indebtedness to earnings before interest, tax, depreciation and amortisation (“EBITDA”); and
- EBITDA to consolidated interest expense.

The covenants are calculated based on the IFRS financial statements of the Group on a semi-annual basis. As at 30 June 2020 the Group was in compliance with all such covenants.

JSC SUEK

Notes to the consolidated interim condensed financial information for the six months ended 30 June 2020

Millions of US Dollars, unless otherwise stated

9. RELATED PARTY TRANSACTIONS

Related parties are considered to include the ultimate beneficiary, affiliates and entities under common ownership and control of the same principal ultimate beneficiary. The Company and its subsidiaries, in the ordinary course of their business, enter into various sales, purchases and service transactions with related parties. Transactions with related parties not dealt with elsewhere in the consolidated interim condensed financial information are as follows:

	Six months ended 30 June	
	2020	2019
Coal sales to DEC group, which was an associate of a company with the same principal ultimate beneficiary till June 2020	44	71
Other coal sales	5	—
Other energy sales	30	36
Other revenue from EuroChem group	14	2
Other purchases	14	20
Remuneration of the Board of Directors and the Management Board members	5	8

The outstanding balances with related parties are as follows:

	30 June	31 December
	2020	2019
Trade accounts and other receivables	15	14
Short-term loans received	83	—

10. COMMITMENTS

Capital commitments. The following capital expenditures were approved:

	30 June	31 December
	2020	2019
Contracted	973	1,025
Not yet contracted	210	284
Total	1,183	1,309

11. BUSINESS ENVIRONMENT

The first months of 2020 have seen significant global market turmoil triggered by the outbreak and spread of COVID-19. Together with other factors, this have resulted in a sharp decrease in the oil price, stock market indices and coal prices, as well as a depreciation of the Russian rouble.

The Group has not experienced any substantial disruptions to production or sales owing to its diversified structure of assets comprising coal, energy and logistics. The Group did not discontinue its operations during the COVID-19 lockdown.

The Group has developed plans for mitigating the impact on its business and has reviewed the economic environment; the demand for the Group's products; its supply chain; its available bank facilities; and the possible effects on its cash flow and liquidity position, including consideration of debt covenants.

Management also reviewed key assumptions used in determining fair value of mining assets, including weighted average cost of capital, export coal prices and RUB/USD exchange rates being the most significant inputs in the fair value estimate model as disclosed in the consolidated annual financial statements for the year ended 31 December 2019. As a result of a detailed analysis of various scenarios the Group came to the conclusion that the fair value of mining assets as at the reporting date does not significantly differ from their carrying value.

Management has considered events and conditions that could give rise to material uncertainties that may cast significant doubt over the Group's ability to continue as a going concern. Based on the analysis performed, management concluded that there is no such uncertainty.

12. BUSINESS COMBINATION

In March 2020 the Group acquired generating and other assets of Krasnoyarskaya GRES-2 for 156 million USD. The core activity of the acquired business is generation and sales of energy. Along with the acquired assets the Group obtained control over all processes of generation and sales, acquired rights and obligations under key contracts were transferred to the Group.

The Group recognizes the acquisition of the assets of Krasnoyarskaya GRES-2 as a business combination since assets represent a unified complex for generation of electricity and the Group also acquired all key processes, altogether representing the attributes of the business. Before the Group completes the process of obtaining permits and licenses required to operate Krasnoyarskaya GRES-2, the acquired assets are leased back to the seller. Under the terms of the lease, the Group has control over business processes and financial results, thus, at the time of the transitional period, the Group consolidates Krasnoyarskaya GRES-2. At 30 June 2020 the Group did not finalise purchase price allocation for this business combination, therefore, the carrying amounts of the acquired assets, mainly presented by property, plant and equipment, and assumed liabilities at the date of acquisition were estimated on a provisional basis at 158 million USD and 2 million USD, respectively.