

**Unipro Public Joint-Stock Company**

**Accounting Statements and  
Independent Auditor's Report**

**31 December 2019**

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## Independent Auditor's Report

To the shareholders and Board of Directors of Unipro Public Joint-Stock Company:

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### Our opinion

In our opinion, the attached financial statements accurately reflect in all material aspects the financial situation of Unipro Public Joint-Stock Company (hereinafter referred to as the "Company") as of 31 December 2019, along with its profit and loss and cash flows for the year ended as of the said date in accordance with the accounting rules applicable in the Russian Federation.

### Subject of the audit

We audited the Company's financial statements including:

- Balance Sheet as of 31 December 2019;
- Profit and Loss Statement for the year ended as of the said date;
- Statement of Changes in Equity for the year ended as of the said date;
- Cash Flow Statement for the year ended as of the said date;
- Notes to the Balance Sheet and P&L Statement, including the main provisions of the accounting policy.

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### Basis for Opinion

We conducted the audit in accordance with the International Standards on Auditing ("ISA"). Our responsibility under the above standards is further described in the section *Auditor's Responsibility for the Audit of the Financial Statements* hereof.

We believe that we acquired sufficient and appropriate audit evidence to express our opinion.

### Independence

We are independent from the Company in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA Code) and ethical requirements of the Code of Professional Ethics for Auditors and Rules for Auditors' and Audit Organisations' Independence applicable to this audit of financial statements in the Russian Federation. We also discharged all the other ethical obligations in accordance with these requirements and IESBA Code.

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## Audit Methodology

### Executive summary

#### Materiality

- Materiality at the level of the Company's financial statements in general: RUB 1,159 million, which accounts for 5% of the profit before tax.

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#### Key issues of the audit

- Valuation of the provision for doubtful debts

Our audit plan provided for the establishment of materiality and assessment of the risks that the financial statements were materially misstated. Specifically, we examined the areas where the management made subjective judgments regarding significant estimated values, including use of assumptions and consideration of future events associated with uncertainty by virtue of their nature. Similar to all our audits, we also considered the risk that the management circumvented the internal control systems, including but not limited to assessing the evidence of the management's partiality that gives rise to the risk of material misstatement resulting from fraud.

We determined the scope of the audit so as to undertake a sufficient scope of work to be able to express our opinion on the financial statements with due regard to the Company's structure, accounting processes and controls used by the Company, and peculiarities of the industry of the Company's business.

#### Materiality

The scope of our audit was determined under the influence of materiality. The audit is intended to deliver a reasonable assurance that financial statements do not contain any material misstatements. Misstatements may be caused either by fraud or error. They are deemed material if it is reasonable to assume that, taken individually or collectively, they may affect the users' economic decisions that are based on the financial statements.

Using our professional judgment, we set certain quantitative threshold values for materiality, including materiality at the level of the Company's financial statements in general as depicted in the table below. We used these values and qualitative factors to determine the scope of our audit, as well as the nature, dates and scope of the audit procedures, and assessed the impact of misstatements (taken individually and collectively), if any, on the financial statements in general.

**Materiality at the level of the Company's financial statements in general**

RUB 1,159 million

**The way it was determined**

5% of the profit before tax

**Justification of the base indicator to determine the materiality level**

We chose to use profit before tax as the base indicator to determine the materiality level as we believe that it is this base indicator that the users most commonly consider when evaluating the Company's performance and it represents a generally accepted base indicator. We set materiality at the level of 5%, which falls within the range of acceptable quantitative thresholds of materiality applicable to the profit-making companies of the sector.

**Key Audit Issues**

The key issues of the audit are the issues that according to our professional judgment were most significant for our audit of financial statements for the current period. These issues were considered in the context of our audit of the financial statements in general and when developing our opinion on these financial statements, and we shall not express our opinion regarding these issues separately.

**Key issue of the audit**

**Which audit procedures were performed to address the key issue of the audit**

**Valuation of the provision for doubtful debts**

See Clause 2.6 "Accounts Receivable and Payable" and Clause 3.9 "Accounts Receivable" of the Notes to the Balance Sheet and P&L Statement

As of 31 December 2019, the amount of Company's short-term accounts receivable, including advances paid, was RUB 6,978,190,000 (RUB 13,804,522,000 net of the provision for doubtful debts amounting to RUB 6,826,332,000).

Therefore, in the structure of the Company's accounts receivable the debt assessed by the Company as doubtful takes up a significant portion (as of 31 December

Our audit procedures in respect of the management's assessment of the provision for doubtful debts included the following:

- verifying the analysis of probabilities of repaying the debt performed by Company's management with regard to the evaluation of creditworthiness of counterparties, the availability of information about the option of paying in instalments, subsequent payment after the reporting date, availability of collateral for

Key issue of the audit	Which audit procedures were performed to address the key issue of the audit
<p>2019, the provision covered 49% of the short-term accounts receivable). The Company's management creates the provision for doubtful debts based on the evaluation of worsening of creditworthiness of certain purchasers, their individual special aspects, dynamics of payments, subsequent payment after the reporting date, as well as the analysis of projected future cash inflows based on the circumstances in place on the reporting date. The degree of accuracy of management's estimates will be confirmed or refuted by future developments that are basically uncertain.</p> <p>We have given special care to assessing the provision for doubtful debts since the assessment process is complicated, implies the use of material judgments by management, and the amount of such provision is considerable.</p>	<p>payment, its quality and other factors considered by management;</p> <ul style="list-style-type: none"> <li>• analysis of the accounts receivable turnover whose deliverables were used, among others, to confirm the analysis of probabilities of debt repayment performed by Company's management;</li> <li>• sample testing of the overdue but uncovered accounts receivable to assess the conclusions drawn by management in respect of the lack of need to accrue the provision for doubtful debts subject to the prospects and deadlines of repaying such indebtedness;</li> <li>• sample testing of documents underlying the assessment by management of probabilities of debt repayment, such as payment orders confirming debt repayment in 2020; and</li> <li>• obtaining and analysing written statements of management regarding the assessment of the provision for doubtful debts performed.</li> </ul> <p>In addition, we have assessed the adequacy of information in Note 3.9 to the Balance Sheet and P&amp;L Statement.</p> <p>The current estimates of Company's management in respect of the provision for doubtful debts in preparing the financial statements for the year ended on 31 December 2019 may be subject to changes caused by future developments that are basically uncertain.</p> <p>Having performed the above procedures, we have not identified any facts evidencing the need to introduce material adjustments to the provision for doubtful debts in the attached financial statements.</p>



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#### Other information

The management is responsible for the other information. Such other information contains Unipro Public Joint Stock Company Annual Report for 2019, Issuer's Quarterly Report for 1Q 2020 (but does not include the financial statements and our auditor's report thereon), which are expected to be presented to us after the date hereof.

Our opinion on the financial statements shall not cover the other information, and we shall not provide an opinion expressing any kind of certainty with respect to this information.

In connection with our audit of the financial statements, our duty is to get acquainted with the information mentioned above as soon as we receive it and to analyse whether there are material discrepancies between the other information and the financial statements or our knowledge acquired in the course of the audit and whether the other information contains other probable material misstatements.

If upon reviewing Unipro Public Joint Stock Company Annual Report for 2019 or the Issuer's Quarterly Report for 1Q 2020, we conclude that they contain a material misstatement, we must report this to the persons in charge of corporate management.

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#### Responsibility of the Management and of the Persons in Charge of Corporate Management for Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting rules applicable in the Russian Federation, and for such internal controls as the management deems necessary to ensure preparation of financial statements that are free from material misstatements, whether due to fraud or error.

When preparing the financial statements, the management shall assess the Company's ability to continue as a going concern, disclose the going-concern information in appropriate instances, and prepare financial statements based on the going-concern assumption unless the management either intends to liquidate the Company or go out of business, or has no realistic alternative but to do so.

Persons in charge of corporate governance are responsible for overseeing the preparation of the accounting statements of the Company.



### Auditor's responsibility for the audit of financial statements

Our objective is to obtain a reasonable assurance of the fact that the financial statements do not contain material misstatements, whether due to fraud or error, as well as to release an auditor's report containing our opinion. A reasonable assurance is a high level of assurance, which, however, does not guarantee that the audit conducted in accordance with the ISA will always reveal instances of material misstatements, if any. Misstatements may be due either to fraud or error and are deemed material if it is reasonable to assume that, taken individually or collectively, they may affect the users' economic decisions that are based on the financial statements.

When conducting an audit in accordance with the ISA, we apply professional judgment and maintain professional scepticism throughout the entire duration of the audit. Furthermore, we:

- Identify and assess the risks of material misstatement of financial statements either due to fraud or error; Develop and carry out audit procedures to respond to these risks; Acquire audit evidence that is sufficient and appropriate to express our opinion. The risk of revealing material misstatement due to fraud is higher than the risk of revealing material misstatement due to error, as fraud may include conspiracy, falsification, wilful omission, misrepresentation, or actions to circumvent the internal control system;
- Become aware of the internal control system significant for the audit in order to develop audit procedures that fit the circumstances, but not in order to express our opinion on the performance of the Company's internal control system;
- Evaluate the appropriateness of the applicable accounting policy, validity of the estimates made by the management, and relevant information disclosure;
- Conclude on the legitimacy of the management's going-concern assumption and use the acquired audit evidence to draw a conclusion on whether there is considerable uncertainty caused by certain events and circumstances that may put the Company's ability to continue as a going concern in question. If we conclude that there is considerable uncertainty, we shall ensure that our auditor's report draws attention to due disclosure in the financial statements or – in case of failure to duly disclose the information – modify our opinion. Our opinions are based on the audit evidence received prior to the date of the auditor's report. Meanwhile, future events and circumstances may make the Company unable to continue as a going concern;
- Assess the overall presentation of the financial statements, their structure and content, including disclosure, and whether the financial statements reflect the transactions and events in their basis so as to ensure their accurate presentation.

We engage in information exchange with the persons in charge of corporate management notifying them, without limitation, of the expected scope and dates of the audit, as well as of any material problems identified during the audit, including any major flaws in the internal control system revealed during the audit.





We equally provide the persons in charge of corporate management with a statement certifying our compliance with all the ethical requirements regarding independence and notified these persons of any other relations and issues that may validly be deemed to affect the auditor's independence, and in appropriate instances — of the relevant precautions.

We select the issues of highest significance for the audit of financial the statements for the current period, and therefore, constitute the key issues of the audit from among the issues that we reported to the persons in charge of corporate management. We describe these issues in our auditor's report, except when public disclosure of information on such issues is prohibited by a relevant law or regulation or when in exceptional instances we come to the opinion that information concerning a certain issue shall not be disclosed in our report since it may reasonably be expected that the negative consequences of such disclosure will surpass the public benefit thereof.

Manager of the engagement that was used to issue this Independent Auditor's Report — Albina Faritovna Kamalova

18 March 2020

Moscow, Russian Federation

A. F. Kamalova, Engagement Manager (Qualification Certificate No. 01-001621),  
PricewaterhouseCoopers Audit Joint Stock Company

Audited entity:  
Unipro Public Joint-Stock Company

Entry made in the Unified State Register of Legal Entities on  
4 March 2005, state registration number 1058602056985  
assigned

Taxpayer Identification Number: 8602067092

Building 34, 23 Energostroiteley Street, 628406 Surgut,  
Khanty-Mansi Autonomous Area — Yugra, Tyumen Region,  
Russian Federation

Independent auditor:  
PricewaterhouseCoopers Audit Joint Stock Company

Registered by State Institution Moscow Registration Chamber  
on 28 February 1992 under No. 008.890

Entry made in the Unified State Register of Legal Entities on  
22 August 2002, state registration number No. 1027700148431  
assigned

Taxpayer Identification Number: 7705051102

Member of Self-Regulatory Organisation of Auditors  
Sodruzhestvo Association

Primary registration number of the entry in the register of  
auditors and audit companies: 12006020338

Balance Sheet  
as of 31 December 2019

Company UNIPRO PJSC

Taxpayer Identification Number

Type of economic activity Electric power generation by thermal power plants, including power plant performance assurance

Legal form / form of incorporation:

Public Joint-Stock Company / Joint private and foreign ownership

Unit of measurement: RUB thousand

Location (address): 23 Energostroyteley Street, building 34, Surgut, Khanty-Mansi Autonomous Area – Yugra, Tyumen Region, 628406 Russian Federation

OKUD Form  
Date (day, month, year)  
as per OKPO  
INN  
as per OKVED

Codes		
0710001		
31	12	2019
76828204		
8602067092		
35.11.1		
12247/34		
384		

The accounting statements are subject to mandatory auditing ☒ YES ☐ NO

Audit company's name / individual auditor's last name, first name, patronymic (if any)

PricewaterhouseCoopers Audit Joint-Stock Company

Taxpayer Identification Number

Primary State Registration Number

INN 7705051102

1027700148431

OGRN /  
OGRNIP

Notes	Indicator	Line code	As of 31 December 2019	As of 31 December 2018	As of 31 December 2017
1	2	3	4	5	6
	ASSETS				
	I. NON-CURRENT ASSETS				
	Intangible Assets	1110	95 550	22 831	27 393
N 3.2	Fixed assets	1150	121 030 130	113 469 886	107 353 443
	including:				
N 3.4	construction in progress	1151	51 807 636	35 899 793	27 747 856
N 3.5	Long-term financial investments	1170	705 803	764 451	1 113 826
	Deferred tax assets	1180	112 473	135 023	125 077
N 3.6	Other non-current assets	1190	3 467 966	3 009 394	2 262 999
	Total, Section I	1100	125 411 922	117 401 585	110 882 738
	II. CURRENT ASSETS				
N 3.7	Inventories	1210	7 863 609	7 974 634	4 111 401
	including:				
N 3.7	Raw materials, supplies and other similar assets	1211	7 863 609	7 974 634	4 111 401
	Input value added tax	1220	2 494	3 013	731
N 3.9	Accounts receivable	1230	7 593 686	7 636 576	10 319 443
	including				
N 3.9	long-term debt	1231	615 496	638 406	276 547
N 3.9	short-term debt	1232	6 978 190	6 998 170	10 042 896
N 3.9	including: buyers and customers	1233	5 705 268	5 753 468	5 363 157
N 3.9	advances paid	1234	149 797	255 300	106 703
N 3.10	Short-term financial investments (except cash equivalents)	1240	934 621	1 113 196	3 785 469
N 3.11	Cash and cash equivalents	1250	3 024 763	4 668 234	2 912 747
N 3.8	Other current assets	1260	111 760	71 517	47 382
	Total, Section II	1200	19 530 933	21 467 170	21 177 173
	BALANCE	1600	144 942 855	138 868 755	132 059 911

Notes	Indicator	Line code	As of 31 December 2019	As of 31 December 2018	As of 31 December 2017
1	2	3	4	5	6
	LIABILITIES				
N 3.13	III. SHAREHOLDERS' FUNDS				
	Authorised capital	1310	25 219 482	25 219 482	25 219 482
	Revaluation of non-current assets	1340	448 549	451 229	451 895
	Add-on capital (without revaluation)	1350	40 969 311	40 969 311	40 969 311
N 3.13	Reserve capital	1360	1 260 974	1 260 974	1 260 974
	Retained earnings (uncovered loss)	1370	61 671 932	56 957 861	51 985 391
	Total, Section III	1300	129 570 248	124 858 857	119 887 053
	IV. NON-CURRENT LIABILITIES				
	Deferred tax liabilities	1420	5 353 486	5 834 476	5 580 227
N 3.23	Other liabilities	1450	588 901	529 077	-
	Total, Section IV	1400	5 942 387	6 363 553	5 580 227
	V. CURRENT LIABILITIES				
N 3.20	Short-term loan liabilities	1510	2 506 167		
N 3.12	Accounts payable	1520	5 452 730	6 313 361	5 178 946
	including:				
N 3.12	payables to suppliers	1521	3 683 208	4 075 751	3 634 209
N 3.12	taxes and levies payable	1522	1 133 175	1 617 313	896 712
	Deferred income	1530	109	179	249
N 3.23	Estimated liabilities	1540	889 631	758 178	930 820
N 3.12, N 3.23	Other current liabilities	1550	581 583	574 627	482 616
	Total, Section V	1500	9 430 220	7 646 345	6 592 631
	BALANCE	1700	144 942 855	138 868 755	132 059 911

Director

/signature/  
(signature)

M. G. Shirokov  
(printed name)

Chief Accountant

/signature/  
(signature)

A. N. Koblova  
(printed name)

18 March 2020

**Profit and Loss Statement**  
For 2019

Company UNIPRO PJSC

Taxpayer Identification Number \_\_\_\_\_

Type of economic activity Electric power generation by thermal power plants, including power plant performance assurance

Legal form / form of incorporation: \_\_\_\_\_

Public Joint-Stock Company / Joint private and foreign ownership \_\_\_\_\_

Unit of measurement: RUB thousand

OKUD Form  
Date (day, month, year) \_\_\_\_\_  
as per OKPO \_\_\_\_\_

INN \_\_\_\_\_

as per OKVED \_\_\_\_\_

as per OKOPF / OKFS \_\_\_\_\_

as per OKEI \_\_\_\_\_

Codes		
0710002		
31	12	2019
76828204		
8602067092		
35.11.1		
12247/34		
384		

Notes	Indicator	Line code	For 2019	For 2018
1	2	3	4	5
N 3.14	Revenue	2110	84 761 696	81 315 061
N 3.15	Cost of sales	2120	( 60 149 462)	(60 149 281)
	Gross profit (loss)	2100	24 612 234	21 165 780
	Profit (loss) from sales	2200	24 612 234	21 165 780
	Interest receivable	2320	456 461	604 649
	Interest payable	2330	( 6 167)	( 4)
N 3.16	Other income	2340	255 357	2 767 047
N 3.16	Other costs	2350	(2 136 586)	( 1 521 842)
	Profit (loss) before tax	2300	23 181 299	23 015 630
N 3.17	Current income tax	2410	( 5 002 785)	(4 203 861)
N 3.17	including Permanent tax liabilities (assets)	2421	( 92 819)	( 253 580)
N 3.17	Changes in deferred tax liabilities	2430	478 600	( 187 345)
N 3.17	Changes in deferred tax assets	2450	( 19 257)	41 661
N 3.17	Other	2460	( 25 452)	206 781
	Net profit (loss)	2400	18 612 405	18 872 866

Notes	Indicator	Line code	For 2019	For 2018
1	2	3	4	5
	<b>FOR REFERENCE</b>			
	Profit / loss from other transactions not included in net profit (loss) of the period	2520	( 2 680)	-
	Total profit / loss for the period	2500	18 609 725	18 872 866
N 3.19	Base profit (loss) per share, RUB	2900	0,30	0,30

Director /signature/ M. G. Shirokov  
(signature) (printed name)

Chief Accountant /signature/ A. N. Koblova  
(signature) (printed name)

18 March 2020

Statement of Changes in Equity  
For 2019

Company UNIPRO PJSC

Taxpayer Identification Number

Type of economic activity Electric power generation by thermal power plants, including power plant performance assurance

Legal form / form of incorporation:

Public Joint-Stock Company / Joint private and foreign ownership

Unit of measurement: RUB thousand

OKUD Form  
Date (day, month, year)  
as per OKPO  
INN  
as per  
OKVED  
as per OKOPF / OKFS  
as per OKEI

Codes		
0710003		
31	12	2019
76828204		
8602067092		
35.11.1		
12247/34		
384		

Notes	Indicator	Line code	Authorised capital	Treasury shares	Add-on capital	Reserve capital	Retained earnings (uncovered loss)	Total
1	2	3	4	5	6	7	8	9
	Equity as of 31 December 2017	3100	25 219 482	-	41 421 206	1 260 974	51 985 391	119 887 053
	<b>For 2018</b>							
	Equity increase, total:	3210	-	-	-	-	18 971 804	18 971 804
	including:							
	Net profit	3211	X	X	X	X	18 872 866	18 872 866
	Revaluation of assets	3212	X	X	-	X	-	-
	Income directly attributable to the capital increase	3213	X	X		X	98 938	98 938
	Additional share issue	3214	-	X	-	X	-	-
	Increase in the nominal value of shares	3215	-	X	-	X	-	-
	Reorganisation of the legal entity	3216	-	-	-	-	-	-
	Placement of treasury shares	3217	X	-	X	X	-	-
	Capital reduction, total:	3220	-	-	-	-	(14 000 000)	(14 000 000)
	including:							
	Loss	3221	X	X	X	X	-	-
	Revaluation of assets	3222	X	X	-	X	-	-
	Expenses directly attributable to capital reduction	3223	X	X		X		
	Decrease in the nominal value of shares	3224	-	X	-	X	-	-
	Decrease in the number of shares	3225	-	X	-	X	-	-
	Reorganisation of the legal entity	3226	-	-	-	-	-	-
	Dividends	3227	X	X	X	X	( 14 000 000)	( 14 000 000)
	Repurchase of treasury shares	3228	X	-	X	X	-	-
	Changes in add-on capital	3230	X	X	( 666)	X	666	
	Changes in reserve capital	3240	X	X	X	-	-	X
	Equity as of 31 December 2018	3200	25 219 482	-	41 420 540	1 260 974	56 957 861	124 858 857
	<b>For 2019</b>							
	Equity increase, total:	3310	-	-	-	-	18 711 391	18 711 391
	including:							
	Net profit	3311	X	X	X	X	18 612 405	18 612 405
	Revaluation of assets	3312	X	X	-	X	-	-
	Income directly attributable to the capital increase	3313	X	X		X	98 986	98 986
	Additional share issue	3314	-	X	-	X	-	-
	Increase in the nominal value of shares	3315	-	X	-	X	-	-
	Reorganisation of the legal entity	3316	-	-	-	-	-	-
	Placement of treasury shares	3317	X	-	X	X	-	-
	Capital reduction, total:	3320	-	-	-	-	( 14 000 000)	( 14 000 000)
	including:							
	Loss	3321	X	X	X	X	-	-
	Revaluation of assets	3322	X	X		X		
	Expenses directly attributable to capital reduction	3323	X	X		X		
	Decrease in the nominal value of shares	3324	-	X	-	X	-	-
	Decrease in the number of shares	3325	-	X	-	X	-	-
	Reorganisation of the legal entity	3326	-	-	-	-	-	-
N 3.19	Dividends	3327	X	X	X	X	(14 000 000)	(14 000 000)
	Repurchase of treasury shares	3328	X	-	X	X	-	-
	Changes in add-on capital	3330	X	X	( 2 680)	X	2 680	
	Changes in reserve capital	3340	X	X	X	-	-	X
	Equity as of 31 December 2018	3300	25 219 482	-	41 417 860	1 260 974	61 671 932	129 570 248

3. Net assets

Note	Indicator	Line code	As of 31 December 2019	As of 31 December 2018	As of 31 December 2017
1	2	3	4	5	6
	Net assets	3600	129 570 248	124 858 857	119 887 053

Director /signature/ M. G. Shirokov  
(signature) (printed name)

Chief Accountant /signature/ A. N. Koblova  
(signature) (printed name)

18 March 2020

# Cash Flow Statement

For 2019

Company UNIPRO PJSC

Taxpayer Identification Number \_\_\_\_\_

Type of economic activity Electric power generation by thermal power plants, including power plant performance assurance

Legal form / form of incorporation: \_\_\_\_\_

Public Joint-Stock Company / Joint private and foreign ownership \_\_\_\_\_

Unit of measurement: RUB thousand

OKUD Form  
Date (day, month, year) \_\_\_\_\_  
as per OKPO

INN \_\_\_\_\_

as per OKVED

as per OKOPF / OKFS  
as per OKEI

Codes		
0710004		
31	12	2019
76828204		
8602067092		
35.11.1		
12247/34		
384		

Notes 1	Indicator 2	Line code 3	For 2019 4	For 2018 5
	<b>Operating cash flows</b>			
	Receipts, total	4110	84 618 63C	80 810 605
	including:			
	From sale of products, goods, works and services	4111	84 258 644	80 170 476
N 3.11	Other receipts	4119	359 986	640 129
	Total payments	4120	( 62 239 332)	( 55 336 430)
	including:			
	To suppliers (contractors) for raw materials, supplies, works, services	4121	(46 232 600)	(44 964 019)
	In connection with salary payment to employees	4122	( 5 575 500)	(5 727 235)
	Interest on debt liabilities	4123		-
	Corporate income tax	4124	( 5 002 961)	( 492 263)
N 3.11	Other payments	4129	( 5 428 272)	(4 152 913)
	Balance of operating cash flows	4100	22 379 297	25 474 175
	<b>Investment cash flows</b>			
	Receipts, total	4210	5 534 037	9 671 549
	including:			
	From repayment of loans granted, from sale of debt securities (monetary claims against other parties)	4213	5 119 226	9101 978
	Dividends, interest on debt financial investments and similar receipts from shareholding in other companies	4214	414 811	569 571
	Total payments	4220	( 17 992 368)	( 19 538 451)
	including:			
	In connection with the acquisition, creation, upgrading, reconstruction and preparation for use of non-current assets	4221	(12 965 368)	( 13 537 120)
	In connection with the acquisition of other companies' shares (participatory interests)	4222	( 27 000)	-
	In connection with the acquisition of debt securities (monetary claims against other parties), extension of loans to other parties	4223	( 5 000 000)	(6 001 331)
	Balance of investment cash flows	4200	( 12 458 331)	( 9 866 902)
	<b>Financial cash flows</b>			
	Receipts, total	4310	2 500 000	17 575
	including:			
	Receipt of credits and loans	4311	2 500 000	17 575
	Total payments	4320	( 14 060 941)	( 13 872 901)
	including:			
	Payment of dividends and other payments as distribution of profit to the owners (participants)	4322	( 14 060 941)	( 13 855 321)
	Due to the redemption (buy-back) of bills and other debt securities, repayment of credits and loans	4323		( 17 580)
	Balance of financial cash flows	4300	( 11 560 941)	( 13 855 326)
	<b>Balance of cash flows for the reporting period</b>	4400	<b>( 1 639 974)</b>	<b>1 751 947</b>
	<b>Balance of cash and cash equivalents as of the beginning of the reporting period</b>	4450	<b>4 668 234</b>	<b>2 912 747</b>
	<b>Balance of cash and cash equivalents as of the end of the reporting period</b>	4500	<b>3 024 763</b>	<b>4 668 234</b>
	Effect of changes in the foreign exchange rate to the rouble	4490	( 3 497)	3 540

Director /signature/ M. G. Shirokov  
(signature) (printed name)

Chief Accountant /signature/ A. N. Koblova  
(signature) (printed name)

18 March 2020

**NOTES  
TO THE BALANCE SHEET AND PROFIT AND LOSS STATEMENT  
FOR 2019**

**1 General Information**

**1.1 Company Profile**

Unipro Public Joint-Stock Company (former OGC-4 OJSC (prior to 08 July 2011), E.ON Russia JSC (prior to 23 June 2016), hereinafter referred to as the Company) was established on 04 March 2005 according to Order of RAO UES of Russia OJSC No. 34r dated 02 March 2005.

The Company's core business activities include the following:

- generation and sale of electric power;
- generation and sale of heat power.

The Company is registered at the address: 23 Energostroyteley Street, bldg. 34, Surgut, Khanty-Mansi Autonomous Area – Yugra 628406 Russian Federation.

Mailing address: Floor 23, Block B, 10, Presnenskaya Embankment, 123112 Moscow

The Company's staff headcount as of 31 December 2019 was 4,585 employees (as of 31 December 2018 – 4,336 employees).

The Company's shares are listed on the Moscow Exchange (MOEX).

As of 31 December 2019, the Company had 7 regional standalone business units (6 branches and 1 representative office):

Item No.	Branch name	Location address
1	Yaivinskaya GRES Branch	5 Timiryazeva Street, Yaiva Urban-Type Settlement, Aleksandrovsk, 618340 Perm Territory, Russian Federation
2	Shaturskaya GRES Branch	5, Chernoozersky Drive, Shatura, Moscow Region, 140700, Russian Federation.
3	Smolenskaya GRES Branch	Ozerny Settlement, Dukhovshchinsky District, 216239 Smolensk Region, Russian Federation
4	Surgutskaya GRES-2 Branch	23 Energostroyteley Street, bldg 34, Surgut, Khanty-Mansi Autonomous Area – Yugra, 628406 Russian Federation.
5	Berezovskaya GRES Branch	1/15 Energetikov Industrial Facility, Kholmogorskoye settlement, Sharypovo District, Krasnoyarsk Territory 662328, Russian Federation
6	Engineering Branch	1 Energetikov Industrial Facility, bldg 15, Kholmogorskoye settlement, Sharypovo District, Krasnoyarsk Territory 662328, Russian Federation
7	Moscow Representative Office	10 Presnenskaya Embankment, block B, floor 23, Moscow, 123112, Russian Federation

Current members of the Board of Directors (elected at the Annual General Meeting of Shareholders of the Company on 14 June 2019) as of 31 December 2019:

Item No.	Full name	Position (the positions are provided as of the date of nomination to the Board of Directors)
1	Andreas Schierenbeck	CEO of Uniper SE, Chairman of the Board of Directors
2	Maxim Gennadyevich Shirokov	General Director of Unipro PJSC, Deputy Chairman of the Board of Directors
3	Georgiy Levanovich Abdushelishvili	Since 2018: Managing Director – Senior Partner, Vektor Liderstva JSC, Independent Director
4	Anna Grigoryevna Belova	Professor of Higher School of Management, Higher School of Economics, Independent Director
5	Dr. Patrick Wolff	Chief Legal Counsel and Compliance Area Manager, Uniper SE
6	Oleg Vyacheslavovich Vyugin	Professor of School of Finance, Faculty of Economic Sciences, Higher School of Economics, Independent Director
7	Eckhardt Rümmler	Member of Uniper SE Management Board
8	Uwe Fip	Senior Vice President, Gas Supply & Origination, Uniper Global Commodities SE
9	Reiner Hartmann	Head of the Moscow Representative Office of Uniper Global Commodities SE

Item No.	Full name	Position
1	Maxim Gennadyevich Shirokov	General Director, Chairman of the Management Board, Deputy Chairman of the Board of Directors, Unipro PJSC
2	Ulf Backmeyer	Deputy General Director for Finance and Economics, Unipro PJSC
3	Igor Viktorovich Popov	Deputy General Director for Production, Unipro PJSC

To assist the Company's Board of Directors and executive bodies in improving the corporate governance efficiency and the Company's financial and business operations, including through a systematic and consistent approach to analysis and assessment of the risk management, internal control, and corporate governance systems, the Company has created a centralised internal audit function performed by the Internal Audit Department.

From 1 January 2016, following a demerger of Uniper SE, a new international company, from E.ON Group, E.ON Russia JSC became its part and was renamed to Unipro PJSC on 23 June 2016.

83.73% of the Company's shares are held by Uniper SE (before June 2018 – by Uniper Russia Holding GmbH, a subsidiary of Uniper SE).

Uniper SE Group is the major shareholder of Unipro and is a leader in traditional power generation sector in Europe. The Company operates in European countries, Russia and several other countries. Uniper includes hydroelectric, gas-fired and coal power plants with a total capacity of 34 GW. Thanks to these key assets and the use of different fuel types, Uniper is a major and reliable supplier of electricity a large portion of which is produced using environmentally friendly technologies such as hydroelectric stations.

On 7 November 7 2017, Fortum Deutschland SE, a subsidiary of the Fortum Oyj, a Finnish energy company, published an application for public friendly takeover for purchasing all the shares of Uniper SE. The offer of Fortum Deutschland SE was accepted by the shareholders of Uniper SE holding the share of 47.12% in Uniper SE. In particular, E.ON SE offered 46.65% of Uniper SE shares held by it via E.ON Beteiligungen GmbH for sale to Fortum Deutschland under the above-mentioned offer. The application of accession of Fortum Deutschland SE was completed on 26 June 2018.

According to the public announcement of Fortum Oyj dated 1 February 2019 (publication of financial statements of Fortum Oyj as well as the overview of operations and financial activities for 2018), the share of voting rights in Uniper SE, held by Fortum Oyj (Espoo, Finland) as of 31 December 2018 was 49.99%.

In the notice of voting rights dated 9 October 2019 the Republic of Finland notified Uniper SE that its share of voting rights in Uniper SE directly held by Fortum Deutschland SE and indirectly by Fortum Oyj had increased up to 73.40%. The reason for the increase are the agreements signed by Fortum Oyj on October 8 2019 with shareholders Elliott и Knight Vinke for acquisition of more than 20.5% of Uniper SE shares. Closure of these agreements is to be approved by the regulatory authorities of Russia.

During 2019, Elliott held 17.84% of voting rights in Uniper SE.

## 1.2 Operating Environment of the Company

The Russian economy has some specifics that are typical for emerging markets. It is especially sensitive to movements in oil and gas prices. The legal, tax, and legal framework laws is continuously developing and is subject to frequent changes and varying interpretations. Persistent political tensions in the region and international sanctions imposed on certain Russian companies and citizens have a continuous negative effect on the Russian economy. Stable oil prices, low unemployment rates, and pay increase contributed to moderate economic growth in

2019. This economic environment significantly affects the Company's activities and financial standing. The Management takes all reasonable effort to ensure stability of the Company's activities. Nevertheless, it is hard to predict the consequences of the current economic situation and the current expectations and estimates of the Management may differ from the actual outcomes.

The Company's activities are more or less exposed to various risks (financial, legal, sovereign, regional, reputational, etc.). The Notes to the Balance Sheet and Profit and Loss Statement provide the information about the Company's exposure to risks and their root causes, risk management mechanisms, and period over period changes.

## **2 Accounting Policy**

### **2.1 Accounting Basis**

The financial statements have been prepared in compliance with the accounting and reporting rules currently in effect in the Russian Federation that were enacted by Federal Law 'On Accounting', as well as with the Regulation on Accounting and Reporting in the Russian Federation and the other regulatory legal acts adopted by the Ministry of Finance of the Russian Federation.

The data of the financial statements are presented in thousands of roubles.

The Company's assets are valued at actual cost, except for fixed assets and intangible assets (reflected at net book value) and assets for which impairment provisions have been created in line with established procedures (impairment).

In the Balance Sheet, financial investments, accounts receivable and payable, and estimated liabilities are classified as short-term if their circulation period does not exceed 12 months following the reporting date. The remaining assets and liabilities above are classified as long-term ones.

### **2.2 Fixed assets**

The 'Fixed assets' line shows:

- Fixed assets at the net book value;
- Equipment to be installed;
- Construction in progress;
- Advances paid under capital construction;
- Estimated liability for the disposal of fixed assets and rehabilitation (ELDFAR).

Fixed assets include land plots, buildings, machinery, equipment, vehicles, and other relevant facilities with the useful life over 12 months, and whose value exceeds RUB 40,000.

Due to the fact that a more accurate money estimate of the costs that the Company is expected to incur when dismantling, disposing of a fixed asset and restoring the natural resources on the land plot accommodating the fixed asset was previously impossible, the ELDFAR was entered in the books in 2018.

To charge expenses by periods correctly, starting from 2017, repair expenses for fixed assets, provided that such expenses are recurring, are reflected in line 1190 'Other non-current assets' and recognised in expenses on a straight-line basis within the period until the next similar repair.

FIXED ASSETS are reflected in the accounting records at historic value equal to actual acquisition and construction costs. An asset requiring a long time (over 12 month) and major acquisition, construction, and/or manufacturing costs to be prepared for intended use is recognised as an investment asset. Investment assets include constructions-in-progress to be ultimately reflected in the accounting records as fixed assets (including land plots), intangible assets or other non-current assets.



For accounting purposes, fixed assets are depreciated using the straight-line method based on their useful lives. The Balance Sheet reflects fixed assets at historic value less depreciation.

The useful lives accepted by the Company are provided in the table below:

Group of fixed assets	Useful life (number of years)
Buildings	25-50
Structures and transmitters	25-40
Machinery and equipment	5-15
Vehicles	7-15
Other	2-7

The useful life of assets is determined based on the expected period of reaping economic benefits to be established based on:

- the Company's experience in operating similar assets,
- the actual period of use of the asset specified in technical data sheets.

The expected useful life of the asset is to be established by the commission involving business line specialists.

Fixed assets are not subject to depreciation if their consumer properties do not change over time (land plots; natural resources sites; etc.)

Fixed assets shall not be depreciated in the following cases:

- If such fixed assets have been preserved for over three months for the period from the month following the month of preservation to the month of de-preservation inclusive;
- During the recovery of the asset in excess of 12 months for the period from the month following the month when the facility was taken down for recovery up to the month when recovery was completed.

Financial results of selling fixed assets are recorded in the profit and loss statement among other income and expenses.

Leased fixed assets are charged on the off-balance account.

## 2.3 Inventories

Inventories are estimated at the total actual costs of their acquisition.

Inventories issued for production or withdrawn otherwise are estimated at the average prime cost.

Tools, instruments, maintenance accessories, overalls and special gear, as well as any other items worth up to RUB 40,000 and with a useful life of over a year are recorded as inventories. The value of special gear and overalls valued above RUB 40,000 per kit with a useful life of over one year is depreciated using the straight-line method from the month following the month of handover to operation.

Inventories produced by disassembling an item of fixed assets or a different piece of property to be disposed of that are fit for further use by the Company are reflected in the accounting records at mark-to-market value to be determined in the manner established by the Company.

Inventories intended for capital works are reflected as part of Construction-in-progress.

Inventories, the market value of which at the end of the year turned out to be lower than the value at which they are accounted due to a sustained (lasting) price fall (obsolescence, full or partial loss of quality) are reflected in the balance sheet at the market value. A provision was made for the amount of the difference between the carrying value of such inventories and their market value (by the amount of inventories) and attributed to the increase in other expenses.

## **2.4 Deferred Expenses**

Expenses incurred by the Company in the reporting year but related to further reporting period (software products; licences for operating activities), are recorded as deferred expenses and are to be written off as intended on a straight-line basis during the periods, to which they relate. The duration of such a period is decided upon at the time of entry of deferred expenses to the books.

The Company accounts the following deferred expenses:

- Software with the use period of up to 12 months inclusive (licenses purchased under a license (sublicense agreement) or computer program copies), acquisition of certificates / access keys for technical support of a computer program, service packages, EDS services;
- Expenses (including the state duty) on acquiring licenses for the activities to be licensed specifying the validity period;
- Other expenses relating to future reporting periods.

Deferred expenses are reported as follows:

- to be written of as expenses 12 months or more after the reporting date as other non-current assets;
- to be written of as expenses within 12 months (inclusive) from the reporting date as other current assets.

## **2.5 Financial investments**

Financial investments are recognised for accounting purposes at actual costs of their acquisition.

Sub-accounting records of financial investments are maintained broken down by financial investment types and by assets, in which such investments were made (corporate sellers of securities, other companies in which the Company participates, corporate borrowers, etc.).

The bookkeeping unit for financial investments, depending on the nature of and procedure for acquisition and use thereof, is a series or any other homogeneous aggregate of financial investments.

Financial investments whose mark-to-market value can be determined in due order are revalued on a quarterly basis at mark-to-market value as of the end of the reporting period and the revalued amount is reflected in the accounting statements. The difference between the valuation of such financial investments as of the current reporting date and their previous valuation is recognised as other income and expenses.

The financial investments whose mark-to-market value is not determined, are carried as of the end of the reporting period at their carrying (book) value less the financial investment impairment provision made with regard to the assets, for which there are conditions for a major persistent impairment as of the reporting date. The size of the financial investment impairment provision is calculated based on historic value and expected market value of such investments.

The market value is either the fair value of net assets of the company invested into or a fraction of the fair value of net assets prorated to the share of investments into the company.

When financial investments are withdrawn and become the securities, for which the mark-to-market value is determined in due order, their value is determined on the basis of the last valuation. Withdrawal of financial investments, for which the mark-to-market value is not determined, is estimated at the historic value of each bookkeeping unit of financial investments.

Contributions to the authorised (share) capitals of other companies shall be recognised as the Company's financial investments and shall be booked as the amount of the investor's actual costs, i.e. at the cost of contributed assets, at which they were reflected in the Company's balance sheet.

In addition, financial investments shall include bank bills issued by buyers in case of settlements for the goods and products sold and works and services delivered.

Income and expenses from financial investments are recognised as other income and expenses.

## **2.6 Receivables and Payables**

The accounts receivable of buyers are recorded in the amount of services provided, work completed, and products shipped at reasonable prices and established tariffs. Settlements with other debtors shall be reflected on the basis of contractual prices for accounting and reporting purposes.

Advances for future supplies of fixed assets, equipment, major works and services paid to counterparties are recorded as non-current assets net of the value added tax (hereinafter – VAT). The tax on such advances is reflected as a part of other accounts receivable.

The debts, including those that concern the advances paid to suppliers, not settled by the due date, or that are highly unlikely to be settled by the date laid down in the contracts and not secured with relevant guarantees, sureties or otherwise, are reflected in the balance sheet less the provisions for doubtful debts. These provisions represent a conservative estimation by the Company's Management of the portion of debts that is likely not to be settled. The provision for doubtful debts is attributed to the increase in other expenses. If the debts, for which a provision was previously formed, are settled, the respective amount of the provision is restored.

The receivables and payables with expired limitation periods are written off pursuant to the Company's local regulation from the source specified in such regulation. To secure the Company's right of claim, written-off debt is charged on off-balance accounts for 5 years following the write-off period.

## **2.7 Foreign Exchange Assets and Liabilities**

To book business activities denominated in foreign currencies, official exchange rates against the rouble effective as of the date of the transaction were applied. Funds on the foreign currency bank accounts and other uncleared balances (other than received and made advances and prepayment) are recognised in the financial statements as the amounts calculated on the basis of official exchange rates.

The exchange rates as of 31 December 2019 were as follows: RUB 61.9057 for USD 1, RUB 69.3406 for EUR 1 (the exchange rates as of 31 December 2018 were as follows: RUB 69.4706 for USD 1, RUB 79.4605 for EUR 1; as of 31 December 2017: RUB 57.6002 for USD 1, RUB 68.8668 for EUR 1).

Foreign exchange differences arising under the transactions involving assets and liabilities in foreign currency during the year and as they were recalculated as of the reporting date were attributed to profit or loss as other income and expenses.

## **2.8 Cash Equivalents and Recognition of Cash Flows in the Cash Flow Statement**

Cash equivalents include highly liquid financial investments that can be easily converted into an amount of funds known beforehand and that are exposed to an insignificant risk of changes in values.

The Company classifies short-term bank deposits with maturities up to three months as cash equivalents.

In the cash flow statement, the Company's cash flows that cannot be definitely classified as flows under current, investment or financial operations, are recorded as cash flows from current operations.

The value of foreign currency cash flows to be presented in the cash flow statement was recalculated in roubles at the official exchange rate of this foreign currency against the rouble established by the Central Bank of Russia as of the date of payment or receipt of the payment.

If the Company has respective transactions, the cash flow statement presents in the aggregated way the following:

- receipts of funds from buyers to be transferred to principals (if the Company acts as a commission agent);
- VAT amounts as part of receipts from buyers and customers, payments to suppliers and contractors, and payments to the budget system and VAT refund therefrom.

Receipts and payments are presented in the aggregated way in the lines 'Other receipts' / 'Other payments' of the cash flow statement in case if the said types of flows are insignificant or if receipts and payments refer to one of the aforesaid types.

## **2.9 Authorised Capital, Add-on Capital and Capital Reserve**

The authorised capital is reflected in the amount of the nominal value of ordinary shares. The authorised capital amount corresponds to the one established in the Company's Articles of Association. The Company's add-on capital includes the increment in the value of fixed assets determined based on their revaluation (in the Company branches prior to their accession), the paid-in capital in excess of par gained as a result of the offer of the Company's shares at the price exceeding their denomination.

In compliance with the laws of the Russian Federation, the Company created a reserve fund amounting to 5% of the authorised capital. As of 31 December 2019, the reserve fund was created in full.

## **2.10 Estimated Liabilities, Contingent Liabilities and Contingent Assets**

### ***Estimated liabilities***

The Company keeps records of estimated and contingent liabilities according to Accounting Regulation 'Estimated Liabilities, Contingent Liabilities and Contingent Assets' RAS 8/2010 approved by Order of the Ministry of Finance of the Russian Federation No. 167n dated 13 December 2010.

The estimated liability is recorded in the accounting in the amount required for the direct performance (repayment of obligations) as of the reporting date or for the transfer the obligation to another person as of the reporting date.

Short-term estimated liabilities:

- Estimated liability for vacation allowances;
- Estimated liability for annual bonuses;
- Estimated liability for quarterly bonuses;
- Estimated liability for legal proceedings;
- Estimated liability for tax disputes;
- Estimated liability for the work performed / services provided under concluded contracts, but not accepted by the Company due to various circumstances;
- Other estimated liabilities meeting the criteria specified in RAS 8/2010.

Long-term estimated liabilities:

- Estimated liability for the disposal of fixed assets and rehabilitation.

If the recognition criteria for estimate liabilities established in Clause 5 of RAS 8/2010 are no longer met, the unused amount shall be written off.

The value of an estimated liability whose maturity period exceeds 12 months shall be discounted. The rate (rates) and methods of discounting shall be determined by the Company, taking into consideration the current conditions on the financial market, the risks related to the assumed consequences of the estimated liability and other factors. Increase in the estimated liability due to the increase of its present value is accounted in the other expenses and recognised in the interest payable in the profit and loss statement.

### ***Contingent Liabilities and Contingent Assets***

Contingent liabilities and contingent assets are not presented in the balance sheet, but are disclosed in the notes to the balance sheet and profit and loss statement.

A contingent liability (contingent asset) occurs as a result of any previous events of the business life, when the existence of the Company's liability (asset) as of the reporting date depends on the occurrence (non-occurrence) of one or more future indefinite events not controlled by the Company. A contingent liability is disclosed in the notes to the balance sheet and profit and loss statement, except for the cases when the decrease in economic benefits relating thereto is unlikely.

A contingent asset is disclosed in the notes to the balance sheet and profit and loss statement, when receipts relating thereto are probable. In this case, an estimated value or a range of estimated values are specified, if they can be determined.

## **2.11 Income Tax Settlements**

The amount of deferred tax assets and liabilities is reflected separately in the balance sheet: the amount of deferred tax assets as of the last date of the reporting period has been reflected as part of non-current assets, the amount of deferred tax liabilities as of the last date of the reporting period – as part of long-term liabilities.

## **2.12 Revenue Recognition**

Proceeds from the sale of products and provision of services are recognised as products are shipped to buyers (or services are rendered) and payment documents are issued. They are carried in the statements less the value added tax.

The Company divides income into income from core activities and other income.

The types of income reflected as part of income from the Company's core activities are as follows:

- Sale of electric power and capacity;
- Sale of heat power;
- Revenues from the sale of other types of products, works, services.

Among other income, the Company recognises the following:

- Income from shareholdings in other companies;
- Interest receivable;
- Revenues from sale of fixed assets;
- Revenues from sale of inventories;
- Revenues from the transactions involving derivatives (forward contracts for the purchase of foreign currency) after the closing date;
- Profit of previous years revealed in the reporting period;
- Penalties, fines and forfeits acknowledged or in respect of which there is a court decision on their recovery;
- Amounts payable with expired limitation period;
- Foreign exchange differences;
- Results of asset inventory audit;
- Revenues from the sale of bills reflected in financial investments;
- Revenues under claim assignment agreements;
- Expenses incurred as a result of force majeure (natural disasters, fire, accident, etc., including insurance compensations);

## 2.13 Recognition of Expenses

Production costs are booked in the reporting period, in which they were incurred. In the same period, production costs including administrative expenses are recognised as the prime costs of sold products in the profit and loss statement.

Other expenses include:

- Expenses on sale of fixed assets and other assets;
- Expenses on transactions involving derivatives (forward and option contracts for foreign currency purchase) after the closing date;
- Expenses on the sale of bills recognised in the Company's financial investments;
- Expenses under claim assignment agreements;
- Maintenance of preserved production facilities;
- Interest paid under credit / loan agreements (except for those included in the investment asset value), bank account fees;
- Interest paid under bills;
- Services of credit institutions;
- Fines and penalties paid for the breach of business contracts;
- Losses of past years;
- Uncollectable accounts receivable;
- Foreign exchange differences;
- Social payments;
- Expenses incurred as a result of force majeure (natural disasters, fire, accident, etc.);
- Other.

## 2.14 Historical Data

To ensure that the business transactions is reflected as accurately as possible when drawing up the balance sheet, the following adjustments were made:

1. Capitalizable repairs in progress previously reported in line 1150 'Fixed Assets', including line 1151 'Construction in Progress' are reported in line 1190 'Other Non-current Assets';
2. Software products with a long use period previously reported in line 1190 'Other Non-current Assets' are reported in line 1110 'Intangible Assets'.

Adjustments are presented in the table below:

RUB thousand

Adjustment of indicators as of 31 December 2017					
Indicator	Line code	Before adjustment	Adjustment number	Adjustment amount	After adjustment
<b>ASSET I. NON-CURRENT ASSETS</b>					
Intangible Assets	1110	211	2	27 182	27 393
Fixed assets, including:	1150	108 842 396	1	(1 488 953)	107 353 443
construction in progress	1151	29 236 809	1	(1 488 953)	27 747 856
Other non-current assets	1190	801 228	1,2	1 461 771	2 262 999
Adjustment of indicators as of 31 December 2018					
Indicator	Line code	Before adjustment	Adjustment number	Adjustment amount	After adjustment
<b>ASSET I. NON-CURRENT ASSETS</b>					
Intangible Assets	1110	190	2	22 641	22 831
Fixed assets, including:	1150	113 831 162	1	(361 276)	113 469 886
construction in progress	1151	36 261 069	1	(361 276)	35 899 793
Other non-current assets	1190	2 670 759	1,2	338 635	3 009 394

In the course of preparation of the Profit and Loss Statement the following adjustments have been taken into consideration:

The values in similar groups of income and expenses are shown in a short-hand form:

- Foreign exchange differences;
- Income and expenses on debt securities;
- Income and expenses on sale of inventories and metal scrap;
- Income and expenses on withdrawal of fixed assets;
- Income and expenses resulting from force majeure;
- Creation and recovery of estimated liabilities
- Creation and recovery of provisions for doubtful debts

Adjustments are presented in the table below:

RUB thousand

<b>Data of the Profit and Loss Statement for 2018</b>			
<b>Description</b>	<b>Before adjustment</b>	<b>Adjustment</b>	<b>After adjustment</b>
<b>Other income</b>	<b>5 697 422</b>	<b>(2 930 375)</b>	<b>2 767 047</b>
<b>Other costs</b>	<b>(4 452 217)</b>	<b>2 930 375</b>	<b>(1 521 842)</b>
<b>including:</b>			
Recovery of the provision for doubtful debts	1 239 213	(1 239 213)	-
Expenses on provisions for doubtful debts	(2 012 803)	1 239 213	(773 590)
Income incurred as a result of force majeure	816 301	(379 708)	436 593
Expenses incurred as a result of force majeure	(379 708)	379 708	-
Income on redemption of bills	785 267	(785 267)	-
Expenses on redemption of bills	(785 267)	785 267	-
Foreign exchange differences (income)	263 645	(263 645)	-
Foreign exchange differences (expenses)	(285 676)	263 645	(22 031)
Profit of previous years	149 645	(14 235)	135 410
Loss of previous years	(14 235)	14 235	-
Recovery of estimated liabilities	55 442	(16 506)	38 936
Expenses on estimated liabilities	(16 506)	16 506	-
Result of valuation of shares at the fair market value (income)	2 460	(2 460)	-
Result of valuation of shares at the fair market value (expense)	(13 365)	2 460	(10 905)
Sale of inventories, metal scrap	188 504	(135 011)	53 493
Value of sold and withdrawn inventories and metal scrap	(135 011)	135 011	-
Income on sale of rights of claim after the due date	69 028	(69 028)	-
Expenses on the sale of rights of claim after the due date	(69 028)	69 028	-
Sale of fixed assets	9 487	(4 874)	4 613
Cost of fixed assets sold	(4 874)	4 874	-
Contractual penalties, compensation for losses under contracts and / or based on the court decision	47 575	(20 428)	27 147
Penalties, litigation costs under contracts	(20 428)	20 428	-

### 3 Disclosure of Material Reporting Figures

#### 3.1 Information by Segments

There are no reporting segments in the Company's activities as the core activity is production of electrical power and capacity, the sales of which amount to 98% of the revenue from the sale of products (services). The Company also carries out other activities that are not significant and do not form any separate reporting segments.

The Company carries out its activity in the Russian Federation, the risk sources and risk nature throughout the Russian Federation are more or less the same.

#### 3.2 Fixed assets

Breakdown of balance sheet line 1150 'Fixed assets'

RUB thousand			
Description	31.12.2019	31.12.2018	31.12.2017
Fixed assets (net book value)	69 222 494	77 570 093	79 605 587
Capital investments in progress, including:	51 807 636	35 899 793	27 747 856
Capital investments in fixed assets and new construction/ acquisition of new fixed assets	42 983 854	21 775 373	12 118 796
Advances to suppliers/ contractors on capital investments (net of VAT)	1 136 427	1 298 867	2629 169
Equipment to be installed and other assets to be used for capital investments	7 687 355	12 825 553	12 999 891
<b>Total: balance sheet line 1150</b>	<b>121 030 130</b>	<b>113 469 886</b>	<b>107 353 443</b>

Among other things, line 'Equipment to be installed and other assets to be used for capital investments' reflects inventories intended for capital works worth RUB 1,107,731,000, RUB 6,186,143,000, and RUB 12,023,493,000 as of 31 December 2019, 31 December 2018, and 31 December 2017, accordingly.

#### Availability of and Changes in Fixed Assets at Historic Value

RUB thousand					
Indicator	Year	As of the beginning of the year	Increase	Decrease	As of the end of the year
<b>Fixed assets, including:</b>	<b>2019</b>	<b>130 367 650</b>	<b>1 370 722</b>	<b>(4 297 444)</b>	<b>127 440 928</b>
	<b>2018</b>	<b>127 165 217</b>	<b>4 572 913</b>	<b>(1 370 480)</b>	<b>130 367 650</b>
Buildings	2019	28 467 941	24 700	(6 732)	28 485 909
	2018	28 336 147	163 649	( 31 855)	28 467 941
Structures and transmitters	2019	17 377 394	241 424	(180 852)	17 437 966
	2018	17 199 322	185 842	( 7 770)	17 377 394
Machinery and equipment	2019	83 380 331	1 039 344	(4 081 421)	80 338 254
	2018	80 968 482	3 664 369	(1 252 520)	83 380 331
Other fixed assets	2019	562 581	65 254	(28 439)	599 396
	2018	591 383	49 524	(78 326)	562 581
Land plots	2019	69 874	-	-	69 874
	2018	69 883	-	(9)	69 874
ELDFAR	2019	509 529	-	-	509 529
	2018	-	509 529	-	509 529

#### Depreciation Charges and Changes in Depreciation Charges

RUB thousand					
Indicator	Year	As of the beginning of the year	Written off due to disposal of fixed asset	Depreciation accrued	As of the end of the year
<b>Fixed assets, including:</b>	<b>2019</b>	<b>(52 797 557)</b>	<b>316 558</b>	<b>(5 737 435)</b>	<b>(58 218 434)</b>
	<b>2018</b>	<b>(47 559 630)</b>	<b>741 357</b>	<b>(5 979 284)</b>	<b>(52 797 557)</b>
Buildings	2019	(5 379 503)	1 783	(683 597)	(6 061 317)
	2018	(4 710 945)	5 891	(674 449)	(5 379 503)
Structures and transmitters	2019	(6 506 393)	122 356	(568 706)	(6 952 743)
	2018	(5 812 864)	4 530	( 698 059)	(6 506 393)
Machinery and equipment	2019	(40 484 177)	164 219	(4 368 113)	(44 688 071)
	2018	(36 617 948)	709 221	(4 575 450)	(40 484 177)
Other fixed assets	2019	(400 837)	28 200	(53 065)	(425 702)
	2018	( 417 873)	21 715	(4 679)	(400 837)
ELDFAR	2019	(26 647)	-	(63 954)	(90 601)
	2018	-	-	( 26 647)	(26 647)

#### Change in the Value of Existing Fixed Assets, RUB thousand

Indicator	2019	2018	2017
Increase in the value of fixed assets due to extension, retrofitting, reconstruction – total, including:	786 676	3 286 606	2166 158
Buildings	24 700	163 649	82 352
Structures and transmitters	211 952	185 426	63 447
Machinery and equipment	549 745	2 937 531	2 020 359
Other fixed assets	279	-	-



Indicator	2019	2018	2017
Decrease in the value of fixed assets due to partial disposal – total, including:	(4 031 882)	(1 343 894)	(7 408 011)
Machinery and equipment	(4 022 171)	(1 304 268)	(7 155 821)

The value of fixed assets on lease as of 31 December 2019 was RUB 2,179,223,000 (as of 31 December 2018 – RUB 1,907,843,000; as of 31 December 2017 – RUB 1,851,261,000).

Breakdown of advances paid to counterparties for future supplies:

RUB thousand

Company	31 December 2019		31 December 2018		31 December 2017	
	Total	Net of VAT	Total	Net of VAT	Total	Net of VAT
POWER MACHINES PJSC	782 705	652 254	357	303	31 293	26 519
INSTITUTE ORGENERGOSTROY JSC	465 936	391 579	1 204 418	1 020 693	1 147 664	972 597
SIEMENS GAS TURBINE TECHNOLOGIES LLC	36 797	31 184	28 355	24 030		
EFER SERVIS LLC	15 548	12 957	-	-	-	-
ENNOVA JSC	14 554	12 334	-	-	-	-
ZARUBEZHENERGOPROEKT JSC	1 316	1 115	2 600	2 203	39 065	33 107
MACHINE-BUILDING FACTORY OF PODOLSK JSC			203 724	172 647	1 267 107	1 073 819
COTES JSC	-	-	19 276	16 336	23 689	20 076
Magaldi Power S.p.A.	-	-	14 163	14 163	-	-
GE RUS LLC	-	-	2 690	2 280	529 689	448 889
Other	48 161	35 004	55 152	46 212	63 913	54 162
<b>Total</b>	<b>1 365 017</b>	<b>1 136 427</b>	<b>1 530 735</b>	<b>1 298 867</b>	<b>3 102 420</b>	<b>2 629 169</b>

### 3.3 Accident at Berezovskaya GRES

On 1 February 2016, a fire occurred in the boiler house of Power Unit No. 3 at Unipro PJSC Berezovskaya GRES Branch damaging a major part of Power Unit No. 3 that had to be replaced.

Following the accident, an 800 MW power unit was taken down for unscheduled repairs. The power unit does not generate any electric power and is depreciated during the repair operations. According to the current estimates, Unipro PJSC expects to restore the power unit and resume receipt of payments for the capacity of Berezovskaya GRES Power Unit No. 3 in Q3 2020. According to the current market rules, no fines are expected for the failure to supply the capacity.

The current findings of a detailed examination of the equipment and removal of debris confirm the previous assessment of the damage sustained by the boiler house amounting to 55% of the cost of the boiler and 27% of the cost of the building and auxiliary equipment. The amount of the damage referred to above is net of the receipt of inventories from dismantling the fixed assets amounting to RUB 18,247,000 in 2019 (RUB 575,277,000 – in 2018).

The Power Unit might be commissioned later than planned, resulting in later receipt of income. The delay in commissioning is one of the Company's most material individual risks.

In 2019, no damaged fixed asset writing off was reported as other expenses (in 2018 – RUB 371,692).

### 3.4 Construction-in-Progress

The Company is building new facilities and is reconstructing the existing ones.

Construction-in-progress includes equipment to be installed and tangible assets to be used for capital investments.

The breakdown of the most important projects of construction-in-progress is presented below:

RUB thousand

Description	Constructi on start year	31.12.2019	31.12.2018	31.12.2017
Repair and recovery works at Power Unit No. 3 at Berezovskaya GRES	2016	35 739 462	15 810 075	6 699 588
Fuel receiving station (Berezovskaya GRES)	2014	5 375 304	5 260 931	4 942 635
Dry ash removal system (Berezovskaya GRES)	2011	101 360	101 813	95 183
Equipment to be installed at facilities under construction-in-progress at Berezovskaya GRES	-	4 585 881	5171 055	445 694
Other assets, including equipment to be installed and other assets, to be used for capital investments	-	4 869 202	8 257 052	12 935 587
Advances paid	-	1 136 427	1 298 867	2629 169
<b>Total</b>		<b>51 807 636</b>	<b>35 899 793</b>	<b>27 747 856</b>

The volume of capital construction under project "Repair and Recovery Works at Power Unit No. 3 (Berezovskaya GRES)" in 2019 amounted to RUB 16,122,720,000. (in 2018 – RUB 9,112,741,000; in 2017 – RUB 6,223,773,000).

Moreover, Berezovskaya GRES Branch is building a new fuel receiving station. After its commissioning, coal will be supplied continuously to the three units at once. All production processes at the new fuel receiving station will be fully automated and, once it is commissioned, integrated with the new fuel supply process control system at Berezovskaya GRES.

### 3.5 Long-term financial investments

RUB thousand

Indicator	Year	As of the beginning of the year		Changes for the period				As of the end of the period	
		Initial value	Cumulative adjustment	Increase	Decrease (repaid)		Current market value (impairment losses)	Initial value	Cumulative adjustment
					Initial value	Cumulative adjustment			
Long-term financial investments – total, including:	2019	1 842 711	(1 078 260)	872 387	(934 418)		3 383	1 780 680	(1 074 877)
Investments in authorised capitals, including:	2018	2 181 182	(1 067 356)	876 501	(1 214 972)		(10 904)	1 842 711	(1 078 260)
	2019	1 291 200	(1 078 260)	-	-	-	3 383	1 291 200	(1 074 877)
Investments in authorised capitals of subsidiaries and affiliates	2018	1 291 200	(1 067 356)	-	-	-	(10 904)	1 291 200	(1 078 260)
	2019	1 202 000	(1 011 009)					1 202 000	(1 011 009)
Investments in authorised capitals of other companies	2018	1 202 000	(1 011 009)					1 202 000	(1 011 009)
	2019	89 200	(67 251)				3 383	89 200	(63 868)
Investments in other securities of companies (bonds, bills, etc.)	2018	89 200	(56 347)				(10 904)	89 200	(67 251)
	2019	551 511		872 387	(934 418)			489 480	
Investments in other securities of other companies (bonds, bills, etc.)	2018	670 108		875 170	(993 767)			551 511	
	2019	551 511		872 387	(934 418)			489 480	
	2018	670 108		875 170	(993 767)			551 511	

Indicator	Year	As of the beginning of the year		Changes for the period				As of the end of the period	
		Initial value	Cumulative adjustment	Increase	Decrease (repaid)		Current market value (impairment losses)	Initial value	Cumulative adjustment
					Initial value	Cumulative adjustment			
Other types of financial investments	2019	-	-	-	-	-	-	-	-
	2018	219 874	-	1 331	(221 205)	-	-	-	-
Loans granted	2019	-	-	-	-	-	-	-	-
	2018	219 874	-	1 331	(221 205)	-	-	-	-

Breakdown of long-term financial investments:

RUB thousand

Description	31.12.2019	31.12.2018	31.12.2017
Bills	489 480	551 511	670 108
Interest in Unipro Engineering LLC	125 000	125 000	125 000
Interest in E.ON Connecting Energies LLC	39 991	39 991	39 991
Interest in Siberia AIP LLC	26 000	26 000	26 000
Shares of RusHydro PJSC	25 332	21 949	32 853
Loan to Unipro Engineering LLC	-	-	219 874
<b>Total</b>	<b>705 803</b>	<b>764 451</b>	<b>1 113 826</b>

Shares of RusHydro PJSC are carried at the mark-to-market value. As of 31 December 2019, loans granted have been fully repaid.

Breakdown of long-term bills:

RUB thousand

Investment type	Maturity	Amount		
		31.12.2019	31.12.2018	31.12.2017
Bank bill	2021	489 480	-	-
Bank bill	2020	-	551 339	-
Bank bill	2019	-	-	669 733
Bills of Ulyanovskenergo OJSC	2020	-	172	172
Bills of Ulyanovskenergo OJSC	2019	-	-	203
<b>Total</b>		<b>489 480</b>	<b>551 511</b>	<b>670 108</b>

The Company intends to hold to maturity all the long-term financial investments.

### 3.6 Other non-current assets

Line 1190 'Other non-current assets' shows the expenses to be written off in the future, with the writing-off period over 12 months following the reporting date.

Besides, this line reflects recurring major repair expenses on power units arising after certain long intervals put together in group 'Capitalised repairs'.

RUB thousand

Group description	31.12.2019	31.12.2018	31.12.2017
Capitalised repairs	3437 147	2 972 656	2 204 004
Other costs	30 819	36 738	58 995
<b>Total</b>	<b>3 467 966</b>	<b>3 009 394</b>	<b>2 262 999</b>

### 3.7 Inventories

Changes in inventories during the period:

RUB thousand

Indicator	Year	As of the beginning of the year	Changes for the period			As of the end of the period
			Receipts	Decrease	Turnover of inventories between their groups (types)	
Inventories – total, including:	2019	7 984 799	36 161 064	(36 248 593)	x	7 897 270
	2018	4 127 248	39 843 991	(35 986 440)	x	7 984 799
Fuel	2019	1 384 342	34 505 840	(34 483 479)	1 289	1 407 992

Indicator	Year	As of the beginning of the year	Changes for the period			As of the end of the period
			Receipts	Decrease	Turnover of inventories between their groups (types)	
	2018	1 288 313	34 783 404	(34 688 106)	731	1 384 342
Spare parts, components, etc.	2019	6 600 457	1 655 224	(1 765 114)	(1 289)	6 489 278
	2018	2 838 935	5 060 587	(1 298 334)	(731)	6 600 457

Changes in the provision for inventory impairment:

RUB thousand

Indicator	Year	As of the beginning of the year	Changes for the period		As of the end of the year
			Written off	Accrued	
Inventories – total, including:	2019	(10 165)	16 506	(40 002)	(33 661)
	2018	(15 847)	15 847	(10 165)	(10 165)
Fuel	2019	(348)	348	(1 602)	(1 602)
	2018	(550)	550	( 348)	( 348)
Spare parts, materials, etc.	2019	(9 817)	16 158	(38 400)	(32 059)
	2018	(15 297)	15 297	(9 817)	( 9 817)

Following the dismantling of fixed assets damaged during the accident at Berezovskaya GRES, in 2019 the Company entered materials worth RUB 18,247,000 in its books (as compared to RUB 575,277,000 in 2018; RUB 846,454,000 in 2017).

### 3.8 Other Current Assets

Other current assets include the expenses to be written off in the future, within 12 months following the reporting date.

Breakdown of other current assets:

RUB thousand

Group description	31.12.2019	31.12.2018	31.12.2017
Software	59 406	16 644	15 613
Other current assets	52 354	54 873	31 769
<b>Total</b>	<b>111 760</b>	<b>71 517</b>	<b>47 382</b>

### 3.9 Accounts Receivable

Accounts receivable in the balance sheet are shown less the provisions for doubtful debts.

Breakdown of long-term and short-term accounts receivable:

RUB thousand

Counterparty name	Debt amount			Provision amount		
	31.12.2019	31.12.2018	31.12.2017	31.12.2019	31.12.2018	31.12.2017
Long-term accounts receivable	615 496	638 406	276 547	-	-	-
Buyers and customers, including:	377 600	377 600	-	-	-	-
Siemens Gas Turbine Technologies LLC	377 600	377 600	-	-	-	-
Short-term receivables – total, including:	13 804 522	13 190 855	15 518 764	6 826 332	6 192 685	5 475 868
Buyers and customers, including the major ones:	12 517 681	11 926 191	10 829 017	6 812 413	6 172 723	5 465 860
Dagestan Energy Retail Company PJSC	3 020 107	2 631 160	2 081 574	3 017 875	2 593 688	2 081 574
Center of Financial Settlements JSC	1 442 212	1 656 421	1 421 462	32 018	19 627	67 018
Mosenergosbyt JSC	508 165	751 993	360 116	-	-	-
Kola Energy Retail Company PJSC	490 468	490 734	492 681	490 468	490 734	492 681
Nurenergo OJSC	411 713	411 717	412 649	411 713	411 717	412 649
Advances, including the major ones:	149 801	255 304	107 158	4	4	455

Counterparty name	Debt amount			Provision amount		
	31.12.2019	31.12.2018	31.12.2017	31.12.2019	31.12.2018	31.12.2017
CITY CENTER INVESTMENT B.V. Representative office in the Russian Federation	58 520	62 527	51 868	-	-	-
Other, including:	1 137 040	1 009 360	4 582 589	13 915	19 958	9 553
Taxes and charges payable	314 982	311 034	3 698 556	-	-	-
<b>Total</b>	<b>14 420 018</b>	<b>13 829 261</b>	<b>15 795 311</b>	<b>6 826 332</b>	<b>6 192 685</b>	<b>5 475 868</b>

#### Change in receivables

RUB thousand

Indicators	Year	As of the beginning of the year	Increase	Repaid	Written-off as a financial result	As of the end of the year
Long-term accounts receivable – total	2019	638 406		(22 910)		615 496
	2018	276 547	458 082	(96 223)		638 406
including:						
Buyers and customers	2019	377 600	-	-	-	377 600
	2018	-	377 600	-	-	377 600
Loans	2019	260 341	-	(22 445)	-	237 896
	2018	255 788	80 482	(75 929)	-	260 341
Other	2019	465	-	(465)	-	-
	2018	20 759	-	(20 294)	-	465
Short-term accounts receivable – total	2019	13 190 855	122 230 819	(121 615 708)	(1 444)	13 804 522
	2018	15 518 764	116 036 754	(118 303 597)	(61 066)	13 190 855
including:						
Buyers and customers	2019	11 926 191	102 893 668	(102 302 044)	(134)	12 517 681
	2018	10 829 017	96 892 267	(95 734 913)	(60 180)	11 926 191
Advances	2019	255 304	3 062 645	(3 168 010)	(138)	149 801
	2018	107 158	3 408 663	(3 259 720)	(797)	255 304
Other	2019	1 009 360	16 274 506	(16 145 654)	(1 172)	1 137 040
	2018	4 582 589	15 735 824	(19 308 964)	(89)	1 009 360
<b>Total</b>	<b>2019</b>	<b>13 829 261</b>	<b>122 230 819</b>	<b>(121 638 618)</b>	<b>(1 444)</b>	<b>14 420 018</b>
	<b>2018</b>	<b>15 795 311</b>	<b>116 494 836</b>	<b>(118 399 820)</b>	<b>(61 066)</b>	<b>13 829 261</b>

#### Changes in the provision for doubtful debts

RUB thousand

Indicators	Year	As of the beginning of the year	Accrued	Spent	As of the end of the year
Short-term receivables – total, including:	2019	(6 192 685)	(639 690)	6 043	(6 826 332)
	2018	(5 475 868)	(777 459)	60 642	(6 192 685)
including:	2019	(6 172 723)	(639 690)	-	(6 812 413)
Buyers and customers	2018	(5 465 860)	(767 043)	60 180	(6 172 723)
Advances	2019	(4)	-	-	(4)
	2018	(455)	-	451	(4)
Other	2019	(19 958)	-	6 043	(13 915)
	2018	(9 553)	(10 416)	11	(19 958)

### 3.10 Short-Term Financial Investments

Breakdown of short-term financial investments:

RUB thousand

Investment type	Maturity	Rate, %	Amount		
			31.12.2019	31.12.2018	31.12.2017
Bank bill	2020		934 246	-	-
Bank bill	2019		-	993 564	-
Bank bill	2018		-	-	785 063
Bills of Ulyanovskenergo OJSC	2020		172	-	203

Investment type	Maturity	Rate, %	Amount		
			31.12.2019	31.12.2018	31.12.2017
Bills of Ulyanovskenergo OJSC	2019		203	203	203
Bills of Ulyanovskenergo OJSC	2018		-	203	-
Loan to Unipro Engineering LLC	2019	5,65 - 8,58		119 226	
Loan to Uniper SE	2018	7,81 - 8,52	-	-	3 000 000
<b>Total</b>			<b>934 621</b>	<b>1 113 196</b>	<b>3 785 469</b>

#### Changes in short-term financial investments

RUB thousand

Investment type	Year	As of the beginning of the year	Increase	Repaid	As of the end of the year
Bills	2019	993 970	934 418	(993 767)	934 621
	2018	785 469	993 768	(785 267)	993 970
Loan to Unipro Engineering LLC	2019	119 226	-	(119 226)	-
	2018	-	340 431	(221 205)	119 226
Loan to Uniper SE	2019	-	5 000 000	(5 000 000)	-
	2018	3 000 000	-	(3 000 000)	-
<b>Total</b>	<b>2019</b>	<b>1 113 196</b>	<b>5 934 418</b>	<b>(6 112 993)</b>	<b>934 621</b>
	<b>2018</b>	<b>3 785 469</b>	<b>1 334 199</b>	<b>(4 006 472)</b>	<b>1 113 196</b>

Total short-term financial investments as of 31 December 2019, 31 December 2018 and 31 December 2017 have been adjusted for the financial investment impairment provision in the amount of RUB 72,419,000.

Interest on the loans granted is recorded on profit and loss accounts and in respective lines of the profit and loss statement of the Company as it is accrued. As of 31 December 2019, loans granted have been fully repaid.

The Company intends to hold to maturity all the short-term financial investments.

### 3.11 Cash and Cash Equivalents

Structure of cash and cash equivalents:

RUB thousand

Indicator	31.12.2019	31.12.2018	31.12.2017
Cash on checking accounts	34 145	77 517	96 979
Cash on foreign currency accounts	6	3 927	48 800
Cash on hand	112	298	159
Cash on special bank accounts	500	492	500
<b>Total cash</b>	<b>34 763</b>	<b>82 234</b>	<b>146 438</b>
Short-term bank deposits (with the term up to three months) in roubles	2 990 000	4 586 000	2 656 351
Short-term bank deposits (with the term up to three months) in US dollars			109 958
<b>Total cash equivalents</b>	<b>2 990 000</b>	<b>4 586 000</b>	<b>2 766 309</b>
<b>Total cash and cash equivalents (line 1250)</b>	<b>3 024 763</b>	<b>4 668 234</b>	<b>2 912 747</b>

The free cash flow was allocated to deposits. Breakdown of bank deposits as of 31 December 2019:

RUB thousand

Name of the credit institution	Investment type	Rate, %	Amount	Payback period
Gazprombank (JSC)	Deposit	5,5	1 000 000	14.01.2020
Gazprombank (JSC)	Deposit	5,5	590 000	09.01.2020
UniCredit Bank JSC	Deposit	5,65	500 000	09.01.2020
Bank VTB (PJSC)	Deposit	5,65	900 000	09.01.2020
<b>Total</b>			<b>2 990 000</b>	

Breakdown of bank deposits as of 31 December 2018:

RUB thousand

Name of the credit institution	Investment type	Rate, %	Amount	Payback period
Gazprombank (JSC)	Deposit	6	1 636 000	01.2019
UniCredit Bank JSC	Deposit	6,55	1 400 000	01.2019
NCO NCC (JSC)	Deposit	7,57	1 000 000	01.2019
Bank VTB (PJSC)	Deposit	6,5	550 000	01.2019
<b>Total</b>			<b>4 586 000</b>	

Breakdown of bank deposits as of 31 December 2017:

RUB thousand

Name of the credit institution	Investment type	Rate, %	Amount	Payback period
Gazprombank (JSC)	Deposit	6-6,75	2 356 058	01.2018
UniCredit Bank JSC	Deposit	0,9	109 958	01.2018
Bank VTB (PJSC)	Deposit	7,12	300 293	01.2018
<b>Total</b>			<b>2 766 309</b>	

Breakdown of line 4119 'Other receipts' in the operating cash flow statement:

RUB thousand

Receipts	2019	2018
Other receipts	204 482	209 515
Expenses under claim assignment agreements;	155 504	-
VAT	-	430 614
<b>Total</b>	<b>359 986</b>	<b>640 129</b>

Breakdown of line 4129 'Other payments' in the operating cash flow statement:

RUB thousand

Payment description	2019	2018
Settlements on taxes and levies payable	(1 499 704)	(1 520 877)
Social insurance and security payments	(1 386 444)	(1 375 382)
Other payments	(901 957)	(528 075)
VAT	(685 260)	-
Property insurance payments	(389 099)	(435 679)
Settlements on swap transactions	(274 357)	-
Water use settlements	(291 451)	(292 900)
<b>Total</b>	<b>(5 428 272)</b>	<b>(4 152 913)</b>

The amount of cash flows required to maintain the existing scope of the Company's operations is shown as part of current activities. VAT amount in the Cash Flow Statement is presented in the aggregated way.

Significant cash flows between the Company and its subsidiaries, affiliated or principal entities:

RUB thousand

Related party	Line CASH FLOW STATEMENT	Receipts	
		2019	2018
Principal entity			
Uniper SE	4213	5 000 000	9 000 000
Uniper SE	4214	81 950	52 376
Subsidiaries			
Unipro Engineering LLC	4111	11 454	71 430
Unipro Engineering LLC	4213	119 225	101 978
Unipro Engineering LLC	4214	19 670	12 964
Affiliates			
E.ON Connecting Energies LLC	4111	7 091	6 916
Fortum Group			
Fortum PJSC	4111	6 731	12 209

Related party	CFS line code	Payments	
		2019	2018
Principal entity			
Uniper SE	4223	(5 000 000)	(6 000 000)
Uniper SE	4129	-	(6 041)
Uniper SE	4322	(11 136 413)	(11 136 413)
Subsidiaries			
Unipro Engineering LLC	4121	(306)	(36 571)
Unipro Engineering LLC	4223	-	(1 331)
Unipro Engineering LLC	4221	-	(736 544)
Siberia AIP LLC	4222	(27 000)	-
Affiliates			
E.ON Connecting Energies LLC	4121	(268)	(441)
Uniper Group			
Uniper Technologies GmbH	4221	-	(47 490)

### 3.12 Short-Term Accounts Payable

Breakdown of accounts payable:

RUB thousand

RSD thousand							
Indicator	Year	As of the beginning of the year	Changes for the period				As of the end of the period
			Receipt		Decrease		
			Increase	Interest, penalties, etc.	repayment	Write-off as profit or loss	
Short-term accounts payable – total, including:	2019	6 313 361	127349443	6 989	(125 710 738)	(158)	7958897
	2018	5178946	113026890	835	(111 892 458)	( 852)	6 313 361
Suppliers and contractors	2019	4075751	70 897 788	822	(71 291 039)	(114)	3 683 208
	2018	3634209	70 785 907	835	(70 344 513)	(687)	4 075 751
Advances received	2019	38 227	117825	-	(145 044)		11 008
	2018	8 944	315506	-	( 286 223)		38 227
Tax settlements	2019	1617 313	29 883 963	-	(30 368 101)		1 133175
	2018	896712	18 643 472	-	(17 922 871)		1617 313
Credits and loans	2019	-	2 500 000	6 167	-		2506167
	2018	-	17 580	-	( 17 580)		-
Other	2019	582070	23 949 867	-	(23 906 553)	(44)	625 340
	2018	639081	23 264 425	-	(23 321 271)	(165)	582070
Total	2019	6313361	127 349 443	6 989	(125 710 738)	(158)	7958897
	2018	5178946	113 026 890	835	(111 892 458)	(8*2)	6313361

Furthermore, line 1550 'Other short-term liabilities' shows the VAT recovered upon the payment of advances to contractors and the receipt of tax invoices for the amount of the advance paid. Refunded VAT amounts to RUB 240,411,000 as of 31 December 2019. (RUB 255 217,000 as of 31 December 2018). (RUB 482 616,000 as of 31 December 2017).

### 3.13 Shareholders' Funds

The Company's authorised capital is fully paid as of 31 December 2019, 31 December 2018, and 31 December 2017 and amounts to RUB 25,219,482,000 — 63,048,706,145 and 44,925,042,874/49,130,625,974 ordinary shares at par value of RUB 0.40 each.

The Company's reserve capital as of 31 December 2019 amounted to RUB 1,260,974,000 (RUB 1,260,974,000 as of 31 December 2018 and 1,260,974,000 as of 31 December 2017) accounting for 5% of the authorised capital.

A major portion of the Company's reserve capital is accounted for by capital in excess of par (RUB 40,969,311,000 as of 31 December 2019, 31 December 2018, 31 December 2017).

### 3.14 Income from Core Activities

Breakdown of income from core activities:

RUB thousand

Type of activity	2019	2018
Sale of electric power and capacity	82 920 543	79 364 112
Sale of heat	1 417 365	1 380 527
Sale of other works, services	423 788	570 422
<b>Total</b>	<b>84 761 696</b>	<b>81 315 061</b>



### 3.15 Expenses on Core Activities

Breakdown of the cost:

		RUB thousand	
Expense type	2019	2018	
Tangible costs, including:	42 690 938	41 413 636	
Production works and services	1 456 621	1 440 991	
Depreciation	6 254 462	6 414 528	
Labour costs	5 280 028	5 716 930	
Social security contributions	1 355 315	1 394 809	
Other costs, including:	4 568 719	5 209 378	
Expenses on services at Wholesale Electricity and Capacity Market	1 351 251	1 299 217	
Taxes and levies	1 030 177	1 708 084	
Security expenses	505 966	474 049	
Insurance expenses	436 871	378 677	
Lease payments	234 195	235 030	
Cleaning and other similar expenses	114 563	116 475	
Other	807 888	753 461	
Expenses on software purchase and maintenance	87 808	244 385	
<b>Total</b>	<b>60 149 462</b>	<b>60 149 281</b>	

### 3.16 Other Income and Expenses

		RUB thousand	
Description	2019	2018	
<b>Other income (+) / expenses (-), including:</b>	<b>(1 881 229)</b>	<b>1 245 205</b>	
<b>Other income</b>	<b>255 357</b>	<b>2 767 047</b>	
<b>Other costs</b>	<b>(2 136 586)</b>	<b>(1 521 842)</b>	
<i>including in other income and expenses items</i>			
Income and expenses on contractual penalties, compensation for losses under contracts and / or based on the court decision	88 019	27 147	
Income from recovery of other provisions	65 672	24 200	
Recognition of property following inventory audit	45 414	23 830	
Other income	41 981	58 412	
Income and expenses on sale of fixed assets	9 379	4 613	
Income on redemption of bills	3 383		
Income from shareholdings	1 446	1 043	
Income and expenses on sale of inventories, metal scrap	63	53 493	
Expenses for VAT not reimbursed from the budget	(6 025)	(6 827)	
Estimated liabilities	(6 677)	-	
Expenses on bank's services / fees on bank guarantees	(17 311)	(17 213)	
Payments to the trade union	(17 529)	(18 454)	
Profits and losses from the previous years	(17 578)	135 410	
Contributions to non-profitable associations	(20 675)	(16 666)	
Payments to employees, retirees and other similar expenses	(24 867)	(23 649)	
Expenses on mass cultural events	(47 850)	(60 844)	
Asset write-off expenses	(70 156)	(257 256)	
Expenses on charity, sponsorship	(70 624)	(154 322)	
Other costs	(88 085)	(39 492)	
Expenses on holding the General Meeting of Shareholders, meetings of the Board of Directors and other similar expenses	(120 571)	(120 593)	
Positive and negative foreign exchange differences	(229 895)	(22 031)	
Income and expenses resulting from force majeure	(521 171)	436 593	
Income and expenses on provision for doubtful debts	(877 572)	(773 590)	
Income from recognition of assets following write-off / disposal of fixed assets and construction-in-progress	-	1 963 370	
Income and expenses from recovery of estimated liabilities;	-	38 936	
Income and expenses on valuation of shares at the fair market value	-	(10 905)	

The 'Income and Expenses Resulting from Force Majeure' item includes other expenses related to the accident in power unit No. 3 of Berezovskaya GRES branch of RUB 850 million.

### **Positive and negative foreign exchange differences**

Description	2019	2018
Positive exchange differences	93 929	263 645
Foreign exchange losses	(323 824)	(285 676)
<b>Total positive and negative foreign exchange differences</b>	<b>(229 895)</b>	<b>(22 031)</b>

### **3.17 Taxes**

When calculating its tax liabilities, Unipro PJSC proceeds from the provisions of the current tax laws of the Russian Federation, the strict compliance with which is one of the corporate principles of the Company.

The total amount of taxes (except for personal income taxes and taxes payable in case of dividend income) calculated by the Company in 2019 amounted to RUB 12,628,932,000, RUB 1,219,452,000 less as compared to 2018 (RUB 11,409,480,000).

In 2019, the Company continued to pay special attention to the procedures of selection of suppliers of goods and works (services). Specifically, in 2019, the Company used Integrated Internal Procedure 'Customer Base Management. Supplier Reliability Check and Pre-Qualification' intended for the assessment of the risks of cooperating with Suppliers during the procurement of goods, works, and services for the Company's needs. On the basis of the said regulation, at the assessment stage, counterparties and suppliers of the Company are evaluated subject, in particular, to the following criteria:

1. Capability to perform operations in reality;
2. Sufficiency of material, production and labour resources to perform the contract;
3. Regularity of business activities;
4. Performance of operations involving real goods, etc.

#### **Value Added Tax**

The value added tax on the sold goods, products, works and services is accrued as of the date of actual shipping (delivery) of goods, products, works, services.

A comparison of the indicators used for the calculation of the VAT amount payable in 2019 and 2018 is presented in the table below.

Indicators	RUB thousand	
	2019	2018
VAT for the sale of goods, works, services with account of adjustments in submitted tax returns, including:	17 307 789	15 187 485
VAT payable to the budget by the Company as a tax agent	31 732	25 308
VAT for deduction from the budget with account of the revised tax returns submitted, including:	11 974 247	10 946 951
On tax agents	31 785	25 298
On advances paid to suppliers	303 532	293 439
<b>Total VAT payable with account of the revised tax returns:</b>	<b>5 333 542</b>	<b>4 240 534</b>

The increase in the VAT amount in 2019 by RUB 1,093,008,000 vs. 2018 is caused by an increase in the revenue from core activities.

#### **Property Tax**

The Company calculates the property tax in full compliance with the rules established by the current tax laws. Thereat, the Company uses the benefits permitted by the laws.

In 2019, the Company recognised property tax expenses in the amount of RUB 771,036,000 (as compared to RUB 1,485,006,000 in 2018). The decrease in the property tax by RUB 713,970,000 is caused by exemption of movable property from the tax base and lack of adjusted additional property tax returns for previous years in 2019.

## ***Income Tax***

The income tax amount calculated on the basis of accounting profit (contingent expense on the income tax) in 2019 was RUB 4,636,260,000 (as compared to RUB 4,603,126,000 in 2018).

Line 2410 'Current Income Tax' shows the income tax amount of RUB 5,002,785,000 (as compared to RUB 4,203,861,000 in 2018) calculated on the basis of tax accounting data and presented in the corporate income tax return for 2019.

When calculating the income tax payable to the regional budget, the Company applied the reduced tax rates:

1. For standalone business unit Surgutskaya GRES-2 Branch, the Company applied the reduced rate of 15% pursuant to the regional laws (Clause 5, Article 2 of Law of KhMAD–Yugra No. 87-oz dated 30 September 2011). In 2019, the amount of the impact on the income tax was RUB 172,390,000, while in 2018 this value was RUB 147,238,000.
2. For standalone business unit Yaivinskaya GRES Branch, the Company applied the reduced rate that was set at 15.78% with due regard to the reduction indicator due to capital investments during the tax period, (Clauses 1, 2, Article 15.1 of Law of Perm Region No. 1685-296 dated 30 August 2001). In total, the impact was RUB 48,424,000, while in 2018 this value was RUB 45,293,000.

The general rate of the tax payable to the regional budget by the Company in the reporting period was 16.15% (as compared to 16.12% in 2018).

## ***Permanent and Temporary Differences***

In the reporting year, the Company accrued permanent income tax assets reduced by the amount of permanent tax liabilities in compliance with the rules established by RAS 18/02 in the amount of RUB 92,819,000 (in 2018, permanent tax assets reduced by the amount of permanent tax liabilities accounted for RUB 253,580,000).

In 2019, the amount of the permanent tax asset recognised due to the application of reduced rates of the income tax payable to the regional budget amounted to RUB 220,814,000 (in 2018, this value was equal to RUB 192,531,000).

The amount of the permanent tax asset recognised due to the application of reduced rates of the income tax payable to the regional budget amounted to RUB 127,995,000 (in 2018, the permanent tax asset of to RUB 61,049,000 was recognised).

The resulting permanent and temporary differences resulted in the recognition of permanent tax liabilities, permanent tax assets, and deferred tax assets and deferred tax liabilities in the accounting records and statements based on the income tax rate – 20%.

Breakdown of permanent differences:

<b>Profit (+)/loss (-) item on the books</b>	<b>RUB thousand</b>	
	<b>2019</b>	<b>2018</b>
Profit/losses of past years	(17 587)	136 037
Recovery of estimated liabilities	64 238	23 904
Profit/loss from valuation of shares at the market value	3 383	(10 904)
Other income	58 161	74 661
Expenses for the write-off of fixed assets and other property	(38 556)	(10 998)
Accrual of estimated liabilities	(268 854)	(22 006)
Labour costs and other expenses for the benefit of the employees	(95 225)	(92 976)
Charity	(71 869)	(92 043)
Expenses for compulsory and voluntary property and liability insurance	(5 301)	(84)
Expenses for sports and mass cultural events	(37 538)	(45 316)
Expenses for holding meetings of shareholders, legal services, and other similar expenses	(1 256)	(725)

<b>Profit (+)/loss (-) item on the books</b>	<b>2019</b>	<b>2018</b>
Non-refundable VAT	(5 349)	(6 556)
Adjustment in tax accounting with respect to the sale of depreciable property	-	(13)
Other costs	(191 794)	(14 611)
Allowance for doubtful accounts	(32 429)	366 876
<b>Total</b>	<b>(639 976)</b>	<b>305 246</b>

### Income Tax Calculation

RUB thousand

Description	2019		2018	
	Difference	Tax effect	Difference	Tax effect
Contingent income tax expense	23 181 299 / 4 636 260		23 015 630 / 4 603 126	
Permanent tax liabilities				
For expenses not recognised for tax purposes (expenses beyond the established recognition limits for tax purposes, etc.)	1 233 949	246 790	700 395	140 079
Total permanent tax liabilities	1 233 949	246 790	700 395	140 079
Permanent tax assets				
For income not recognised for tax purposes, including:	(593 973)	(339 608)	(1 005 641)	(393 659)
Permanent tax assets on savings from application of reduced rate of the tax payable to the constituent entity's budget		(220 814)		(192 531)
Total permanent tax assets	(593 973)	(339 608)	(1 005 641)	(393 659)
Deferred tax assets				
Accrual of deferred tax assets				
For fixed assets, including differences in the total depreciation of fixed assets in accounting and tax records	179 689	35 938	384 518	76 904
For other reasons, including:	170 540	34 108	163 062	32 612
Deferred expenses	170 540	34 108	158 595	31 719
Repayment of deferred tax assets				
Differences in the total depreciation of fixed assets in accounting and tax records	(204 393)	(40 879)	(183 768)	(36 754)
For tax loss of past years	(1 029)	(206)	(1 028)	(206)
For other reasons, including:	(241 090)	(48 218)	(154 475)	(30 895)
Deferred expenses	(241 090)	(48 218)	(154 475)	(30 895)
Total changes in deferred tax assets for income tax purposes	(96 284)	(19 257)	208 309	41 661
Deferred tax liabilities				
Accrual of deferred tax assets				
For fixed assets, including differences in the total depreciation of fixed assets in accounting and tax records	(2 339 686)	(467 937)	(4 495 225)	(899 045)
For other reasons, including:	(108 637)	(21 727)	(121 780)	(24 356)
for non-current assets	(89 825)	(17 965)	(112 667)	(22 533)
Repayment of deferred tax liabilities				
For fixed assets, including differences in the total depreciation of fixed assets in accounting and tax records	4838 102	967 620	3 678 725	735 745
For other reasons	3 223	644	1 553	311
Total changes in deferred tax liabilities for income tax purposes	2 393 002	478 600	(936 727)	(187 345)
Total current income tax	5 002 785		4 203 861	
Taxable income	26 117 993		21 981 966	

The 'Other' line of the profit and loss statement shows the following amounts:

RUB thousand

Description	2019	2018
Amount of deferred tax liabilities written off	2 390	(31 704)
Amount of deferred tax assets written off	(3 293)	(66 915)
Income tax amount to be additionally paid (-)/returned (+) based on the revised returns for the previous tax periods		297 614
Penalties and fines for violation of tax laws, administrative laws, and road traffic regulations	(24 549)	7 786
Total Line 2460 'Other' of the profit and loss statement	(25 452)	206 781

### 3.18 Security of Liabilities

Indicator	RUB thousand		
	31.12.2019	31.12.2018	31.12.2017
Received – total, including:	2781 192	4 944 989	5 836 162
Bank guarantees	2172 734	4 424 583	5 353 071
Pledged assets	608 458	520 406	483 091

As of 31 December 2019, the most significant guarantees are those granted by the Company's counterparties to secure the performance of their obligations for the advance payments received under contracts, namely:

1. Bank guarantee amounting to RUB 782,366,000 issued by Bank VTB PJSC. The guarantee is to secure supply of equipment and performance of a work package for modernisation of the turbine units in the power units of Surgutskaya-2 GRES under the contract with POWER MACHINES – ZTL, LMZ, Elektrosila, Energomashexport;
2. Bank guarantee amounting to RUB 615,637,000 issued by Raiffeisenbank JSC. The guarantee secures the proper overhaul quality of the boiler cell at Power Unit No. 3 of Berezovskaya GRES Branch under the contract with Institute Orgenergostroy JSC.
3. Bank guarantee amounting to RUB 576,465,000 issued by Bank VTB PJSC. The guarantee secures the delivery of equipment under the contract with Machine-Building Factory of Podolsk JSC to manage the accident that occurred in Power Unit No. 3 of Berezovskaya GRES Branch on 01 February 2016, as well as surveying services and supervision over dismantling, installation, and adjustment of the equipment to be delivered.

### 3.19 Earnings per Share

The Company discloses the information about earnings per share in compliance with the 'Guidelines on the Disclosure of the Information about Earnings per Share' approved by Order of the Ministry of Finance of the Russian Federation No. 29n dated 21 March 2000.

The basic earnings per share reflect the portion of the earnings in the reporting period that may be potentially distributed among shareholders owning ordinary shares. It is calculated as a ratio between the basic earnings in the reporting period and the weighted average number of ordinary shares outstanding within the reporting year. The basic earnings is equal to the net profit in the reporting year (line 2400 of the profit and loss statement).

Basic earnings per share:

	2019	2018
Basic earnings in the reporting year, RUB thousand	18,612,405	18,872,866
Weighted average number of equity shares	63,048,706,145 and	63,048,706,145 and
Shares in circulation during the reporting year	44,925,042,874/ 49,130,625,974	44,925,042,874/ 49,130,625,974
Basic earnings per share, RUB	0.30	0.30

The Company does not have any securities having a dilutive effect.

The General Meeting of Company Shareholders held on 14 June 2019 passed the resolution to pay dividends in the amount of RUB 7,000,000,000 on ordinary shares for financial year 2018 at the rate of RUB 0.11 per one ordinary share; In 2018, RUB 7,000,000,000 was approved to be paid as dividends based on the results of 2017.

An extraordinary General Shareholders' Meeting of the Company held on 03 December 2019 passed the resolution to pay dividends in the amount of RUB 7,000,000,000 based on the results of the nine months of 2019 on ordinary shares at the rate of RUB 0.11 per one ordinary share; In 2018, RUB 7,000,000,000 was paid as dividends.

### 3.20 Related Parties

The Company is affiliated with Uniper Group comprising Uniper SE and its subsidiaries.

Before 28 May 2018 the Company's controlling company was Uniper Russia Holding GmbH. On 28 May 2018 Uniper SE became the holder of 83.73% of the Company and, therefore, its controlling company. The shareholder change is caused by the internal organisational changes in Uniper SE, the Uniper Group companies are related parties of the Company.

As, starting from June 2018, the largest shareholder of Uniper SE is Fortum Deutschland SE, the Fortum Group companies are also related parties of the Company.

List of the Company's related parties as of 31 December 2019 with which the Company had transactions in 2019 and balances as of 31 December 2019:

Item No.	Related party	Relation justification
1	Uniper Global Commodities SE	Uniper Group
2	Uniper NefteGaz LLC	Uniper Group
3	Uniper Technologies GmbH	Uniper Group
4	Uniper SE	Ultimate parent entity / Principal entity
5	Uniper Russia Holding GmbH (till 28 May 2018)	Principal entity
6	E.ON Connecting Energies LLC	Affiliated company
7	Siberia AIP LLC	Subsidiary
8	Unipro Engineering LLC	Subsidiary
9	E.ON IT LLC	Uniper Group
10	Uniper Risk Consulting GmbH	Uniper Group
11	Fortum PJSC	Fortum Group

The list of related parties equally includes the members of the Board of Directors and the Management Board of the Company (the information is disclosed in Section I of the notes to the balance sheet and profit and loss statement).

#### **Related-Party Transactions:**

Items	RUB thousand		
	31.12.2019	31.12.2018	31.12.2017
<b>Accounts receivable</b>	<b>1 874</b>	<b>14 763</b>	<b>56 031</b>
Siberia AIP LLC	254	267	275
Unipro Engineering LLC	-	12 535	47 552
E.ON Connecting Energies LLC	590	627	665
Fortum PJSC	1 030	1 334	-
Uniper NefteGaz LLC	-	-	89
Uniper SE	-	-	7 450
<b>Accounts payable</b>	<b>63 544</b>	<b>147 490</b>	<b>250 194</b>
Unipro Engineering LLC	786	92 216	83 353
Uniper Technologies GmbH	61 651	48 624	165 109
Uniper Risk Consulting GmbH	-	4 767	-
E.ON Connecting Energies LLC	17	11	90
Uniper SE	1 090	1 626	1 642
Fortum PJSC	-	246	-
<b>Loans granted</b>		<b>119 226</b>	<b>3 219 874</b>
Unipro Engineering LLC	-	119 226	219 874
Uniper SE	-	-	3 000 000
<b>Loans received</b>	<b>2 506 167</b>	-	-
Uniper SE	2 506 167	-	-
<b>Estimated liabilities – expenses under the contract</b>	<b>212 130</b>	<b>233 774</b>	<b>146 179</b>
Uniper Technologies GmbH	212 130	233 774	146 179

		RUB thousand	
Indicators	2019	2018	
<b>Revenue (net of VAT)</b>	<b>26 684</b>	<b>101 834</b>	
Siberia AIP LLC	885	838	
Uniper NefteGaz LLC	-	6 104	
Unipro Engineering LLC	11 454	75 133	
E.ON Connecting Energies LLC	7 091	6 916	
Fortum PJSC	6 731	12 457	
Uniper Global Commodities SE	263	239	
E.ON IT LLC	260	147	
<b>Services, goods received (net of VAT)</b>	<b>217 969</b>	<b>891 999</b>	
Unipro Engineering LLC	133 476	743 430	
Uniper Technologies GmbH	74 589	137 365	
Uniper Risk Consulting GmbH	4 238	4 537	
E.ON Connecting Energies LLC	274	124	
Uniper SE	4 564	5 849	
Fortum PJSC	828	694	
<b>%% on loans receivable</b>	<b>84 250</b>	<b>57 523</b>	
Unipro Engineering LLC	3 000	12 596	
Uniper SE	81 250	44 927	
<b>%% on loans payable</b>	<b>6 167</b>	<b>-</b>	
Uniper SE	6 167	-	

The payment terms of related-party transactions must be proved by contractual relations that are subject to prior authorisation by the Company's Board of Directors.

In 2019, the loan extended to Unipro Engineering LLC was repaid in full. The interest on the loan extended to Unipro Engineering LLC in 2019 amounted to RUB 3,000. In 2018, the amount of the loan issued to Unipro Engineering LLC amounted to RUB 119,226,000. The interest received on the loan amounted to RUB 12,596,000 in 2018.

In April 2019, a loan agreement was concluded, providing for extension of a loan of RUB 5,000,000,000 to Uniper SE until July 2019 at the rate of 7.5% p.a.

In June 2019, the loan was fully repaid. The interest charged amounted to RUB 81,250,000.

In June 2018, a loan agreement was concluded, providing for extension of a loan of RUB 6,000,000,000 to Uniper SE until August 2018 at the rate of 6.66% p.a. The loan was fully repaid in August. In 2018, the total interest accrued on the loans issued to Uniper SE amounted to RUB 44,927,000.

In December 2019, the Company raised a loan. The lender is Uniper SE, the loan amount is RUB 2,500,000,000; the interest rate is 7.4% per annum; due date — 31 March 2020.

In 2019, dividends paid to Uniper SE amounted to RUB 11,136,413,000. In 2018, dividends paid to Uniper SE amounted to RUB 11,136,413,000.

#### ***Value indicators for transactions in progress at the end of the reporting period***

RUB thousand			
Counterparty name	Amount of the concluded contract in the RUB equivalent	Cost of work, services accepted by the Company	Balance of the transactions in progress at the end of the reporting period
Uniper Technologies GmbH	513 120	472 383	40 737

#### ***Bad debt provision and write-off of receivables***

During the periods recorded in this report, the Company neither formed bad debt provisions for related-party transactions, nor wrote off receivables or any other debts of related parties.

#### ***Remuneration to Key Managers***

The key managers named as such by the Company are the members of the Board of Directors and the Management Board.

In 2019, the Company paid a total of RUB 287,896,000 as remuneration to the members of the Board of Directors

and the Management Board (as compared to RUB 688,345,000 in 2018). The remuneration to the members of the Board of Directors includes the remuneration for the participation in the meetings of the Board of Directors.

Compulsory pension insurance contributions for the members of the Company's Management Board and Board of Directors in 2019 amounted to RUB 45,010,000 (as compared to RUB 106,211,000 in 2018).

No severance payments were made to the members of the Management Board in 2019 and 2018.

The members of the Board of Directors and the Management Board are listed in Section 'General Information' of the notes to the balance sheet and profit and loss statement.

### 3.21 Events after the Reporting Date

There are no events after the reporting date.

### 3.22 Financial Risk Management

Risk management is a task of current relevance for the Company that strives to manage risks effectively in order to ensure a stable and predictable financial situation, observe the business growth strategy, and implement the mission.

The integrated risk management system was established to identify risks in due time and to take the relevant risk management steps. The Company reviews the planning, controlling, and reporting processes on an ongoing basis to ensure the efficiency thereof.

The key elements of the risk management system are the Company's strategy, internal regulations, controlling, planning, internal control system, and internal audit, as well as risk and opportunity reports and operation of the Risk and Finance Committee of Unipro PJSC.

#### ***Currency Risk***

Profit and cash flows from the continuing activities of the Company are mainly independent from the RUB exchange rate in relation to foreign currency rates. Electric and thermal power generated by the Company is sold within the Russian Federation and paid in Russian rubles. Current expenses are primarily paid in Russian rubles as well.

However, the Company has liabilities connected to conclusion of service contracts for maintenance of new combined-cycle plants (CCGT) and other contracts, the amount of liabilities under which exceeds EUR 10 mn net of VAT, denominated in foreign currency.

The following table sets forth the Company's risks in respect of foreign exchange rates as of the reporting period:

RUB thousand					
Description	Cash and cash equivalents	Financial investments	Accounts receivable	Accounts payable	Net balance sheet position
<b>As of 31 December 2019</b>					
USD	6	-	-	(1 963)	(1 957)
EUR	-	-	-	(66 626)	(66 626)
<b>Total</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>(68 589)</b>	<b>(68 583)</b>
<b>As of 31 December 2018</b>					
USD	3 180	-	-	(2 951)	229
EUR	747	-	-	(48 623)	(47 876)
<b>Total</b>	<b>3 927</b>	<b>-</b>	<b>-</b>	<b>(51 574)</b>	<b>(47 647)</b>
<b>As of 31 December 2017</b>					
USD	109 958	-	-	(2 978)	106 980
EUR	-	-	-	(18 930)	(18 930)
<b>Total</b>	<b>109 958</b>	<b>-</b>	<b>-</b>	<b>(21 908)</b>	<b>88 050</b>



The exchange rate risk level is determined by net balance position. The net balance position is calculated line-by-line for items denominated in foreign currencies as follows:

Cash and cash equivalents + Financial investments + Receivables - Payables

The following table sets forth the change in the profit/(loss) and additional paid-in capital resulting from possible changes in exchange rates used at the end of the reporting period with reference to Russian rubles, providing other variables remain unchanged:

RUB thousand

Description	As of 31 December 2019		As of 31 December 2018	
	Impact on profit/(loss)	Impact on add-on capital	Impact on profit/(loss)	Impact on add-on capital
USD strengthening by 10%	(196)	-	23	-
USD weakening by 10%	196	-	(23)	-
EUR strengthening by 10%	(6 663)	-	(4 788)	-
EUR weakening by 10%	6 663	-	4 788	-
<b>Total</b>	<b>(196)</b>	<b>-</b>	<b>23</b>	<b>-</b>

The risk was only calculated for balances of current assets and liabilities denominated in foreign currencies, payable in foreign currencies.

### ***Interest Rate Risk***

The Company has no significant dependence on interest rate fluctuations, as the Company has no significant financial assets or liabilities.

The Company monitors interest rates in respect of its assets and liabilities. Sections 3.10, 3.11 and 3.20 set forth interest rates effective as of the reporting date.

### ***Other Price Risk***

The Company is exposed to a slight risk of share price change posted as part of financial investments of the Company. If the share prices as of 31 December 2019 were less by 10% (2018 — by 10%), with all other variables remaining unchanged, the profit before tax for the year would decrease by RUB 2,533,000. (2018: RUB 2,195,000).

### ***Credit Risk***

Resulting from the deterioration of the counterparties' financial standing, the credit risk is becoming one of the most significant financial risks.

Actions taken by the Company to reduce any adverse impact of credit risks on its activities:

- Selection of reliable counterparties;
- Inclusion of the requirement for external (bank) guarantees in agreements with counterparties, wherever possible;
- Applying the system of credit rating of counterparties and setting limits for operations therewith based on the rating;
- Diversification of suppliers;
- Restricting advance payments.

Financial assets, in respect of which the Company has potential credit risk (the risk that one of the parties would not be able to settle the liability on a financial instrument, which fact would result in losses for the other party), are primarily represented by the following items:

RUB thousand			
Description	31.12.2019	31.12.2018	31.12.2017
<b>Financial Investments</b>	<b>1 424 101</b>	<b>1 664 707</b>	<b>4 675 451</b>
- Bills	1 424 101	1 545 481	1 455 577
- Loans granted	-	119 226	3219 874
<b>Accounts receivable</b>	<b>6 513 411</b>	<b>6 431 836</b>	<b>6 237 637</b>
- Receivables on sold goods, products, works, services	5 705 268	5 753 468	5 363 157
- Other receivables (except advances paid and taxes)	808 143	678 368	874 480
<b>Cash and cash equivalents</b>	<b>3 024 763</b>	<b>4 668 234</b>	<b>2 912 747</b>
- Cash funds on settlement and foreign currency accounts	34 763	82 234	146 438
- Bank deposits originally maturing within less than three months	2 990 000	4 586 000	2 766 309
<b>Total maximum credit limit</b>	<b>10 962 275</b>	<b>12 764 777</b>	<b>13 825 835</b>

Though payment of receivables is affected by economic factors, the management of the Company thinks that there is no significant risk of losses exceeding the estimated provision formed.

The management of the Company carries out analysis of delays in payment of receivables from the core activities and tracks overdue receivables balances.

### ***Concentration of credit risk***

The Company is not exposed to credit risk concentration.

Company's bank deposits as of 31 December 2019 are placed with three banks (as compared to 4 banks as of 31 December 2018 and 3 banks as of 31 December 2017), which fact does not lead to significant concentration of credit risk for the Company (see Subsection 3.11 'Cash and Cash Equivalents' of the Notes to the Balance Sheet and the Profit and Loss Statement).

### ***Liquidity Risk***

Liquidity risk is the risk that an entity will face difficulties in fulfillment of obligations. The Company is not exposed to significant risk due to the daily need to use available cash funds. The management of the Company monitors cash flows of the Company on a monthly basis.

The Company supports a stable financing base consisting mostly of equity in deposits, credit facilities and cash flows from operations. The Company's liquidity portfolio includes cash and cash equivalents, as well as short-term financial investments. Cash equivalents and short-term financial investments can be monetised quickly enough to meet unforeseen requirement for liquidity.

The Company's Treasury monitors daily liquidity position and regularly carries out stress-testing for liquidity in various scenarios covering standard and more favourable market conditions.

The table below shows liabilities at 31 December 2019 by their remaining maturity specified in the contracts concluded by the Company. Amounts disclosed in the maturity table represent the cash flows including the total amount of liabilities on received loans and warranties issued by the Company.

When the amount payable is not fixed, the amount set forth in the table is determined by reference to the conditions existing at the reporting date. Payments in foreign currencies are recalculated using the foreign-currency rate to the Russian ruble as of the reporting date.

The maturity analysis of Company's liabilities at 31 December 2019 is set forth in the following table:

RUB thousand				
Description	< 1 year	1-3 years	> 3 years	Total
<b>Liabilities</b>				
including:	<b>7 958 897</b>	<b>167 221</b>	<b>421 680</b>	<b>8 547 798</b>
Loans received	2 506 167	-	-	<b>2 506 167</b>
Accounts payable to suppliers and contractors	3 683 208	-	-	<b>3 683 208</b>
Other payables	1 769 522	-	-	<b>1 769 522</b>
Other long-term liabilities	-	167 221	421 680	<b>588 901</b>

The maturity analysis of liabilities at 31 December 2018 is set forth in the following table:

RUB thousand				
Description	< 1 year	1-3 years	> 3 years	Total
<b>Liabilities</b>				
including:	<b>6 313 361</b>	<b>128 018</b>	<b>401 059</b>	<b>6 842 438</b>
Loans received	-	-	-	-
Accounts payable to suppliers and contractors	4 075 751	-	-	<b>4 075 751</b>
Other payables	2 237 610	-	-	<b>2 237 610</b>
Other long-term liabilities	-	<b>128 018</b>	<b>401 059</b>	<b>529 077</b>

The maturity analysis of Company's liabilities at 31 December 2017 is set forth in the following table:

RUB thousand				
Description	< 1 year	1-3 years	> 3 years	Total
<b>Liabilities including:</b>	<b>5 178 946</b>	-	-	<b>5 178 946</b>
Loans received	-	-	-	-
Accounts payable to suppliers and contractors	3 634 209	-	-	<b>3 634 209</b>
Other payables	1 544 737	-	-	<b>1 544 737</b>

### ***Information regarding forward financial instruments***

The Company developed and implemented the strategy of hedging the financial risks arising from foreign currency purchase for future payments under service contracts for maintenance of new combined-cycle plants (CCGT) and other contracts, the amount of which exceeds EUR 10 mn net of VAT, denominated in foreign currencies (hedging subject). Such hedging is effected through foreign-currency bank deposits and financial derivatives (hedging instruments).

Profit and loss from transactions are recognised in the Reports on a net basis in line 'Other income' or 'Other expenses' as part of foreign exchange difference.

The fair value of cash-flow hedging instruments (foreign currency swaps) as of 31 December 2019 is RUB (10,212,000) (as of 31 December 2018: RUB 22,136,000).

## **3.23 Estimated and Contingent Liabilities**

### ***Estimated liabilities***

As of 31 December 2019, the Company entered RUB 889,631,000 worth of estimated liabilities on the books as part of short-term liabilities (as compared to RUB 758,178,000 as of 31 December 2018 and RUB 930,820,000 as of 31 December 2017), including:

1. Estimated liabilities for annual and quarterly bonuses payable to employees, as well as special bonus plans amounted to RUB 610,812,000 as of 31 December 2019 (as of 31 December 2018 – RUB 491,065,000, as of 31 December 2017 – RUB 434,884,000).
2. Estimated liabilities for vacation allowances amounted to RUB 277,141,000 as of 31 December 2019 (as of 31 December 2018 – RUB 259,020,000, as of 31 December 2017 – RUB 240,604,000).

3. Estimated liabilities for litigation in progress, the results of which are assessed as unfavourable by the Company with the likelihood ratio “above the average”, amounted to RUB 1,678,000 as of 31 December 2019. (as of 31 December 2018 – RUB 8,093,000, as of 31 December 2017 – RUB 8,093,000).

The Company recognizes the estimated liabilities of disposal of fixed assets in line 1450 ‘Other long-term liabilities’. As of 31 December 2019, the liability created by the Company amounted to RUB 570,451,000 (as of 31 December 2018 — RUB 529,077,000, while as of 31 December 2017 the liability was not formed). The Company monthly effected amortisation of discount on created ELDFAR assets.

Besides, amounts of estimated liabilities on long-term bonus plans are recognised as part of line 1450 ‘Other long-term liabilities’ in the amount of RUB 18,450,000 (compared to RUB 0 as of 31 December 2018 and 31 December 2017).

RUB thousand

Indicator	Year	Opening balance	Recognised	Repaid	Written off as excess	Closing balance
<b>Estimated liabilities — total, including:</b>	<b>2019</b>	<b>1 606 665</b>	<b>2 319 460</b>	<b>(1 939 959)</b>	<b>(166 461)</b>	<b>1 819 705</b>
	<b>2018</b>	<b>930 820</b>	<b>3 407 645</b>	<b>(2 676 060)</b>	<b>(55 740)</b>	<b>1 606 665</b>
<b>long-term:</b>	<b>2019</b>	<b>529 077</b>	<b>59 824</b>	-	-	<b>588 901</b>
	<b>2018</b>	-	<b>529 077</b>	-	-	<b>529 077</b>
ELDFAR	2019	529 077	41 374	-	-	570 451
	2018	-	529 077	-	-	529 077
Estimated liabilities on long-term bonus plans	2019	-	18 450	-	-	18 450
	2018	-	-	-	-	-
<b>short-term:</b>	<b>2019</b>	<b>758 178</b>	<b>1 812 250</b>	<b>(1 564 765)</b>	<b>(116 032)</b>	<b>889 631</b>
	<b>2018</b>	<b>683 581</b>	<b>1 668 286</b>	<b>(1 538 246)</b>	<b>(55 443)</b>	<b>758 178</b>
Estimated liabilities for legal proceedings	2019	8 093	41 317	-	(47 732)	1 678
	2018	8 093	-	-	-	8 093
Estimated liabilities for unused vacations	2019	259 020	776 710	(741 137)	(17 452)	277 141
	2018	240 604	757 401	(709 462)	(29 523)	259 020
Estimated liabilities for year-end bonuses	2019	400 181	500 220	(435 770)	(26 027)	438 604
	2018	343 559	519 916	(454 435)	(8 859)	400 181
Estimated liabilities for quarterly bonuses	2019	90 884	419 899	(387 858)	(24 821)	98 104
	2018	91 325	390 969	(374 349)	(17 061)	90 884
Short-term bonus plans	2019	-	74 104	-	-	74 104
	2018	-	-	-	-	-
<b>Estimated liabilities on concluded contracts as part of other short-term liabilities</b>	<b>2019</b>	<b>319 410</b>	<b>681 159</b>	<b>(659 397)</b>		<b>341 172</b>
	<b>2018</b>	<b>247 239</b>	<b>1 210 282</b>	<b>(1 137 814)</b>	<b>(297)</b>	<b>319 410</b>
Estimated Liabilities	2019	319 410	681 159	(659 397)	-	341 172
	2018	247 239	1 210 282	(1 137 814)	(297)	319 410

The Company reflected estimated liabilities under concluded works and services contracts with the works/services delivered as of the reporting date but not accepted by the Company due to various reasons as of 31 December 2019 in line 1550 ‘Other short-term liabilities’ in the amount of RUB 341,172,000, as of 31 December 2018 – in line 1550 ‘Other short-term liabilities’ in the amount of RUB 319,410,000, as of 31 December 2017 – in line 1540 ‘Estimated liabilities’ in the amount of RUB 247,239,000.

### ***Contingent tax liabilities***

The tax laws of the Russian Federation, whether current or enacted as at the end of the reporting period, allow for different interpretations of certain facts of the Company’s business life. Due to this fact, the management’s standpoint

with regard to taxes and the documents justifying this standpoint may be challenged by tax authorities. Tax control in the Russian Federation becomes tightened. Therefore, there is an increased risk of the audit by tax authorities of the tax effect of transactions that do not have a clear financial and economic purpose or transactions with counterparties that do not comply with tax legislation. Tax inspections may cover the three calendar years preceding the year, in which a decision was made to conduct the inspection. In certain situations, earlier periods may be inspected as well.

The Russian transfer pricing laws are generally in line with international transfer pricing principles developed by the Organisation for Economic Cooperation and Development (OECD), even though they have some peculiarities. The transfer pricing laws provide for the possibility of charging additional tax liabilities under controlled transactions (transactions with related parties and certain types of transactions with non-related parties), if the transaction price is not in line with the market price. The management introduced the internal control system to meet the requirements of the applicable transfer pricing laws.

Tax liabilities arising from controlled transactions are determined on the basis of actual prices for such transactions. It is likely that these prices may be challenged, as the practice of applying the transfer pricing rules further develops. The effect of such a scenario cannot be estimated with sufficient reliability; however, it may be material from the standpoint of the Company's financial standing and/or business activity.

At present, the management believes that its standpoint on taxes and the Company's interpretation of the laws may be validated; however, there is a risk that the Company will incur extra expenses, if the management's standpoint on taxes and the Company's interpretation of the laws is challenged by tax authorities. The effect of such a scenario cannot be estimated with sufficient reliability; however, it may be material from the standpoint of the Company's financial standing and performance.

### ***Contingent Liabilities Resulting from Capacity Supply Agreement Termination***

In December 2018 – January 2019, RUSAL Group companies (RUSAL Bratsk PJSC, RUSAL Sayanogorsk JSC, RUSAL Novokuznetsk JSC and RUSAL Energo LLC) petitioned the Moscow Arbitration Court with claims against Unipro PJSC, SO UES JSC, ATS JSC and NP Market Council Association as to termination of power supply contracts concluded in respect of Power Unit 3 of Berezovskaya GRES, as well as with the claim of restitution of an unjust enrichment. The total amount under claims was RUB 385 854,000.

In quarters III and IV of 2019, RUSAL Group companies declared their full release of claims. The court accepted the declared releases of the RUSAL Group companies and terminated the proceeding in cases.

General Director of Unipro PJSC

/signature/

M. G. Shirokov

Chief Accountant of Unipro PJSC

/signature/

A. N. Koblova

18 March 2020