PJSC «RusHydro»

Financial statements and
Independent Auditor's report

31 December 2021

Translation from Russian original

Content

INDEPENDENT AUDITOR'S REPORT

FINANCIAL STATEMENTS

BALANCE SHEET 1

STATEMENT OF FINANCIAL RESULTS 3

STATEMENT OF CHANGES IN EQUITY 4

STATEMENT OF CASH FLOWS 6

I. GENERAL INFORMATION 8

1.1 Information about the Company 8

1.2 The Company's operating environment 9

II. ACCOUNTING POLICIES 12

2.1 Basis of presentation 12

2.2 Assets and liabilities denominated in foreign currency 12

2.3 Accounting for assets and liabilities 12

2.4 Property, plant and equipment and construction-in-progress 13

2.5 Investments 14

2.6 Cross-currency interest-rate swap 16

2.7 Inventories 16

2.8 Expenses of future periods 17

2.9 Accounts receivable 17

2.10 Cash equivalents and presentation of cash flows in the statement of cash flows 17

2.11 Share capital, additional and reserve capital 17

2.12 Loans and bank credits received 18

2.13 Estimated liabilities, contingent liabilities and contingent assets 18

2.14 Revenue recognition 19

2.15 Recognition of expenses 19

2.16 Changes in the Company's accounting policies 20

III. DISCLOSURE OF MATERIAL INDICATORS 24

3.1 Non-current assets (Section I of the balance sheet) 24

3.1.1 Property, plant and equipment (line 1151 of the balance sheet), construction-in-progress (line 1152 of the balance sheet) 24

3.1.2 Long-term investments (line 1170 of the balance sheet) 27

3.1.3 Other non-current assets (line 1190 of the balance sheet) 32

3.2 Current assets (Section II of the balance sheet) 32

3.2.1 Inventories (line 1210 the balance sheet) 32

3.2.2 Accounts receivable (line 1230 of the balance sheet) 33

3.2.3 Short-term investments (Line 1240 of the balance sheet) 36

3.2.4 Cash and cash equivalents (line 1250 of the balance sheet) 38

3.3 Equity and reserves (Section III of the balance sheet) 40

3.3.1 Share capital (line 1310 of the balance sheet) 40
3.3.2 Revaluation of non-current assets (line 1340 of the balance sheet) 40
3.3.3 Additional paid-in capital (line 1350 of the balance sheet) 41
3.3.4 Reserve capital (line 1360 of the balance sheet) 41
3.4 Non-current liabilities (Section IV of the balance sheet) 41
3.4.1 Long-term borrowings (line 1410 of the balance sheet) 41
3.4.2 Other non-current liabilities (line 1450 of the balance sheet) 43
3.5 Current liabilities (Section V of the balance sheet) 43
3.5.1 Short-term borrowings (line 1510 of the Balance sheet) 43
3.5.2 Accounts payable (line 1520 of the balance sheet) 43
3.5.3 Estimated liabilities (line 1540 of the balance sheet) 44
3.6 Off-balance-sheet valuables 44
3.6.1 Leased property, plant and equipment 44
3.6.2 Collateral for liabilities and payments received 45
3.6.3 Collateral for liabilities and payments issued 45
3.6.4 Non-deliverable forward contract for shares 46
3.7 Income and expenses on operating activities (statement of financial results) 47
3.7.1 Revenue (line 2110 of the statement of financial results) 47
3.7.2 Cost of sales and Administrative expenses (line 2120 and line 2220 of the statement of financial results) 47
3.8 Other income and expenses (line 2340 and line 2350 of the statement of financial results) 48
3.9 Taxes 49
3.10 Dividends 50
3.11 Earnings per share 50
3.12 Related Parties 51
3.12.1 Controlling entity 51
3.12.2 Sales to related parties 51
3.12.3 Purchases from related parties 52
3.12.4 Settlements with non-state pension fund 52
3.12.5 Settlements with related parties 52
3.12.6 Related parties' debt within investments 53
3.12.7 Income from investments in other companies (related parties) 53
3.12.8 Remuneration to key management personnel 54
3.12.9 Cash flows between the Company and subsidiaries/associates 54
3.13 Segment Information 55
3.14 Contingent liabilities 55
3.15 Financial risk management 56
3.16 Subsequent events 57

BALANCE SHEET
as at 31 December 2021

		CODES
	Form on OKUD	0710001
Organisation **Public joint stock company Federal Hydro-Generating Company - RusHydro (PJSC RusHydro**	Date (year, month, day)	2021/12/31
	OKPO	75782411
Taxpayer identification number	INN	2460066195
Type of activity **Electricity generation by hydroelectric power plants**	OKVED	35.11.2
Form of incorporation/form of ownership **Public joint-stock company/mixed Russian ownership with a federal ownership share**	OKOPF/OKFC	12247 / 41
Measurement unit: **thousands of RR**	OKEI	384

Address: **43 Dubrovinskogo Street, bld. 1, Krasnoyarsk, the Krasnoyarsk Territory, Russia, 660017**

Financial statements are subject to mandatory audit [v] YES [ ] NO

Name of the audit firm JSC PricewaterhouseCoopers Audit (JSC PWC Audit)

Name of Audit organization	INN	7705051102
Main state registration number of the auditing organization	OGRN	1027700148431

Note	Narrative	Line code	As at 31 December 2021	As at 31 December 2020	As at 31 December 2019
1	2	3	4	5	6
	ASSETS				
	I. NON-CURRENT ASSETS				
	Intangible assets	1110	718,415	657,828	722,525
	Results of research and development	1120	1,393,789	1,676,496	1,445,577
3.1.1	Property, plant and equipment, incl.:	1150	550,168,502	491,443,294	439,538,994
	fixed assets	1151	510,914,184	454,264,033	407,318,930
	construction in process	1152	39,254,318	37,179,261	32,220,064
3.1.2	Financial investments, incl.:	1170	361,504,072	376,089,623	379,018, 021
	investments in subsidiaries, associates and other entities	1171	350,829,445	347,628,776	312,802,040
	loans issued	1172	10,674,627	28,460,847	66,215,981
3.1.3	Other non-current assets	1190	2,872,941	2,836,283	3,155,715
	Total Section I	**1100**	**916,657,719**	**872,703,524**	**823,880,832**
	II. CURRENT ASSETS				
3.2.1	Inventories	1210	5,500,333	5,075,562	4,369,511
	Value added tax on goods purchased	1220	14	14	21,763
3.2.2	Accounts receivable, incl.:	1230	167,489,280	152,349,337	166,311,613
	accounts receivable (payments expected later than 12 months after the reporting date), incl.:	1231	89,590,374	126,901,680	119,642,987
	buyers and customers	1231.1	19,473	23,057	34,457
	advances issued	1231.2	29,289,587	15,277,765	16,324,465
	promissory notes	1231.3	27,228,708	28,189,688	30,104,837
	loans issued	1231.4	32,351,023	80,935,081	63,643,693
	other debtors	1231.5	701,583	2,476,089	9,535,535
	accounts receivable (payments expected within 12 months after the reporting date), incl.:	1232	77,898,906	25,447,657	46,668,626
	buyers and customers	1232.1	9,368,022	8,848,616	7,807,953
	advances issued	1232.2	7,554,869	7,748,991	8,805,211
	promissory notes	1232.3	2,010,847	2,671,822	1,810,654
	loans issued	1232.4	45,531,259	401,357	24,965,773
	other debtors	1232.5	13,433,909	5,776,871	3,279,035
3.2.3	Financial investments (excl. cash equivalents), incl.:	1240	19,882,206	42,621,652,	51,170,822
	bank deposits	1241	490,331	40,971,001	46,495,823
	loans issued	1242	19,391,875	1,650,651	4,674,999
	promissory notes	1243	-	-	-
3.2.4	Cash and cash equivalents	1250	30,507,264	32,080,582	18,163,423
3.4.1	Other current assets	1260	299,064	3,086,120	191,642
	Total Section II	**1200**	**223,678,161**	**235,213,267**	**240,228,774**
	TOTAL	**1600**	**1,140,335,880**	**1,107,916,791**	**1,064,109,606**

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Note	Narrative	Line code	As at 31 December 2021	As at 31 December 2020	As at 31 December 2019
1	2	3	4	5	6
	EQUITY AND LIABILITIES **III. CAPITAL AND RESERVES**				
3.3.1	Charter capital	1310	439,288,906	439,288,906	426,288,814
3.3.2	Revaluation of non-current assets	1340	47,228,374	47,406,482	47,614,027
3.3.3	Additional capital (excl. revaluation)	1350	58,424,543	58,424,543	58,424,543
3.3.4	Reserve capital	1360	20,745,316	18,947,346	17,015,104
	Retained earnings (loss), incl.:	1370	347,111,413	321,177,989	302,558,941
	undistributed profit of previous years	1371	296,254,641	285,214,682	265,007,703
	undistributed profit of the current year	1372	50,856,772	35,963,307	37,551,238
	Total Section III	**1300**	**912,798,552**	**885,245,266**	**851,901,429**
	IV. LONG-TERM LIABILITIES				
3.4.1	Borrowings and bank loans	1410	50,103,404	95,844,145	120,575,391
3.9	Deferred tax liabilities	1420	46,098,705	46,139,759	42,837,199
3.4.2	Other liabilities	1450	8,416,508	21,500,511	3,619,395
	Total Section IV	**1400**	**104,618,617**	**163,484,415**	**167,031,985**
	V. SHORT-TERM LIABILITIES				
3.5.1	Borrowings and bank loans	1510	61,431,653	44,419,059	24,003,951
3.5.2	Accounts payable, incl.:	1520	57,476,262	10,776,084	17,026,460
	suppliers and contractors	1521	53,872,095	3,802,635	3,387,878
	payables to employees	1522	189,038	181,401	190,949
	payables to state non-budgetary funds	1523	202,064	137,423	224,962
	taxes payable	1524	1,941,451	5,776,217	5,347,132
	dividends payable	1525	194,915	128,921	139,385
	payables in respect of shares issued	1526	-	-	7,000,092
	other creditors	1527	1,076,699	749,487	736,062
	Income of future periods	1530	52,461	55,985	58,033
3.5.3	Estimated liabilities	1540	3,171,443	2,967,519	3,150,002
	Other liabilities	1550	786,892	968,463	937,746
	Total Section V	**1500**	**122,918,711**	**59,187,110**	**45,176,192**
	TOTAL	**1700**	**1,140,335,880**	**1,107,916,791**	**1,064,109,606**

Chairman of Management Board – General Director _____

Chief accountant _____

17 February 2022

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STATEMENT OF FINANCIAL RESULTS
for the year ended 31 December 2021

		CODES
	Form on OKUD	**0710002**
Organisation **Public joint stock company Federal Hydro-Generating Company - RusHydro (PJSC RusHydro)**	Date (year, month, day)	**2021/12/31**
	OKPO	**75782411**
Taxpayer identification number	INN	**2460066195**
Type of activity **Electricity generation by hydroelectric power plants**	OKVED	**35.11.2**
Form of incorporation/form of ownership **Public joint-stock company/mixed Russian ownership with a federal ownership share**	OKOPF/OKFC	**12247 / 41**
Measurement unit: **thousands of RR**	OKEI	**384**

Note	Narrative	Line code	Year ended 31 December 2021	Year ended 31 December 2020
1	2	3	4	5
3.7.1	Revenue	2110	190,106,300	177,256,512
3.7.2	Cost of sales	2120	(105,952,990)	(95,444,955)
	Gross profit	**2100**	**84,153,310**	**81,811,557**
3.7.2	Administrative expenses	2220	(8,078,162)	(7,535,155)
	Profit from sales	**2200**	**76,075,148**	**74,276,402**
3.12.7	Income from participation in other companies	2310	259,121	488,550
	Interest income	2320	4,787,861	5,794,499
	Interest expense	2330	(6,507,550)	(8,103,924)
3.8	Other income	2340	7,019,993	11,904,119
3.8	Other expense	2350	(18,180,917)	(34,037,883)
	Profit before tax	**2300**	**63,453,656**	**50,321,763**
3.9	Income tax, incl.:	2410	(12,581,594)	(14,583,609)
	current income tax	2411	(12,622,649)	(11,281,049)
	deferred income tax	2412	41,055	(3,302,560)
	Other	2460	(15,290)	225,153
	Net profit	**2400**	**50,856,772**	**35,963,307**
	REFERENCE			
	Total financial result for the period	2500	50,856,772	35,963,307
3.11	Basic earnings per share, RR	2900	0.1158	0.0824

Chairman of Management Board – General Director _____

Chief accountant _____

17 February 2022

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STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2021

		CODES
	Form on OKUD	**0710004**
Organisation **Public joint stock company Federal Hydro-Generating Company - RusHydro (PJSC RusHydro)**	Date (year, month, day)	**2021/12/31**
	OKPO	**75782411**
Taxpayer identification number	INN	**2460066195**
Type of activity **Electricity generation by hydroelectric power plants**	OKVED	**35.11.2**
Form of incorporation/form of ownership **Public joint-stock company/mixed Russian ownership with a federal ownership share**	OKOPF/OKFC	**12247 / 41**
Measurement unit: **thousands of RR**	OKEI	**384**

I. Changes in equity

Narrative	Line code	Share capital	Additional capital	Reserve capital	Retained earnings	Total
1	2	3	4	5	6	7
Equity as of 31 December 2019	**3200**	**426,288,814**	**106,038,570**	**17,015,104**	**302,558,941**	**851,901,429**
for 2020						
Increase of equity, including:	3310	13,000,092	-	-	36,017,744	49,017,836
net profit	3311	-	-	-	35,963,307	35,963,307
additional shares issue	3314	13,000,092	-	x	x	13,000,092
other	3317	-	-	x	54,437	54,437
Decrease of equity, including:	3320	-	-	-	(15,673,999)	(15,673,999)
dividends	3327	x	x	x	(15,673,999)	(15,673,999)
other	3328	-	-	x	-	-
Additional capital change	3330	x	(207,545)	x	207,545	x
Reserve capital change	3340	x	x	1,932,242	(1,932,242)	x
Equity as of 31 December 2020	**3300**	**439,288,906**	**105,831,025**	**18,947,346**	**321,177,989**	**885,245,266**
for 2021						
Increase of equity, including:	3310	-	-	-	50,856,772	50,856,772
net profit	3311	-	-	-	50,856,772	50,856,772
additional shares issue	3314	-	-	-	-	-
other	3317	-	-	-	-	-
Decrease of equity, including:	3320	-	-	-	(23,303,486)	(23,303,486)
dividends	3327	-	-	-	(23,303,486)	(23,303,486)
other	3328	-	-	-	-	-
Additional capital change	3330	-	(178,108)	-	178,108	-
Reserve capital change	3340	-	-	1,797,970	(1,797,970)	-
Equity as of 31 December 2021	**3300**	**439,288,906**	**105,652,917**	**20,745,316**	**347,111,413**	**912,798,552**

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II. Adjustments due to changes in accounting policies and correction of errors

Narrative	Line code	As at 31 December 2019	Changes in equity for 2020		As at 31 December 2020
			at the expense of net profit (loss)	due to other factors	
1	2	3	4	5	6
Capital - total					
before adjustments	3400	851,969,779	35,959,403	(2,619,470)	885,309,712
adjustment due to:					
changes in payment policy	3410	(68,350)	3,904	-	(64,446)
after adjustments	3500	851,901,429	35,963,307	(2,619,470)	885,245,266
including: Retained earnings (uncovered loss)					
before adjustments	3401	302,627,291	35,959,403	(17,344,259)	321,242,435
adjustment due to:					
changes in payment policy	3411	(68,350)	3,904	-	(64,446)
after adjustments	3501	302,558,941	35,963,307	(17,344,259)	321,177,989

III. Net assets

Narrative	Line code	As at 31 December 2021	As at 31 December 2020	As at 31 December 2019
1	2	3	4	5
Net assets	3600	912,850,724	885,299,690	851,958,104

Chairman of Management Board – General Director _____

Chief accountant _____

17 February 2022

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STATEMENT OF CASH FLOWS
for the year ended 31 December 2021

		КОДЫ
	Form on OKUD	**0710005**
Organisation **Public joint stock company Federal Hydro-Generating Company - RusHydro (PJSC RusHydro)**	Date (year, month, day)	**2021/12/31**
	OKPO	**75782411**
Taxpayer identification number	INN	**2460066195**
Type of activity **Electricity generation by hydroelectric power plants**	OKVED	**35.11.2**
Form of incorporation/form of ownership **Public joint-stock company/mixed Russian ownership with a federal ownership share**	OKOPF/OKFC	**12247 / 41**
Measurement unit: **thousands of RR**	OKEI	**384**

Note	Narrative	Line code	For 2021	For 2020
1	2	3	4	5
	Cash flows from operating activities			
	Receipts, including:	4110	191,776,996	184,942,734
	sales of products, goods, work and services	4111	188,749,627	176,171,616
	lease payments, license payments, royalties, commissions and other payments	4112	57,672	57,225
3.2.4	other receipts	4119	2,969,697	8,713,893
	Payments including:	4120	(121,037,646)	(111,611,695)
	to suppliers (contractors) – raw materials, works and services	4121	(73,801,776)	(64,682,700)
	wages and salaries	4122	(7,540,142)	(7,566,104)
	interest on debt liabilities	4123	(7,022,148)	(8,227,670)
	corporate income tax	4124	(11,667,718)	(13,340,777)
3.2.4	other payments	4129	(21,005,862)	(17,794,444)
	Net cash flows from operating activities	**4100**	**70,739,350**	**73,331,039**
	Cash flows from investing activities			
	Receipts, including:	4210	58,534,648	64,353,720
	sale of non-current assets (except for investments)	4211	3,928	10,437
	sale of shares of other organisations (ownership interest)	4212	-	751
	from return of loans, sales of debt securities (chose of possession of cash from third parties)	4213	13,011,015	45,775,359
	dividends, interests from long term financial investments and receipts from participation in other entities	4214	5,133,645	12,954,728
3.2.4	other receipts	4219	40,386,060	5,612,445
	Payments, including:	4220	(79,658,938)	(106,265,439)
	purchase, construction, modernisation, reconstruction and preparation for the use of non-current assets	4221	(50,774,675)	(33,674,114)
	related to purchase of shares of other organisations (ownership interest)	4222	(8,292,780)	(52,258,052)
	purchase of debt securities (chose of possession of cash from third parties), loans issued	4223	(19,481,296)	(19,082,411)
	borrowing costs included in the cost of the investment assets	4224	(1,110,187)	(1,250,862)
3.2.4	other payments	4229	-	-
	Net cash flows from investing activities	**4200**	**(21,124,290)**	**(41,911,719)**

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Note	Narrative	Line code	For 2021	For 2020
1	2	3	4	5
	Cash flows from financing activities			
	Receipts, including:	4310	40,304,895	9,145,614
	borrowings and bank loans	4311	40,304,895	3,145,241
	issue of shares, increase in ownership interest	4313	-	6,000,000
	other receipts	4319	-	373
	Payments, including:	4320	(91,489,948)	(26,655,734)
	dividends and other distributions to owners	4322	(23,027,739)	(15,540,525)
	redemption (buyback) of promissory notes and other debt securities, loan repayment	4323	(68,460,346)	(11,113,154)
3.2.4	other payments	4329	(1,863)	(2,055)
	Net cash flows from financing activities	**4300**	**(51,185,053)**	**(17,510,120)**
	Net cash flows for the reporting period	**4400**	**(1,569,993)**	**13,909,200**
3.2.4	**Cash and cash equivalents at the beginning of the reporting period**	**4450**	**32,080,582**	**18,163,423**
3.2.4	**Cash and cash equivalents at the end of the reporting period**	**4500**	**30,507,264**	**32,080,582**
	Foreign exchange rate difference	4490	(3,325)	7,959

Chairman of Management Board – General Director _____

Chief accountant _____

17 February 2022

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I. General information

1.1 Information about the Company

Principal activities of public joint stock company Federal Hydro Generating Company - RusHydro (PJSC RusHydro, hereinafter - the Company) are the generation of electricity (power). The Federal Agency for State Property Management is the Company's major shareholder.

The Company's registered address is: 43, Dubrovinskogo str., bld. 1, Krasnoyarsk, Krasnoyarsk Territory, Russian Federation, 660017. The Company's postal address: 7, Malaya Dmitrovka str., Moscow, Russian Federation, 127006.

The Company's shares are traded on MOEX stock exchange (http://moex.com). American depositary receipts, each of which corresponds to 100 ordinary shares of the Company are traded on the Main Market of London Stock Exchange and over-the-counter market of the USA.

As of 31 December 2021 the ownership share of the Russian Federation in the Company's share capital amounted to 61.73% (as of 31 December 2020 – 61.73% и, as of 31 December 2019 – 60.56%).

As of 31 December 2021 the Company employed 5 167 people (as of 31 December 2020 – 5 168 people, as of 31 December 2019 – 5 531 people).

As of 31 December 2021 the Company has 22 branches registered in the Russian Federation, including: branch Bureyskaya HPP, branch Volzhskaya HPP, branch Votkinskaya HPP, Dagestan branch, branch Zhigulevskaya HPP, branch Zagorskaya PSHPP-2, branch Zeiskaya HPP, Kabardino-Balkarsky branch, branch Kamskaya HPP, Karachaevo-Cherkessky branch, branch Cascade of Verkhne-Volzhsky HPP, branch Cascade of Kuban HPP, branch Corporate Energy University, branch Nizhegorodskaya HPP, branch Novosibirskaya HPP, Primorsky branch, branch Saratovskaya HPP, branch Sayano-Shushenskaya HPP named after P.S. Neporozhny, Severo-Osetinsky branch, branch, Khabarovsk branch, Cheboksarskaya HPP, , Yakutskbranch.

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1.2 The Company's operating environment

The Russian economy displays certain characteristics of an emerging market. It is particularly sensitive to oil and gas price fluctuations. The legal, tax and customs frameworks continue to develop and are subject varying interpretation. The Russian economy continues to be negatively impacted by ongoing political tension in the region and international sanctions against certain Russian companies and individuals

On March 12, 2020, the World Health Organization declared the COVID-19 epidemic a global pandemic that continues into 2021. In the wake of the pandemic, Russian authorities have taken a range of measures to contain and mitigate the effects of COVID-19, such as bans and restrictions on movement, quarantine, self-isolation, and restrictions on commercial activities, including business closures. Some of the above actions were subsequently relaxed, but as of 31 December 2021, infection rates remained high, vaccine rates were relatively low, and there was a risk that Russian authorities would impose additional restrictions in subsequent periods, including due to with the emergence of new varieties of the virus.

In 2021, the Russian economy showed a positive recovery from the pandemic. This was also facilitated by the recovery of the global economy and higher prices on world commodity markets. However, higher prices in some markets in Russia and around the world are also driving up inflation in Russia.

The management analyzed the impact of the pandemic on the financial performance of the Company and came to the conclusion that there is no significant impact on key accounting estimates in the financial statements and there are no prerequisites for such an impact to occur after the reporting date. Management is taking necessary measures to ensure sustainability of the Company’s operations and providing support to your customers and employees. However, the future impact of the current economic situation is difficult to predict, and the current expectations and assessments by management may differ from any actual results.

Developing capacity and power wholesale and retail markets possess higher level of risks than developed markets of other products and services. The Company’s operations are exposed to financial, legal, country, regional, reputation and other risks.

The Company's risk management policy specifies the continuous efforts to identify risks, assess them and control and also develop and implement actions for addressing the risks, business continuity management in accordance with international and national standards of risk management (GOST R ISO 31000-2019, ISO 31000-2018, COSO ERM 2017 etc.), Code of corporate governance Central Bank of RF, methodological recommendations of the Federal Property Management Agency and the Ministry of Finance of the Russian Federation in the field of risk management and internal control.

Financial risks

Financial risk includes market risk (currency risk, interest rate risk and other price risks), credit risk and liquidity risk.

Financial position of the Company, its liquidity, sources of financing, performance results do not depend significant on changes of rate of exchange and changes of interest rates.

Information about the Company's exposure to financial risks, their reasons and risk management tools is presented in paragraph 3.15 of the Explanatory Notes.

Legal risks

The reasons for legal risks are associated with potential changes in legal and regulatory base including currency and customs regulations, tax legislation and others.

Legal risks in domestic market related to regulation of electricity generation and its sale/purchase, which represent the Company's principal activities, can significantly impact the Company's financial position.

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The Company manages these risks by developing a Company-friendly legal framework for operations of the electricity and capacity market. To accomplish this task the Company participates in the processes undertaken by the Russian Ministry of Energy, the NP Market Council and FTS in the area of developing the electric power industry regulations, and carries out continuous monitoring of changes in the legislation.

Legal risks in external market related to currency and customs regulation are insignificant due to insignificant volume of foreign trade transactions the Company participates in, which are managed through legal support and control of these transactions and liability insurance.

Country and regional risks

The reasons for country and regional risks are associated with political and economic situation, the geographic features of the country or the region where the entity operates and (or) is registered as a taxpayer.

Exposure to the country risk can be indirectly assessed, subject to some assumptions, based on the credit rating (the business exposure to political risks is not taken into account). At the end of 2021, Russia's foreign currency obligations were rates as follows: at the level «BBB-» / «BBB» / «Baa3» from Standard & Poor's / Fitch / Moody's respectively.

During 2021, the international rating agencies Fitch/ Standard & Poor's/ Moody's confirmed the long-term credit rating of the Company with a stable outlook at the level «BBB» / «BBB-» / «Baa3» respectively. Thus, all three credit ratings of the Company from international agencies belong to the investment category and are at the sovereign level. The Company's rating on the national scale from ACRA was confirmed at the highest level of reliability "AAA(RU)" with a stable forecast. Russian economy is vulnerable to market downturns and global economic slowdown. At the moment investor's' comprehension of the country risks reduces the net volume of foreign investment in Russia and has a negative influence on the Russian economy. As well as Russia produces and exports large amounts of gas and oil, the Russian economy is especially vulnerable to the changes of international prices of energy resources; the reduction of gas and oil prices significantly affects the Russian economy development. These events may restrict the access of the Company to the capital and have an adverse impact on consumer purchasing power.

In the crisis environment experienced by the financial market and reduction of manufacturing output there is a risk of decrease in electricity demand that may result in reduction of sales and decrease in the Company's revenue and also a risk of increase in accounts receivable due to non-payments by the consumers of electricity.

The management believes that it has been taking all necessary measures to mitigate the impact of these events on its activities: optimization of leverage, optimisation of the obtained borrowed funds, increase turnover of current assets, assessment of the buyers' solvency, diversification of resources use and others.

Due to enhancement of the state control over energy industry the Company pays considerable attention to transparency and confidence of control procedures relating to budget funds expenditure within the Company's and subsidiaries' investment programmes and also develops and improves the corporate internal control system and risk management.

The Russian regions where the Company performs its operations are characterised by peaceful political situation. Probability of war conflicts, strikes, introduction of the state of emergency in these regions is low except for entities located in North-Caucasus Federal District.

However, changes in the Company's business environment in Russia and in the regions of the Company's presence, the nature and frequency of such changes and related risks are hard to predict and so are their effects on the Company's operations in the future. Such risks are largely beyond the Company's control due to their global scale. If the situation is destabilised in Russia or in any Russian regions, the Company will implement crisis management strategies to minimise the risk of the negative effect of the situation on the Company to the fullest extent possible.

To manage the risks the Company is implementing a complex action plan to enhance safety of the Company's facilities under which the existing plan on ensuring safety at the power plants, including those under construction is amended.

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Reputation risks

Reputation risks are associated with negative perception of the quality of Company's products, works, services sold, the ability to meet the deadlines for payment discipline, work performance, etc.

The Company assesses its exposure to these risks as low due to the fact that the Company sells electricity and capacity in the wholesale market and has high and sustainable reputation in the market.

To manage these risks the Company analyses key indicators of reputation risks based on the forecast of changes in the share of positive references of the Company in mass media, control over compliance with production discipline, cooperating actively with all stakeholders to maintain high reputation. The company organizes public events jointly with interested parties; special events for mass media, analytics and investors. Also, the Company regularly updates information on official Internet sources and prepares official comments on key activities questions.

Besides the Company takes measures to prevent corruption. Anti-corruption policy, the code of conduct, regulations on the procedure of the employer's notification about inducement of personnel to unlawful acts, gifts, received by employees in connection with protocol events, business trips and other official events, conflict of interests arrangement procedures etc. are adopted by the Company. The "Trust line" acts on an on-going basis.

The Company works closely with Ministry of energy, Federal tax service, Federal financial monitoring service within the anti-corruption and control of fraud activities.

Other risks

To manage the risks the Company focuses on other operating risks including risk of capital construction, industry risk, production risk, risk of hydraulicity, risks associated with compliance with legislation on labour safety, risks of industrial safety, environmental risks and risks associated with the third parties' activities risks associated with the geographical features of the regions and others.

The reasons for these risks are associated with the industry-specific factors that are relevant to the operations, condition of property, plant and equipment. There is an exposure to these risks, degree of possibility of events is at statistically average or low levels. On a permanent basis, the Company implements actions for monitoring the risks and decreasing the probability of their occurrence and severity of the potential adverse consequences including assignment of responsibility, control, diversification and insurance.

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II. Accounting policies

These statutory financial statements have been prepared on the basis of the following accounting policies:

2.1 Basis of presentation

The Company's statutory financial statements are prepared in accordance with the accounting and reporting rules currently effective in the Russian Federation provided for by the Federal Law "On Accounting" and "Regulation on Accounting and Reporting in the Russian Federation" as well as other accounting regulations approved by the Russian Ministry of Finance, subject to the rules and assumptions described in the Company's accounting policies.

Assets are valued at actual costs, excluding fixed assets of subsidiaries and dependent companies (hereinafter referred to as "SDCs") received in 2008 in connection with the merger of SDCs into the Company; Financial investments, for which the current market value is determined; assets, for which, in accordance with established procedure, reserves were created to reduce their value (impairment), a cross-currency interest rate swap, which is measured at fair value in accordance with IFRS 9 Financial Instruments.

2.2 Assets and liabilities denominated in foreign currency

Business transactions in foreign currencies were recorded using the official Rouble exchange rate as of the date of the relevant transaction. Cash on hand and in bank accounts (bank deposits), cash and payment documents, accounts receivable (except for advances received and issued and prepayments) including loans receivable and payable, denominated in foreign currencies are recorded in the financial statements in the amounts calculated based on the official currency exchange rates effective as of the reporting date. The exchange rates were as follows: USD 1 = RUB 74.2926 as of 31 December 2021 (31 December 2020: USD 1 = RUB 73.8757, 31 December 2019: USD 1 = RUB 61.9057), EUR 1 = RUB 84.0695 as of 31 December 2021 (31 December 2020: EUR 1 = RUB 90,6824, 31 December 2019: EUR 1 = RUB 69.3406) and CNY 1 = RUB 11.6503 as of 31 December 2021 (31 December 2020: CNY 1 = RUB 11.3119, 31 December 2019: CNY 1 = RUB 8.85937)

Exchange differences arising during the year from translation (including those as of the reporting date) of foreign currency-denominated assets and liabilities payable in foreign currencies or Russian roubles were reported in the statement of financial results as other income or expenses.

2.3 Accounting for assets and liabilities

In the balance sheet investments, accounts receivable and accounts payable, including bank credits and estimated liabilities, are treated as short-term if the term of their circulation (maturity) does not exceed 12 months after the reporting date. At the same time, the term of circulation (repayment) of debt on interest-bearing and interest-free loans and bills (including the amount of interest income) of controlled organizations to the Company, which, in accordance with the contractual terms, are short-term, is determined based on the current intentions and expectations of the Company's management. Other assets and liabilities are recognised as long-term.

Interest on loans issued and other investments are recorded in the balance sheet line 1230 "Accounts receivable"; interest on bank credits and loans received are recorded in the balance sheet line 1510 "Borrowings".

Advances to the suppliers of equipment and capital construction contractors are recognised in line 1230 "Accounts receivable".

Advances issued and received are recorded in the balance sheet including VAT. VAT on advances issued and received is recognised on a gross basis in the balance sheet line 1260 "Other current assets", 1450 "Other liabilities" and 1550 "Other liabilities", respectively.

Deferred tax asset and deferred tax liability are recognized on the balance sheet on a net basis.

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2.4 Property, plant and equipment and construction-in-progress

Property, plant and equipment are accounted for in accordance with the Russian Accounting Regulation "Accounting for property, plant and equipment" (RAR 6/01).

Property, plant and equipment include land, buildings, facilities, machinery, equipment, transport vehicles and other assets whose useful lives are over 12 months.

Property, plant and equipment are recognised at their historical cost equal to actual acquisition (construction, production) cost. At the same time, fixed assets received in 2008 in connection with the merger of a number of subsidiaries and affiliates to the Company, are accounted for at their market value determined by an independent appraiser.

The acquired property, plant and equipment with historical cost of below RUB 40 thousand per unit are accounted for within inventories.

Real property assets which have been constructed, put into operation and are actually used but the title to which was not registered under the procedure established by the effective legislation are accounted for within property, plant and equipment in a separate line.

Property, plant and equipment are recognised on the balance sheet at historical cost less depreciation. The Company does not perform the revaluation of property, plant and equipment items.

Useful lives of the acquired property, plant and equipment including those which had been in operation before the acquisition, received as a contribution to the share capital or under legal succession in connection with restructuring, are established by the review committee for commissioning of a facility based on the Classification of the Company's property, plant and equipment when PP&E item is initially recognised. Useful lives of assets which were in use in prior periods are determined with consideration to the number of years (months) they were used by the previous owner.

The adopted standard useful lives by groups of property, plant and equipment in accordance with the Classification of the Company's property, plant and equipment are presented below.

Property, plant and equipment group	Useful lives of property, plant and equipment (years) on the balance sheet
Facilities and transmission equipment	3 to 100
Machinery and equipment	1 to 40
Buildings	7 to 75
Other	1 to 20

Depreciation of property, plant and equipment is accrued on a straight-line basis proceeding from their historical values and depreciation rates calculated based on their useful lives.

Depreciation is not accrued on:

- land plots and natural resources;
- fully depreciated assets that are still on the balance sheet.
- assets that are temporarily shut down for more than three months and during the restoration period which exceeds twelve months.

Gains and losses on disposal of property, plant and equipment are recorded in the statement of financial results within other income and expenses.

Construction-in-progress includes real estate assets under construction, which have not been put into operation, equipment to be installed including tangible assets intended for the creation of non-current assets. Equipment which does not require installation, stored in the warehouse and intended for assets under construction are recorded within construction-in-progress in a separate line.

These items are recognised in the balance sheet line 1150 "Property, plant and equipment".

Interest on borrowings raised for the purposes directly related to acquisition, construction and/or manufacture of investment assets, accrued prior to initial recognition of the assets is included in their historical cost; that accrued after the initial recognition of the assets are recognised in the statement of financial results within other expenses.

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Interest on borrowings raised for the purposes not related to acquisition, construction and/or manufacture of investment assets, but actually used to purchase the investment assets are included in the cost of investment assets in proportion to the share of the above borrowings in total amount of borrowings raised for the purposes not related to acquisition, construction, manufacture of investment assets.

Leased PP&E items are recognised in off-balance-sheet accounts at cost specified in the lease agreement/determined based on the acceptance certificate. In the absence of the value of the leased property in the lease agreement or in the act of acceptance and transfer, the accounting of leased fixed assets on off-balance accounts is carried out in the following assessment:

- with respect to the land that has cadastral value, it is recorded at its cadastral value;

- in relation to other fixed assets - in the amount of lease payments, including VAT under the lease agreement.

2.5 Investments

Investments are accounted for in accordance with the Russian Accounting Regulation "Accounting for investments" (RAR 19/02), taking into account the rules adopted by the Company for reflecting financial investments in subsidiaries that have a current market value at the reporting date or earlier.

Investments include:

- contributions to the share capital of other entities (including subsidiaries);
- debt securities (including bonds, promissory notes);
- deposits in credit institutions except for short-term deposits classified as cash equivalents (paragraph 2.10 of the Explanatory Notes);
- interest-bearing loans issued to other entities;
- government and municipal securities, other investments.

The historical cost of financial investments purchased at a charge is the sum of the Company's actual expenses for their acquisition.

The historical cost of investments in the Company's share capital is presented by their monetary value agreed by the Company's founders, if not specified otherwise by the Russian legislation.

The historical cost of financial investments in the form of contributions to the share capital obtained as a result of conversion of the Company held shares (equity stakes) of entities reorganized in the form of mergers, acquisitions and transformations, is the sum of carrying amounts of shares (equity stakes) of such entities as per the accounting records as of the date of completion of the reorganization.

Difference between the historical cost and nominal value of debt securities for which current market value is not determinable, is recorded on a straight-line basis during the period of their circulation and is recognised in the Company's financial results within other income (expenses). When investments for which current market value is not determinable are disposed, they are carried at book value of each unit of these investments except for issuance securities (shares, bonds) which are disposed under FIFO; when investments for which current market value is determinable under the established procedure are disposed - based on the latest valuation.

The Company discloses information about measurement at discounted value, the amount of the discounted value of debt securities of other related parties and loans issued to them.

Income and expenses associated with investments are reported within other income or expenses. Interest on loans issued and other income claims from investments are recognised in the balance sheet line 1230 "Accounts receivable".

Investments, the current market value of which can be determined under the established procedure, with the exception of contributions to the authorized capital of subsidiaries, are recognised on the balance sheet at their current market value as of the end of each reporting period (on a quarterly basis). The difference between the value of these investments as of the current reporting date and their prior value is recorded within other income and expenses.

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Current market value of the securities which are traded by the institutors of trading is determined at market prices established at MOEX stock exchange (http://moex.com).

Investments for which no current market value is determinable are recorded on the balance sheet at their initial value, except for investments for which there are indications that the decline in their value (impairment) is significant and non-temporary as of the reporting date.

Investments in subsidiaries that have a current market value at the reporting or earlier date

The Company records investments in charter capital of its subsidiaries (irrespective of current market quotes available for them) within financial investments that are not revalued at current market value. These financial investments on the Company's balance sheet include: JSC RAO Energy Systems of the East, PJSC Yakutsenergo and PJSC DEK, i.e. entities obtained in 2011-2013 as a result of the Company's additional share issues, and shares of PJSC Kamchatskenergo that were received in 2019 following the reorganisation of the subsidiaries JSC Geoterm and PJSC Kamchatsky Gas Energy Complex through their merger with PJSC Kamchatskenergo.

Financial investments in the shares of JSC RAO Energy System of the East, PJSC Yakutsenergo and PJSC DEK are recorded at value that is agreed with the Company's shareholders, including the controlling shareholder - the Russian Federation represented by the Federal Agency for State Property Management. The value measurement is based on an independent market appraisal.

Financial investments into the shares of PJSC Kamchatskenergo are recorded in the amount equal to the sum of the carrying amounts of the shares of JSC Geoterm and PJSC Gas Energy Complex as per the Company's accounting records as of the date of completion of the reorganization.

In accordance with para 20 of PBU 19/02, investments the fair market value of which is determinable under the established procedure are recorded in year-end financial statements at their current market value that is derived by adjusting their value as at the prior reporting date. In accordance with para 24 of PBU 19/02, if no current market value can be determined at the reporting date for investments that were earlier carried at market value, such investments should be recorded at their latest value.

Management of the Company does not follow the Accounting Regulation "Accounting for Investments" (PBU 19/02) in the part related to accounting for investments in subsidiaries that have a current market value as at the reporting or earlier date and has not performed any market revaluation of such investments after they were obtained.

Management of the Company believes that market quotes do not fairly present the estimated value of the Company's controlling stakes in its subsidiaries at relevant dates because the number of shares traded in the market is not representative: less than 1% of the total number of outstanding shares are daily traded in the market.

In 2016 the interest of RusHydro Group (RusHydro Group means the Company and entities that the Company controls directly or through other subsidiaries) in JSC RAO Energy Systems of the East increased from 86.20% to 99.98% as a result of the consolidation process by buying shares from minority shareholders. In 2016, shares of JSC RAO Energy Systems of the East stopped being quoted and in 2017 the company was de-listed from the Moscow Exchange and removed from quotation lists.

The Company's management plans to benefit from investments in JSC RAO Energy Systems of the East, PJSC Yakutskenergo and PJSC Far East Energy Company by controlling their business operations rather than from their market value fluctuations. In view of these circumstances and taking into account the fact that the Company has no plans to sell these investments, in accordance with para 6 of the Russian Accounting Regulation "Accounting Reports of an Entity" (PBU 4/99), approved by order No. 43n of the Russian Ministry of Finance of 6 July 1999, and para 7.3 PBU 1/2008 "Accounting policy of the organization" the Company decided not to follow the accounting rules and not to perform any market revaluation of its investments in JSC RAO Energy Systems of the East, PJSC Yakutskenergo and PJSC Far East Energy Company after their purchase date.

Therefore, the valuation approach used by the Company to record these investments, i.e. at value that is agreed with the shareholders and is based on an independent market appraisal, allows to avoid inappropriate presentation of the Company's financial position and financial results.

Additionally, the Company's management reviewed IAS 27 "Separate Financial Statements", IFRS 9 "Financial Instruments" and IFRS 13 "Fair Value Measurement".

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IAS 27 sets the rules of recognizing investments in subsidiaries, joint ventures and associates in the process of preparing separate financial statements. In accordance with para 10 of IAS 27, an entity can choose to account for such investments at cost or in accordance with IFRS 9 at fair value. IFRS 13 gives the highest priority in fair value measurement to quoted prices in active markets for identical assets. The term 'active market' is defined as one in which transactions for the asset take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The market for investments under review is not deemed active.

The alternative accounting treatment of investments in subsidiaries as per IAS 27, i.e. at cost without any revaluation at market quotes, complies with the Company's accounting policies that provide for the departure from the Accounting Regulation "Accounting for Investments" (PBU 19/02).

Impairment of financial investments

Investments are tested for their impairment once a year as of 31 December of the reporting year, if there are indications of impairment.

The Company accrues the impairment provision for the amount of difference between carrying (book) value and estimated value of the investments with regard to investments for which significant and constant impairment indicators are proved by impairment test. The estimated value of investments is determined based on the data about net assets, revenue, composition of expenses, schedule of projects financing and other factors.

Despite of the fact that well-grounded judgements are applied to determine the estimated value of investments, there are unavoidable limitations as in any valuation technique. Therefore, the estimated value represents the Company management's best estimate based on all the information available as of the reporting date. Future events will also have impact on determining the estimated value and impact of such events can be significant for the Company's financial statements.

2.6 Cross-currency interest-rate swap

A cross-currency interest-rate swap is recognised in accordance with the rules set out in IFRS 9 "Financial Instruments". The fair value of a cross-currency interest rate swap that is exercisable later than 12 months after the reporting date is recognised gross in the balance sheet either in line 1190 "Other non-current assets" or line 1450 "Other liabilities", depending on the value. The fair value of a cross-currency interest rate swap that is exercisable within 12 months after the reporting date is recognised in the balance sheet either in line 1260 "Other current assets" or line 1550 "Other liabilities", depending on the value. The change in the fair value of a cross-currency interest-rate swap for the reporting period is recognised in the financial statements on a net basis within other income or other expenses.

2.7 Inventories

Inventories are accounted for in accordance with the Russian Accounting Regulation "Accounting for inventories" (RAR 5/2019).

Inventories are accounted at actual cost.

In the event that the net realizable value of inventories at the end of the reporting year turned out to be lower than their original cost, including due to a steady (long-term) decrease in prices for them that took place in the reporting year, an allowance is created for the impairment amount, which is charged to an increase in other expenses. At the same time, the cost of such materials is reflected in the balance sheet less the amount of the allowance for impairment.

To determine the amount of material costs when writing off inventories used in the production of products (rendering services), the method of valuation at the average cost is applied.

Inventories do not include materials, spare parts, components intended for the creation of non-current assets.

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2.8 Expenses of future periods

Expenses incurred by the Company in the reporting period but related to future reporting periods (payments under voluntary and mandatory insurance of property and employees, one-off payments to purchase licenses and other expenses) are recorded as expenses of future periods. These expenses are written-off for the purpose intended on a straight-line basis during the periods which they relate to.

Expenses of future periods to be written-off during the period exceeding twelve months are recognised on the balance sheet as non-current assets in line 1190 "Other non-current assets"; those to be written-off during twelve months - in line 1210 "Inventories".

2.9 Accounts receivable

Trade receivables are accounted for in the amount of services provided, works performed, good dispatched at justified prices and established tariffs. Settlements with other debtors are recognised for accounting and reporting purposes based on the contractual prices. Accounts receivable include non-interest-bearing promissory notes and non-interest-bearing loans issued.

Accounts receivable which are overdue or unlikely to be repaid by the contractual deadlines and are not secured by guarantees, pledges or otherwise, are recognised on the balance sheet net of doubtful debt provision. The provision is based on the conservative assessment made by the Company's management with regard to the portion of receivables which is unlikely to be repaid.

The provision amount is separately determined based on the unbiased information about solvency of the specific debtor and assessment of probability of receivables repayment in full or partially.

Accrual (release) of doubtful debts provision increases other expenses (income).

Uncollectable receivables are written-off when recognized as such. These receivables are recorded in off-balance-sheet accounts over five years after the debt is written off for monitoring whether there is a possibility of their collection in case of any changes in the debtor's property status.

2.10 Cash equivalents and presentation of cash flows in the statement of cash flows

Cash equivalents comprise current highly liquid investments, which are readily convertible into a predictable amount of cash and are exposed to an insignificant risk of changes in value.

The Company recognises short-term bank deposits with a maturity of up to three months (not longer than 91 days) within cash equivalents.

The Company's cash flows which cannot be clearly attributed to cash flows from operating, investing or financing activities are included in the cash flows from operating activities in the statement of cash flows. Such cash flows include receipts and payments related to financial instruments of forward deals.

The following items are presented on a net basis in the statement of cash flows:

- indirect taxes within receipts from buyers and customers and payments to suppliers and contractors;
- cash flows in connection with placement and refunds of cash in short-term bank deposits (with a maturity of more than three months) within the same reporting period and included in the line 4219 "Other receipts" and in the line 4229 "Other payments".

Cash receipts and payments do not include cash flows changing the structure of cash equivalents, but not changing their total amount.

2.11 Share capital, additional and reserve capital

The Company's share capital has been recorded in the amount of the nominal value of ordinary shares purchased by shareholders. The share capital is equal to the amount specified in the Company's Charter.

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When the share capital is increased through placement of additional shares, transactions associated with the formation of the share capital are accounted for when the respective changes made in the Company's constituent documents are registered.

The Company's additional capital includes share premium resulted from placement of the Company's shares at price exceeding their nominal value and total of additional capital of subsidiaries, associates merged into the Company during the 2008 reorganisation.

In accordance with legislation the Company forms a reserve fund in the amount of 5% of the share capital. The amount of mandatory annual deductions to reserve fund is 5% of the Company's net profit until it reaches the specified level.

2.12 Loans and bank credits received

Loans and bank credits are accounted for in accordance with the Russian Accounting Regulation "Accounting for loans and bank credits" (PBU 15/2008).

Loans payable are stated inclusive of interest payable as of the end of the reporting period according to the loan agreements.

Interest is accrued on a monthly basis at the end of each reporting period. If a lender provides for interest calculation attributable to different reporting periods, the amount of interest shall be allocated and included in the amount payable separately for each month.

Additional expenses incurred in connection with borrowings are charged to expenses of future periods with subsequent straight-line inclusion in other expenses over the repayment period.

2.13 Estimated liabilities, contingent liabilities and contingent assets

Estimated liabilities

The Company recognises estimated liability, which meets the recognition criteria established in the Russian Accounting Regulation "Estimated liabilities, contingent liabilities and contingent assets" (RAR 8/2010).

The Company recognises an estimated liability:

- for earned but unused employee vacations, which is determined as of the end of the reporting year with reference to the number of unused vacation days of each employee at the reporting date and employee's average salary, inclusive of insurance contributions;

- on payment of bonuses for the results of work for the fourth quarter and year, the value of which at the end of the reporting year is determined based on the forecast of performance of internal corporate key performance indicators, taking into account insurance premiums;

- in other cases provided by RAR 8/2010.

Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recorded on the balance sheet, but instead are disclosed in the Explanatory Notes to the balance sheet and statement of financial results.

Contingent liability (contingent asset) arises as a result of past business events when existence of a liability (asset) of the Company at the reporting date depends on occurrence (non-occurrence) of future uncertain events, which are beyond the Company's control.

Contingent liability is disclosed in the Explanatory Notes to financial statements, except where the likelihood of a decrease in economic benefits associated therewith is remote. Contingent asset is disclosed in the Explanatory Notes when the inflows associated therewith are probable. There is a need to disclose its estimated amount or a range of estimated amounts, if such values are identifiable.

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2.14 Revenue recognition

Revenue from sales of products (provision of services) is recognized on an accrual basis (as the products/services are delivered/provided and relevant settlement documents presented to buyers). Revenue is presented net of value added tax.

Other revenues of the Company include:

- proceeds from sale of property, plant and equipment, investments and other assets;
- interest received in connection with providing the Company's cash for use, interest for the bank's use of cash sitting on the Company's bank accounts in the bank, interest for the commodity credit and interest on the acquired interest-bearing notes of the third parties - in accordance with interest provision in the note when presenting it for payment. The Company recognises the above income in the statement of financial results in line 2320 "Interest income";
- income from participation in share capital of other entities (dividends) is recognised by Company when announced and included in the statement of financial results in line 2310 "Income from participation in other entities";
- income from transactions with derivatives when the respective trading positions are closed;
- change in the fair value of a currency interest rate swap;
- fines, penalties and interest for breaching contractual terms;
- prior year profit identified in the reporting year (considering the requirements of the Russian Accounting Regulation "Correction of errors in accounting and reporting" (RAR 22/2010);
- other proceeds (income) according to the Russian Accounting Regulation "Income of an organisation" (RAR 9/99) (including income in the form of insurance indemnity).

2.15 Recognition of expenses

Accounting for expenses is regulated by the Russian Accounting Regulation "Expenses of an organisation" (RAR 10/99) under which the Company's expenses are divided into general expenses and other expenses.

Administrative expenses are reflected in the line "Administrative expenses" of the Statement of financial results.

General expenses are recognised in the reporting period wherein they were incurred irrespective of the actual closure of accounts payable.

Expenses shall be accounted for irrespective of the intention to generate revenue or other income and their form.

Other expenses include:

- expenses incurred in disposal and other write-off of property, plant and equipment, investments and other assets;
- interest paid by the Company for provided cash (bank credit, loans); the Company recognises these expenses in the statement of financial results in line 2330 "Interest expense";
- expenses incurred in payment of services provided by credit institutions;
- doubtful debts provision calculated on the basis of the reporting period results in accordance with the Company's accounting policies (see paragraph 2.8 of the Explanatory Notes);
- expenses from transactions with derivatives;
- change in the fair value of a currency interest rate swap;
- fines, penalties and interest for breaching contractual terms, compensation of losses caused by the Company;
- prior year losses identified in the reporting period (considering the requirements of the Russian Accounting Regulation "Correction of errors in accounting and reporting" (RAR 22/2010);

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- charity;
- expenses incurred as a result of extraordinary events in business operations (natural disaster, fire, accident, etc.)
- other expenses according to RAR 10/99.

2.16 Changes in the Company's accounting policies

Significant changes in the accounting policy of the Company in 2021 due to the entry into force of the Federal Accounting Standard "Inventories" (FSBU 5/2019):

- changing the order of inventory accounting;
- separate presentation in the Statement of Financial Results of management expenses.

The consequences of the change in the accounting policy of the Company in connection with the beginning of the application of FSBU 5/2019 are reflected retrospectively.

(1) Changes in inventory accounting

(1.1) Special clothing and special equipment that does not meet the definition of property, plant and equipment is debited as an expense in a lump sum upon release into service. As a result, the remains of such special clothing are not subject to reflection in line 1210 "Stocks";

(1.2) tangible assets acquired for use in the construction (creation) of non-current assets, with the entry into force of FSBU 5/2019, are not subject to reflection in line 1210 "Inventories". As a result, the balances of such material assets, reflected in the balance sheet for 2020 and 2019 in line 1210 "Inventories", for the purposes of comparability in the balance sheet for 2021, were transferred to line 1152 "Construction in progress".

(2) Separate presentation in the Statement of Financial Performance of management expenses

In order to provide a more informative presentation of data on expenses for ordinary activities, starting from the financial statements for 2021, management expenses were transferred from line 2120 "Cost of sales" to a separate line 2220 "Administrative expenses".

As a result of the change in the accounting policy of the Company in 2021, the following adjustments were made to the comparative data included in the financial statements for 2021:

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Balance sheet:

Line code	As at 31 December 2020				As at 31 December 2019			
	Before adjustment	After adjustment	Adjustment		Before adjustment	After adjustment	Adjustment	
			amount	number			amount	number
1150 «Fixed assets»	490,650 ,626	491,443,294	792,668	(1.2)	439,267,950	439,538,994	271,044	(1.2)
1152 «Construction in process»	36,386,593	37,179,261	792,668	(1.2)	31,949,020	32,220,064	271,044	(1.2)
1210 «Inventory»	5,948,586	5,075,562	(873,024), incl.		4,725,082	4,369,511	(355,571), Incl.	
			(80,356)	(1.1)			(84,527)	(1.1)
			(792,668)	(1.2)			(271,044)	(1.2)
1370 «Retained earnings (loss)»	321,242,435	321,177,989	(64,446)	(1.1)	302,627,291	302,558,941	(68,350)	(1.1)
1371 «Undistributed profit of previous years»	285,283,032	285,214,682	(68,350)	(1.1)	265,007,703	265,007,703	-	(1.1)
1372 «Undistributed profit of the current year»	35,959,403	35,963,307	3,904	(1.1)	37,619,588	37,551,238	(68,350)	(1.1)
1420 «Deferred tax liabilities»	46,155,669	46,139,759	(15,910)	(1.1)	42,853,376	42,837,199	(16,177)	(1.1)

** Profit before tax for 2019, taking into account adjustments, amounted to 50,583,420 thousand rubles.*

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Statement of financial results:

Line code	For 2020			
	Before adjustment	After adjustment	Adjustment	
			amount	number
2120 «Cost of sales»	(102,984,281)	(95,444,955)	7,539,326 incl.	
			4 171	(1.1)
			7,535,155	(2)
2100 «Gross profit»	74,272,231	81,811,557	7,539,326 incl.	
			4,171	(1.1)
			7,535,155	(2)
2220 «Administrative expenses»	-	(7,535,155)	(7,535,155)	(2)
2200 «Profit from sales»	74,272,231	74,276,402	4,171	(1.1)
2300 «Profit before tax»	50,317,592	50,321,763	4,171	(1.1)
2410 «Income tax»	(14,583,342)	(14,583,609)	(267)	(1.1)
2412 «Deferred income tax»	(3,302,293)	(3,302,560)	(267)	(1.1)
2400 «Net profit»	35,959,403	35,963,307	3,904	(1.1)
2500 «Total financial result for the period»	35,959,403	35,963,307	3,904	(1.1)
2900 «Basic earnings per share, RR»	0,0824	0,0824	-	

Net assets:

Line code	As at 31 December 2020				As at 31 December 2019			
	Before adjustment	After adjustment	Adjustment		Before adjustment	After adjustment	Adjustment	
			amount	number			amount	number
3600 «Net assets»	885,364,136	885,299,690	(64,446)	(1.1)	852,026,454	851,958,104	(68,350)	(1.1)

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Significant changes in the accounting policy of the Company from 2022:

In connection with the start of application of federal accounting standards FSBU 6/2020 “Fixed Assets” and FSBU 26/2020 “Capital Investments”, from January 1, 2022, the Company’s financial statements for 2022 will reflect a decrease in the value of fixed assets and capital investments (line 1150 "Fixed assets" of the balance sheet asset), as well as equity financial investments (line 1170 "Financial investments" of the balance sheet asset). This decrease will be mainly due to the reflection of the accumulated depreciation of fixed assets and capital investments of the Company and its subsidiaries, which will lead to a decrease in the net assets of the Company.

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III. Disclosure of material indicators

3.1 Non-current assets (Section I of the balance sheet)

3.1.1 Property, plant and equipment (line 1151 of the balance sheet), construction-in-progress (line 1152 of the balance sheet)

PP&E group	Net book value		
	31 December 2021	31 December 2020	31 December 2019
Line 1151 Property, plant and equipment, including:			
Facilities and transmission equipment	254,001,353	220,398,001	191,290,368
Machinery and equipment	207,631,674	186,591,811	175,607,391
Buildings	47,662,235	46,098,094	39,947,628
Production and maintenance tools	357,005	283,930	239,824
Land plots	788,196	563,685	37,765
Motor vehicles	22,936	23,792	4,760
Other types of property, plant and equipment	450,785	304,720	191,194
Total line 1151 "Property, plant and equipment"	**510,914,184**	**454,264,033**	**407,318,930**

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Availability and movement of property, plant and equipment

Narrative	Period	At the beginning of the year		Changes for the period				At the end of the year	
		Cost	Accumulated depreciation	Additions	Disposals		Depreciation accrued	Cost	Accumulated depreciation
					Cost	Accumulated depreciation			
Property, plant and equipment	**2020**	**552,857,759**	**(145,538,829)**	**65,353,377**	**(1,467,872)**	**818,314**	**(17,758,716)**	**616,743,264**	**(162,479,231)**
including:	**2021**	**616,743,264**	**(162,479,231)**	**76,379,452**	**(1,069,082)**	**728,513**	**(19,388,732)**	**692,053,634**	**(181,139,450)**
Facilities and transmission equipment	2020	238,646,316	(47,355,948)	34,439,960	(601,499)	257,226	(4,988,054)	272,484,777	(52,086,776)
	2021	272,484,777	(52,086,776)	39,271,033	(40,603)	14,993	(5,642,071)	311,715,207	(57,713,854)
Machinery and equipment	2020	264,242,755	(88,635,364)	22,974,598	(848,979)	550,872	(11,692,071)	286,368,374	(99,776,563)
	2021	286,368,374	(99,776,563)	33,879,906	(989,560)	689,011	(12,539,494)	319,258,720	(111,627,046)
Buildings	2020	48,215,131	(8,267,503)	7,112,914	(15,359)	8,181	(955,270)	55,312,686	(9,214,592)
	2021	55,312,686	(9,214,592)	2,642,694	(20,406)	6,145	(1,064,292)	57,934,974	(10,272,739)
Motor vehicles	2020	14,571	(9,811)	22,020	(32)	32	(2,988)	36,559	(12,767)
	2021	36,559	(12,767)	4,088	-	-	(4,944)	40,647	(17,711)
Production and maintenance tools	2020	1,250,111	(1,010,287)	139,146	(1,784)	1,784	(95,040)	1,387,473	(1,103,543)
	2021	1,387,473	(1,103,543)	180,508	(14,594)	14,594	(107,433)	1,553,387	(1,196,382)
Land plots	2020	37,765	-	525,920	-	-	-	563,685	-
	2021	563,685	-	224,511	-	-	-	788,196	-
Other types of property, plant and equipment	2020	451,110	(259,916)	138,819	(219)	219	(25,293)	589,710	(284,990)
	2021	589,710	(284,990)	176,712	(3,919)	3,770	(30,498)	762,503	(311,718)

The main amount of fixed assets proceeds relates to the acquisition of property complexes of the Nizhne-Bureiskaya HPP at JSC Nizhne-Bureiskaya HPP, Verkhnebalkarskaya SHPP at LLC Verkhnebalkarskaya SHPP, Barsuchkovskaya SHPP, Ust-Dzhegutiskaya SHPP and SHPP on the river. B. Zelenchuk at LLC SHPPs of Stavropol Krai and Karachay-Cherkessia.

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Changes in the cost of property, plant and equipment as a result of further construction, re-equipping, reconstruction or partial liquidation

Narrative	For 2021	For 2020
Increase in the cost of property, plant and equipment as a result of further construction, re-equipping, reconstruction including:	**15,834,343**	**11,471,521**
Machinery and equipment	15,063,346	9,525,219
Facilities and transmission equipment	711,398	1,708,735
Buildings	55,276	236,404

Construction-in-progress and purchase of property, plant and equipment

Narrative	Period	At the beginning of the year	Changes for the period				At the end of the year
			Costs for the period	Written off	Other movement*	Recognised as PP&E or uplifted	
Construction-in-progress and purchase of property, plant and equipment and income-bearing investments in tangible assets, including:	**2020**	**32,220,064**	**70,164,554**	**(52,500)**	**200,519**	**(65,353,376)**	**37,179,261**
	2021	**37,179,261**	**78,492,342**	**(3,957)**	**(33,876)**	**(76,379,452)**	**39,254,318**
Construction-in-progress	2020	28,429,433	8,385,012	(52,500)	12,797,156	(16,695,216)	32,863,885
	2021	32,863,885	13,276,125	(3,957)	9,893,474	(24,688,742)	31,340,785
Incomplete transactions on purchasing property, plant and equipment and income-bearing investments in tangible assets	2020	38,683	48,929,761	-	(303,484)	(48,658,160)	6,800
	2021	6,800	51,724,335	-	(33,778)	(51,690,710)	6,647
Equipment for installation	2020	3,751,948	12,849,781	-	(12,293,153)	-	4,308,576
	2021	4,308,576	13,491,882	-	(9,893,572)	-	7,906,886

** Transfer of equipment for installation, reclassification of equipment to be installed to construction-in-progress and other movement not related to transfer of assets to property, plant and equipment*

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3.1.2 Long-term investments (line 1170 of the balance sheet)

Line 1170 "Financial investments" includes contributions to share capital of subsidiaries, associates and other entities, debt securities and long-term loans issued to subsidiaries and associates:

Narrative	31 December 2021	31 December 2020	31 December 2019
Investments in subsidiaries	341,204,683	338,004,014	300,608,691
Long-term loans issued	10,674,627	28,460,847	66,215,981
Investments in associates	8,543,302	8,543,302	11,110,528
Investments in other entities	1,081,460	1,081,460	1,082,821
Total line 1170 "Financial investments"	**361,504,072**	**376,089,623**	**379,018,021**

Exposure of long-term investments to financial risks is described in paragraph 3.15 of the Explanatory Notes.

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Availability and movement of long-term investments

Narrative	Period	At the beginning of the year		Changes for the period					At the end of reporting period	
		Cost	Accumulated adjustment*	Additions	Changes in current market value	Disposed (settled)		Other movements**	Cost	Accumulated adjustment*
						Cost	Accumulated adjustment*			
Long-term investments including:	**2020**	**421,564,887**	**(42,546,866)**	**60,086,097**		**(46,187,985)**	**232,750**	**(17,059,260)**	**435,462,999**	**(59,373,376)**
	2021	**435,462,999**	**(59,373,376)**	**16,848,846**	**-**	**(33,129,842)**	**7,144,037**	**(5,448,592)**	**419,182,003**	**(57,677,931)**
Investments in subsidiaries	2020	336,247,544	(35,638,853)	54,454,583		(232,750)	232,750	(17,059,260)	390,469,377	(52,465,363)
	2021	390,469,377	(52,465,363)	15 043 480	-	(6,639,121)	244,902	(5,448,592)	398,873,736	(57,669,053)
Investments in associates	2020	11,110,528	-	1,006,514	-	(3,573,740)	-	-	8,543,302	-
	2021	8,543,302	-	-	-	-	-	-	8,543,302	-
Investments in other entities	2020	1,091,699	(8,878)	-	-	(1,361)	-	-	1,090,338	(8,878)
	2021	1,090,338	(8,878)	-	-	-	-	-	1,090,338	(8,878)
Long-term loans issued	2020	66,215,981	-	4,625,000	-	(42,380,134)	-	-	28,460,847	-
	2021	28,460,847	-	1,805,366	-	(19,591,586)	-	-	10,674,627	-
Debt securities	2020	6,899,135	(6,899,135)	-	-	-	-	-	6,899,135	(6,899,135)
	2021	6,899,135	(6,899,135)	-	-	(6,899,135)	6,899,135	-	-	-

** Accumulated adjustment includes the amount of the provision for impairment of investments.*

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(a) Investments in subsidiaries, associates and other entities

The balance sheet line 1170 "Investments" includes the below investments in subsidiaries, associates and other organisations:

Subsidiaries and associates and other entities	31 December 2021		31 December 2020		31 December 2019	
	Carrying amount	Share, %	Carrying amount	Carrying amount	Share, %	Carrying amount
Subsidiaries	**341,204,683**		**338,004,014**		**300,608,691**	
JSC Zagorskaya PSHPP-2	68,081,785	100.00%	68,689,980	100.00%	69,690,959	100.00%
JSC Nizhne-Bureiskaya HPP	36,771,816	100.00%	38,392,690	100.00%	38,392,690	100.00%
JSC CCGT in the City of Sovetskaya Gavan	30,942,455	100.00%	26,664,016	100.00%	22,370,816	100.00%
JSC Sakhalinskaya SDPP-2	24,228,585	100.00%	24,228,585	100.00%	24,228,585	100.00%
JSC Ust-Srednekanskaya HPP	23,111,468	67.82%	23,111,468	67.82%	23,111,468	67.82%
JSC Yakutskaya SDPP-2	22,773,258	100.00%	22,773,258	100.00%	22,773,258	100.00%
JSC Far East Generating Company	22,491,370	99.99%	25,953,675	99.99%	-	-
JSC RAO ES of East	22,068,987	86.98%	22,068,987	86.98%	18,495,247	84.39%
JSC Chukotenergo	18,000,480	97.90%	13,629,658	98.83%	7,542,016	97.90%
JSC ECS RusHydro *	17,216,208	100.00%	17,216,208	99.75%	17,216,208	99.75%
PJSC Kolymaenergo	13,186,557	98.76%	13,186,557	98.76%	13,186,557	98.76%
JSC BoGES Holding Company	10,114,189	100.00%	10,114,189	100.00%	10,114,189	100.00%
JSC Sulakskiy Hydrocascade	9,706,374	100.00%	10,048,757	100.00%	10,161,830	100.00%
SNRG LLC	6,394,219	100.00%	-	-	-	-
JSC Blagoveschenskaya TEC	4,285,020	100.00%	4,285,020	100.00%	4,285,020	100.00%
JSC ESK RusHydro	4,280,992	100.00% - 1 share	3,632,797	100.00% - 1 share	4,304,234	100.00% -1 share
PJSC Yakutskenergo **	1,670,826	29.80%	1,670,826	29.80%	1,670,826	29.80%
JSC Lenhydroproject	1,384,713	100.00%	1,384,713	100.00%	1,384,713	100.00%
PJSC Kamchatskenergo ***	1,382,028	13.93%	1,265,442	13.93%	1,114,964	13.93%
JSC NIIES	787,529	100.00%	787,529	100.00%	822,437	100.00%
JSC P. S. Neporozhny Sayano-Shushenskaya HPP	588,848	100.00%	588,848	100.00%	588,848	100.00%
JSC Transport company Rushydro	519,470	100.00%	519,470	100.00%	519,470	100.00%
LLC Verkhnebalkarskaya MGES	377,853	100.00%	459,982	100.00%	459,982	100.00%
JSC Malaya Dmitrovka	-	-	6,394,219	100.00%	6,394,219	100.00%
Other	839,653	-	937,140	-	1,780,155	-
Associates:	**8,543,302**	-	**8,543,302**	**-**	**11,110,528**	**-**
PJSC Irkutsk Electric Grid Company	8,543,297	42.75%	8,543,297	42.75%	8,543,297	42.75%
PJSC Sakhalin energy company	-	-	-	-	2,567,226	26.94%
Other	5	-	5	-	5	-
Other entities:	**1,081,460**		**1,081,460**	**-**	**1,082,821**	**-**
PJSC Boguchanskaya HPP****	1,081,460	2.88%	1,081,460	2.88%	1,081,460	2.88%
Other	**-**	-	-	-	1,361	-
Total:	**350,829,445**	-	**347,628,776**	**-**	**312,802,040**	**-**

** JSC Zaramagskiye HPPs was renamed JSC ECS RusHydro in 2021.*
*** Investment in PJSC Yakutskenergo (29.80%) is recorded within subsidiaries as the Company has control over these entities indirectly via other subsidiaries.*
**** The financial investment in PJSC Kamchatskenergo (13.93%) is recognised within subsidiaries as the Company controls this entity via its other subsidiaries. The direct ownership share in PJSC Kamchatskenergo was received in 2019 following the reorganisation of JSC Geoterm and PJSC Gas Energy Complex in the form of their merger with PJSC Kamchatskenergo.*
**** PJSC Boguchanskaya HPP *is a subsidiary of the company BOGES Ltd, in which the Company owns 50% of capital indirectly through other subsidiaries and manages it on a parity basis with RUSAL Group.*

During 2021, additional shares issues of JSC Chukotenergo were acquired in the amount of RUB 4,370,822 thousand and JSC CCGT in the City of Sovetskaya Gavan in the amount of RUB 4,278,439 thousand rubles.

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In April 2021, 100% of the shares of JSC Malaya Dmitrovka owned by the Company with a total balance sheet value of RUB 6,394,219 thousand were contributed to the share capital of SNRG LLC.

The Company's management has analysed the negative trends related to a number of subsidiaries. Management analysed the investments to the share capital of such entities for possible signs of impairment and also analysed the possible impairment of other assets related to these subsidiaries, including those recorded within accounts receivable (see p. 3.2.2 of the Notes). Based on the results of the analysis, a reserve was accrued in relation to financial investments in JSC Far East Generating Company in the amount of RUB 3,462,305 thousand, JSC Nizhne-Bureyskaya HPP in the amount of RUB 1,620,874 thousand, other subsidiaries in the amount of RUB 1,130,194 thousand and the reserve was restored in the amount of RUB 764,781 thousand. The accrual of the provision in relation to financial investments is reflected in line 2350 "Other expenses".

Investments in subsidiaries that have current market value as of reporting date or formerly

As of 31 December 2021, 31 December 2020 and 31 December 2019, investments included shares of the Company's subsidiaries, i.e. JSC RAO ES of East, PJSC Yakutskenergo, PJSC DEK, and PJSC Kamchatskenergo, which have the current market value at the reporting date or earlier, for a total amount of RUB 21,586,101 thousand (excluding the book value of the shares of JSC RAO ES of the East acquired in 2020, issued as part of the additional issue in 2020, in the amount of RUB 3,573,740 thousand. This valuation exceeds the current market value of the shares (for JSC RAO ES of East - the cost of the last valuation at the current market value) as of 31 December 2021, 31 December 2020 and 31 December 2019 by RUB 6,489,207 thousand, RUB 6,208,315 thousand and RUB 6,656,507 thousand, respectively, which is the amount of unreported change in market value compared to the balance sheet estimate.

Description of the Company's accounting policies and explanation of the departure from PBU 19/02 in the accounting treatment of the above investments are provided in para 2.5 of the Notes.

Items of the financial statements that change as a result of the departure from the accounting rules and the adjustment amount for each such item are presented below:

Items of the financial statements	Date/period	Item value as if there were no departure	Adjustment amount	Items of the financial statements
Net assets	As of 31.12.2019 г.	845,301,597	6,656,507	851,958,104
	As of 31.12.2020 г.	879,091,375	6,208,315	885,299,690
	As of 31.12.2021 г.	906,361,517	6,489,207	912,850,724
Line 1170 "Financial investments"	As of 31.12.2019 г.	372,361,514	6,656,507	379,018,021
	As of 31.12.2020 г.	369,881,308	6,208,315	376,089,623
	As of 31.12.2021 г.	355,014,865	6,489,207	361,504,072
Line 1370 "Retained earnings (loss)"	As of 31.12.2019 г.	295,902,434	6,656,507	302,558,941
	As of 31.12.2020 г.	314,969,674	6,208,315	321,177,989
	As of 31.12.2021 г.	340,622,206	6,489,207	347,111,413
Line 2340 "Other income"	2020	12,352,311	(448,192)	11,904,119
	2021	7,620,490	280,892	7,901,382
Line 2400 "Net income"	2020	36,411,499	(448,192)	35,963,307
	2021	50,575,880	280,892	50,856,772
Line 2900 "Basic earnings per share, RR"	2020	0.0824	(0.0010)	0.0824
	2021	0.1151	0.0007	0.1158

The Company's management analysed the models of expected cash flows and factors that may show that there are indications of impairment of investments and came to a decision that these assets are not impaired as of 31 December 2021, 31 December 2020 and 31 December 2019 there is no impairment of shares of the Company's subsidiaries – investments in JSC RAO Energy System of the East, PJSC Yakutsenergo and PJSC DEK, and in relation to the financial investment

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in the shares of Kamchatskenergo PJSC as of December 31, 2021, it was necessary to restore the reserve in the amount of RUB 116,586 thousand (as of December 31, 2020, the amount of the reserve was RUB 1,758,753 thousand).

JSC Zagorskaya PSHPP-2. The target scheme for the future operations of Zagorskaya PSHPP-2 will not cover the losses incurred by JSC Zagorskaya PSHPP-2 on reducing the impact of emissions from the station and the potential losses on the disposal of the assets, which during 2020 were determined as non-core, the Company's management came to the conclusion that it is necessary to create additional reserve for the impairment of financial investments in shares of JSC Zagorskaya PSHPP-2 in the amount of RUB 608,195 thousand as of 31 December 2021 (RUB 1,000,979 thousand as of 31 December 2020) .

As of 31 December 2021 the balance sheet includes JSC Zagorskaya PSHPP-2 shares as long-term financial investments in the amount of RUB 68,081,175 thousand. The analysis of recoverability of these assets performed by the Company as of 31 December 2021 was based on the following key factors:

- Management plans to perform recovery work and complete construction of Zagorskaya PSHPP-2. As of 31 December 2021 there is significant uncertainty in terms of the expenses to be incurred on recovery of damage caused by the flooding at Zagorskaya PSHPP-2. However, these expenses can be significant.
- Capacity supply contracts were concluded in respect of Zagorskaya PSHPP-2. There are specific rules for the price setting in respect of new HPPs (including pumped-storage power plants) being constructed: the price is set in a manner that guarantees payback period of 20 years for all CAPEX invested in construction.
- By the decision of the Association "NP Market Council" dated April 18, 2018, the date of commencement of the fulfilment of PJSC RusHydro's obligations for the supply of capacity to JSC Zagorskaya PSHPP-2 was postponed in respect of the first and second stages - on January 1, 2024.

(b) Long-term loans issued

Loan recipient's name	31 December 2021	31 December 2020	31 December 2019	Maturity date	Annual rate,%
Long-term loans issued to related parties, including:					
PJSC Kamchatskenergo	3,975,000	5,979,000	2,004,000	2025	6,51%
JSC Sakhaenergo	3,476,210	5,426,210	5,426,210	2025	6,51%
JSC Hydroinvest	1,605,655	-	1,689,110	2026	7,22%-7,55%
JSC Teploenergoservice	929,000	1,516,676	1,516,676	2025	6,51%
PJSC Sakhalinenergo	688,762	2,033,822	1,383,822	2023-2025	6,51%%-7,55%
PJSC Magadanenergo	-	1,618,000	1,618,000		-
JSC RAO ES Vostoka	-	8,522,514	8,522,514		-
PJSC Yakutsenergo	-	2,400,000	2,945,355		-
JSC Far East Generating Company	-	-	40,145,669	-	-
Other	-	964,625	964,625	-	-
Total long-term loans issued	**10,674,627**	**28,460,847**	**66,215,981**		

There are no indicators of a prolonged decline in the value of the above investments.

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3.1.3 Other non-current assets (line 1190 of the balance sheet)

Narrative	31 December 2021	31 December 2020	31 December 2019
Long-term deferred expenses to be written off to expense accounts within 12 months after the reporting date, including:	**2,872,941**	**2,836,283**	**3,155,715**
Zelenchukskaya GAES connections to the grid	1,363,017	1,475,524	1,590,341
Software and licenses	1,168,790	880,905	871,183
Other	341,134	479,854	694,191
Total line 1190 «Other non-current assets»	**2,872,941**	**2,836,283**	**3,155,715**

3.2 Current assets (Section II of the balance sheet)

3.2.1 Inventories (line 1210 the balance sheet)

Narrative	31 December 2021	31 December 2020	31 December 2019
Spare parts, materials and other inventories	5,369,131	4,819,171	4,182,512
Short-term expenses of future periods which are subject to writing-off from expense account during 12 months of the reporting date	105,861	226,244	161,843
Other	25,341	30,147	25,156
Total line 1210 "Inventories"	**5,500,333**	**5,075,562**	**4,369,511**

Spare parts, materials and other inventories are measured at actual cost of acquisition. As of 31 December 2021, the reserve for depreciation of their value amounted to RUB 28,260 thousand (as of 31 December 2020 - RUB 30,044 thousand, as of 31 December 2019 - RUB 42,457 thousand).

The movement of spare parts, materials and other similar items is disclosed in the table below:

Narrative	Period	At the beginning of period		Changes				At the end of period	
		Cost	Impairment reserve	Additions	Disposals		Accrual of impairment Reserve	Cost	Impairment reserve
					Cost	Impairment reserve			
Spare parts, materials and other inventories	2020	4,204,732	(22,220)	1,267,574	(633,958)	6,449	(3,406)	4,838,348	(19,177)
	2021	4,838,348	(19,177)	1,169,021	(619,910)	1,666	(817)	5,387,459	(18,328)

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3.2.2 Accounts receivable (line 1230 of the balance sheet)

(a) Long-term accounts receivable (payments expected beyond 12 months of the reporting date)

Total long-term accounts receivable were RUB 89,590,374 thousand, 126,901,680 thousand and 119,642,987 thousand as of 31 December 2021, 2020 and 2019, respectively.

Long-term accounts receivable include interest-free promissory notes issued by the following issuers:

Issuer	31 December 2021	31 December 2020	31 December 2019
Other related parties, including:			
PJSC Boguchanskaya HPP	21,027,455	21,027,455	21,027,455
CJSC Boguchansky Aluminium Plant	4,661,805	4,661,805	4,661,805
Total interest-free promissory notes received from related parties	**25,689,260**	**25,689,260**	**25,689,260**
VTB Bank (PJSC)	1,333,369	1,108,116	2,336,991
PJSC Rosbank	-	694,155	1,279,941
JSC Alfa-Bank	-	492,078	592,566
PJSC Ulyanovskenergo	206,079	206,079	206,079
Total interest-free promissory notes received from other counterparties	**1,539,448**	**2,500,428**	**4,415,577**
Total long-term interest-free promissory notes receivable	**27,228,708**	**28,189,688**	**30,104,837**

As of 31 December 2021, the Company's long-term accounts receivable represented by other related parties' long-term interest-free promissory notes purchased for financing investment program consist of the following promissory notes:

- PJSC Boguchanskaya HPP: promissory notes for RUB 21,027,455 thousand payable on demand after 31 December 2029 (the present value of the promissory notes reflecting time value of money as of 31 December 2021 is RUB 9,984,564 thousand);
- CJSC Boguchansky Aluminium Plant: promissory notes for RUB 4,661,805 thousand payable on demand after 31 December 2024 (the present value of the promissory notes reflecting time value of money as of 31 December 2021 is RUB 3,501,569 thousand).

Long-term accounts receivable include advances issued to the following suppliers of equipment and capital construction contractors:

Counterparty	31 December 2021	31 December 2020	31 December 2019
Subsidiaries	**4,082**	**15,000**	**92,762**
Advances issued to related parties	**4,082**	**15,000**	**92,762**
Russian Gas Turbines LLC	9,734,252	-	-
Voith Hydro GmbH & Co KG	8,216 179	8,950,075	9,223,771
PJSC Silovye Mashiny	5,272,973	5,295,398	6,369,417
Ural Turbine Plant JSC	3,522,015	-	-
JSC "Podolsk Machine-Building Plant"	1,336,172	-	-
Other	505 659	693,428	504,236
Total advances issued to other counterparties	**28,587,250**	**14,938,901**	**16,097,424**
Total advances issued to suppliers of equipment and capital construction contractors	**28,581,332**	**14,953,901**	**16,190,186**

With respect to a number of advances issued to equipment suppliers and capital construction contractors, bank and corporate guarantees were obtained (see 3.6.2 of the Explanatory Notes).

Advances issued to suppliers of equipment and capital construction contractors relating to the equipment (work) with expected supply during 2022 are included within short-term advances issued.

Long-term accounts receivable include interest-free loans issued to the following counterparties:

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Counterparty	31 December 2021	31 December 2020	31 December 2019
Subsidiaries, including:			
LLC Malye HPP Stavropolya and KChR»	10,442,972	8,525,430	3,907,325
JSC Hydroinvest	5,261,129	5,261,129	5,930,538
JSC Chukotenergo	3,963,193	184,247	183,522
JSC RAO ES Vostoka	2,686,893	19,434,799	17,663,277
Zagorskaya PSHPP-2	2,674,906	1,535,413	169,821
JSC Far East Generating Company	1,699,588	968,182	363,305
JSC Sakhaenergo	1,539,005	1,578,954	1,027,919
JSC DRSK	1,196,010	164,936	-
JSC Sakhalinskaya SDPP-2	351,834	5,296,770	5,046,770
JSC Ust-Srednekanskaya HPP	-	23,644,545	20,421,347
JSC Nizhne-Bureiskaya HPP	-	6,832,293	7,808,209
LLC Verkhnebalkarskaya MGES	-	3,700,633	-
JSC CCGT in the City of Sovetskaya Gavan	-	1,266,646	143,471
Other related parties	2,416,094	2,373,169	755,309
Total interest-free loans issued to related parties	**32,231,624**	**80,767,146**	**63,420,813**
Other	119,399	167,935	222,880
Total interest-free loans issued to other counterparties	**119,399**	**167,935**	**222,880**
Total long-term interest-free loans issued	**32,351,023**	**80,935,081**	**63,643,693**

As of December 31, 2021, long-term interest-free loans issued mainly include loans issued for the purpose of financing investment projects of subsidiaries.

The debt on interest-free loans of Nizhne-Bureiskaya HPP JSC and Verkhnebalkarskaya SHPP LLC was repaid as a result of a partial offset of the Company's accounts payable related to the acquisition of the property of Nizhne-Bureiskaya HPP and Verkhnebalkarskaya SHPP, respectively.

Other long-term accounts receivable include the following types of receivables:

Counterparty	31 December 2021	31 December 2020	31 December 2019
Subsidiaries' **interest receivable accrued on loans issued and promissory notes received,** including:	**696,197**	**2,468,734**	**9,492,978**
JSC Hydroinvest	455,526	-	279,424
PJSC Magadanenergo	204,521	198,600	207,813
JSC RAO ES Vostoka	-	1,047,466	1,095,995
JSC Far East Generating Company	-	-	6,665,402
Other	36,150	1,222,668	1,244,344
Other accounts receivable	**5,386**	**7,355**	**42,557**
Total other long-term accounts receivable	**701,583**	**2,476,089**	**9,535,535**

Amount and movements in the impairment provision for long-term accounts receivable

Type	Period	At the beginning of the year	Provision creation	Recovery of provision	Write-off against a provision	Transfer to provision for short-term receivables	At the end of the year
Impairment provision for long-term accounts receivable, including:	**2020**	**2,732,436**	**-**	**-**	**-**	**-**	**2,732,436**
	2021	**2,732,436**	**-**	**-**	**(2,732,436)**	**-**	**-**
Other	2020	2,732,436	-	-	-	-	2,732,436
	2021	2,732,436	-	-	(2,732,436)	-	-

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(б) Short-term accounts receivable (payments expected within 12 months of the reporting date)

Total short-term accounts receivable less doubtful debt provision were RUB 77,898,906 thousand, 25,447,657 thousand, RUB 46,668,626 thousand as of 31 December 2021, 2020, 2019, respectively.

Type of short-term accounts receivable	31 December 2021	31 December 2020	31 December 2019
Buyers and Customers	**9,368,022**	**8,848,616**	**7,807,953**
Advances issued	**7,554,869**	**7,748,991**	**8,805,211**
Interest-free promissory notes received	**2,010,847**	**2,671,822**	**1,810,654**
Interest-free loans issued	**45,531,259**	**401,357**	**24,965,773**
Other including:	**13,433,909**	**5,776,871**	**3,279,035**
Taxes receivable	10,347,393	3,905,339	2,005,851
Other	3,086,516	1,871,532	1,273,181
Total line 1232 "Accounts receivable'' (payments expected within 12 months of the reporting date)	**77,898,906**	**25,447,657**	**46,668,626**

Other debt of other debtors is mainly represented by the debt of subsidiaries on interest accrued on loans issued.

Short-term accounts receivable include advances issued to the following suppliers of equipment and capital construction contractors relating to the equipment (work) with expected supply within 12 months of the reporting date:

Counterparty	31 December 2021	31 December 2020	31 December 2019
Subsidiaries	**1,604,613**	**959,873**	**1,613,178**
Total advances issued to related parties	**1,604,613**	**959,873**	**1,613,178**
PJSC Silovye Mashiny	1,544,728	1,821,359	2,217,899
Voith Hydro GmbH & Co KG	1,477,074	1,738,249	2,756,361
Other	919,384	651,958	1,268,200
Total advances issued to other counterparties	**3,941,186**	**4,211,566**	**6,242,460**
Total advances issued to suppliers of equipment and capital construction contractors	**5,545,799**	**5,171,439**	**7,855,638**

With respect to a number of advances issued to equipment suppliers and capital construction contractors, bank guarantees were obtained (see 3.6.2 of the Explanatory Notes).

Short-term accounts receivable include interest-free promissory notes issued by the following issuers:

Issuer	31 December 2021	31 December 2020	31 December 2019
VTB Bank (PJSC)	824,613	1,925,038	910,504
JSC Alfa-Bank	492,078	-	687,273
Other	694,156	746,784	212,877
Total interest-free promissory notes from other counterparties	**2,010,847**	**2,671,822**	**1,810,654**
Total short-term interest-free promissory notes received	**2,010,847**	**2,671,822**	**1,810,654**

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Short-term accounts receivable include interest-free loans issued to the following counterparties:

Counterparty	31 December 2021	31 December 2020	31 December 2019
Subsidiaries, including:			-
JSC Ust-Srednekanskaya HPP	28,428,796	-	-
JSC RAO ES Vostoka	10,630,336	-	-
JSC Sakhalinskaya SDPP-2	4,944,936	-	-
LLC Verkhnebalkarskaya MGES	-	90,201	2,660,562
JSC EZS RusHydro (ex. JSC Zaramagskie HPP)	-	-	22,123,595
Other	1,480,322	260,778	120,000,
Total short-term interest-free loans issued to related parties	**45,484,390**	**350,979**	**24,904,157**
Short-term interest-free loans issued to others counterparties	46,869	50,378	61,616
Total short-term interest-free loans issued	**45,531,259**	**401,357**	**24,965,773**

Amount and movements in the impairment provision for short-term accounts receivable

Type	Period	At the beginning of the year	Provision creation	Recovery of provision	Write-off against a provision	At the end of the year
Provision for short-term accounts receivable, including	**2020**	**14,062,808**	**1,491,566**	**(1,612,819)**	**(1,237,575)**	**12,703,980**
	2021	**12,703,980**	**2,865,118**	**(1,721,282)**	**(256,336)**	**13,591,480**
Trade receivables	2020	6,664,499	1,141,382	(1,280,808)	(278,135)	6,246,938
	2021	6,246,938	2,495,967	(1,721,282)	(232,732)	6,788,891
Advances issued	2020	301,049	55,753	(42,626)	(75,823)	238,353
	2021	238,353	288,636	-	(2,074)	524,915
Other	2020	7,097,260	294,431	(289,385)	(883,617)	6,218,689
	2021	6,218,689	80,515	-	(21,530)	6,277,674

Overdue accounts receivable

Item	31 December 2021		31 December 2020		31 December 2019	
	Recognised under contract	Carrying amount	Recognised under contract	Carrying amount	Recognised under contract	Carrying amount
Overdue accounts receivable, including:	**8,896,007**	**409,856**	**9,216,674**	**856,978**	**10,278,905**	**849,432**
Buyers and customers	6,641,534	200,944	6,359,931	163,379	6,749,396	186,839
Advances issued	405,409	182,225	847,771	609,812	880,131	587,201
Other debtors	1,849,064	26,687	2,008,972	83,787	2,649,378	75,392

3.2.3 Short-term investments (Line 1240 of the balance sheet)

The structure of the Company's short-term investments is represented by the following assets:

Type of investment	31 December 2021	31 December 2020	31 December 2019
Bank deposits	490,331	40,971,001	46,495,823
Loans issued	19,391,875	1,650,651	4,674,999
Total line 1240 "Investments" (excluding cash equivalents)	**19,882,206**	**42,621,652**	**51,170,822**

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Short-term investments and their movements

Item	Period	Opening balance		Changes for the period*				Closing balance	
		Historical cost	Accumulated adjustment	Additions*	Disposal (repayment)		Accrual of impairment provision	Historical cost	Accumulated adjustment
					Historical cost*	Accumulated adjustment			
Short-term investments, including:	**2020**	**53,481,449**	**(2,310,627)**	**123,246,272**	**(131,348,662)**	**-**	**(446,780)**	**45,379,059**	**(2,757,407)**
	2021	**45,379,059**	**(2,757,407)**	**108,615,842**	**(131,333,032)**	**-**	**(22,256)**	**22,661,869**	**(2,779,663)**
Bank deposits	2020	46,495,823	-	120,430,382	(125,955,204)	-	-	40,971,001	-
	2021	40,971,001		88,155,996	(128,636,666)	-	-	490,331	-
Loans issued	2020	6,985,626	(2,310,627)	2,815,890	(5,393,458)	-	(446,780)	4,408,058	(2,757,407)
	2021	4,408,058	(2,757,407)	20,459,846	(2,696,366)	-	(22,256)	22,171,538	(2,779,663)
Promissory notes	2020	-	-	-	-	-	-	-	-
	2021	-	-	-	-	-	-	-	-

** Movements of short-term investments received and disposed of (repaid) in the same reporting period are presented on a gross basis.*

Exposure of short-term investments to financial risks is described in paragraph 3.15 of the Explanatory Notes.

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(a) Bank deposits

As at 31 December 2021, the Company had Rouble deposits with banks of RUB 0 thousand, due in 2022, in USD – RUB 490,331 thousand, in Euro RUB 0 thousand.

Credit institution	Rating on 31 December 2021	Rating agency	31 December 2021	31 December 2020	31 December 2019
PJSC Sberbank	BBB	Fitch	490,331	-	34,200
VTB Bank (PJSC)			-	24,322,072	31,690,000
Bank GPB (JSC)			-	16,648,929	14,771,623
Total bank deposits			**490,331**	**40,971,001**	**46,495,823**

(б) Short-term loans issued

Loan recipient's name	31 December 2021	31 December 2020	31 December 2019	Annual rate,%
Short-term loans issued to related parties, including:				
JSC RAO ES Vostoka	8,522,514	-	-	0,15%-5,53%
PJSC Yakutsenergo	2,400,000	-	-	0,15%-5,53%
PJSC Kamchatskenergo	2,004,000	-	3,975,000	0,15%-5,53%
JSC Sakhaenergo	1,950,000	-	-	0,15%-5,53%
PJSC Sakhalinenergo	1,345,060	-	650,000	0,15%-5,53%
JSC Hydroinvest	-	1,605,656	-	
Other	3,170,301	44,995	49,999	-
Total short-term loans issued	**19,391,875**	**1,650,651**	**4,674,999**	

As of December 31, 2021, the provision for impairment of short-term loans issued is represented by the provision for loans issued by ZAO Verkhne-Narynskie HPPs and amounts to RUB 2,779,663 thousand (as of December 31, 2020 – RUB 2,757,407 thousand, as of December 31, 2019 – RUB 2 310 627 thousand).

There are no indicators of a prolonged decline in the value of investments.

3.2.4 Cash and cash equivalents (line 1250 of the balance sheet)

Item	31 December 2021	31 December 2020	31 December 2019
Cash equivalents	27,692,000	30,766,000	12,000,000
Cash in bank	2,815,264	1,314,582	6,163,423
Cash at accounts in the Office of the Federal Treasury	-	-	-
Total line 1250 "Cash and cash equivalents"	**30,507,264**	**32,080,582**	**18,163,423**

As of 31 December 2021, 2020, 2019, there is no restricted cash.

Cash equivalents as at 31 December 2021, 31 December 2020, and 31 December 2019 include funds on short-term bank deposits with an original maturity of three months or less.

As of 31 December 2021 there were cash balances denominated in US dollars equivalent to RUB 10,675 thousand (31 December 2020: RUB 11,618 thousand, 31 December 2019: RUB 3,242 thousand).

The Company holds cash and cash equivalents in the following credit institutions:

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Credit institution	Rating on 31 December 2021	Rating agency	31 December 2021	31 December 2020	31 December 2019
Bank deposits, including:					
VBRR Bank JSC	Ba2	Moody's	5,800,000	-	-
JSC Rosselkhozbank	Ba1	Moody's	5,385,000	-	-
Sovcom PJSC	BB	S&P	5,000,000	-	-
VTB Bank (PJSC)	BBB-	S&P	4,235,000	16,259,000	-
Bank GPB (JSC)	BBB-	S&P	3,352,000	14,507,000	12,000,000
Promsvyazbank PJSC	BB	S&P	2,920,000	-	-
JSC "UniCredit Bank"	BBB-	S&P	1,000,000	-	-
Total cash equivalents			**27,692,000**	**30,766,000**	**12,000,000**
Cash in banks, including:					
JSC "AB Russia"	A+	АКРА	2,778,857	1 404	701 610
Bank GPB (JSC)	BBB-	S&P	6,290	1,217,591	5,298,916
Other			30,117	95,587	162,897
Total cash in bank			**2,815,264**	**1,314,582**	**6,163,423**

Notes to the statement of cash flows

Cash flows required for the purposes of supporting the existing scope of the Company's operations are presented within current operations. Cash flows related to expansion of the Company's business are included in investing activities.

Cash flows spent on investments and received on repayment of cash equivalents (excluding accrued interest) are not included in the cash flow statement.

Breakdown for lines "Other receipts" and "Other payments" of the statement of cash flows is presented below:

Item	Year ended 31 December 2021	Year ended 31 December 2020
Other receipts from operating activities (line 4119), including:	**2,969,697**	**8,713,893**
Value added tax	-	7,920,517
Additions from hedging transactions	2 560 050	-
Partial refund of the OeKB guarantee in connection with a loan paid off ahead of schedule	-	382,093
Penalties, interest and fines recognised or for which court rulings on collection have been received	66,340	121,909
GDR	112,550	120,504
The repayment of the promissory note debt	-	103,663
Other receipts from operating activities	230,757	65,207
Other payments related to operating activities (line 4129), including:	**(21,005,862)**	**(17,794,444)**
Taxes and levies	(11,549,510)	(7,539,756)
Non-budget funds	(2,124,039)	(2,207,881)
Interest rate swap payments	-	(362,323)
Charity payments	(2,396,609)	(1,924,991)
Business trip expenses	(309,645)	(183,496)
Water usage expenses	(2,878,722)	(2,586,315)
Payments of non-deliverable forward contract for shares	(1,460,156)	(2,071,940)
Payment of expenses for raising borrowed capital	(7,360)	(4,824)
Payment of fines, penalties, forfeits, damages	(81,665)	(763,417)
Other payments related to operating activities	(198,156)	(149,501)
Other receipts related to investing activities (line 4219), including:	**40,386,060**	**5,612,445**
Refund of short-term deposits	**40,386,060**	**5,612,445**

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3.3 Equity and reserves (Section III of the balance sheet)

3.3.1 Share capital (line 1310 of the balance sheet)

As of 31 December 2021, 2020 and 2019, the Company's share capital is registered according to the established procedure and fully paid:

Share capital composition	Number of shares at 31 December 2021	Number of shares at 31 December 2020	Number of shares at 31 December 2019
Ordinary shares with nominal value of RUB 1 per share	439,288,905,849	439,288,905,849	426,288,813,551

As of 31 December 2021, the following shareholders are registered in the register of shareholders:

Shareholder	Type of shareholder	Number of shares	Ownership share, %
Russian Federation represented by the Federal Agency for State Property Management	beneficial owner	271,161,535,606	61,73
Non-Banking Credit Organisation JSC National Settlement Depository	nominee holder	139,124,018,056	31,67
Other		29,003,352,187	6,60
Total		**439,288,905,849**	**100,00**

Additional issue in 2018-2020

In April – May 2019 the Company resumed the results of execution of pre-emptive right: The Company placed among its shareholders 7,000,092,298 additional shares (49.95 percent of the additional issue of new shares) at RUB 1.00 per share, including 7,000,000,000 shares that were bought by the Russian Federation represented by the Federal Agency for Management of State Property.

In the third quarter of 2020, the second stage of the placement of an additional issue of the Company's shares within the framework of an open subscription was completed, PJSC RusHydro placed 6,000,000,000 additional shares among shareholders (all in favor of the Russian Federation represented by the Federal Property Management Agency).

On September 14, 2020, the Bank of Russia registered a report on the results of the additional issue of shares of PJSC RusHydro. The corresponding changes on the new size of the authorized capital were made to the Articles of Association of PJSC RusHydro on November 6, 2020.

As of 31 December 2021, there are no ordinary shares are owned by the Company's Management Board members (31 December 2020: 0 million shares, 31 December 2019: 16 million shares). Subsidiaries and associates own 3,852 million shares of the Company (31 December 2020: 3,852 million shares, 31 December 2019: 3,852 million shares).

3.3.2 Revaluation of non-current assets (line 1340 of the balance sheet)

As of 31 December 2021, the amount of accumulated revaluation of non-current assets is RUB 47,228,374 thousand (31 December 2020: RUB 47,406,782 thousand, 31 December 2019: RUB 47,614,027 thousand). This metric consists of the amounts of revaluation accumulated by subsidiaries and associate which the Company acquired as part of the 2008 restructuring process.

The amount of accumulated revaluation was decreased by RUB 178,108 thousand in 2021 due to disposal of items of property, plant and equipment revalued earlier (2020: RUB 207,545 thousand).

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3.3.3 Additional paid-in capital (line 1350 of the balance sheet)

As of 31 December 2021, 2020 and 2019, the Company's additional paid capital was RUB 58,424,543 thousand, respectively, and consisted of share premium of the Company and subsidiaries and associates which the Company acquired as part of the 2008 restructuring process.

3.3.4 Reserve capital (line 1360 of the balance sheet)

As of 31 December 2021, 2020 and 2019, the Company's reserve capital was RUB 20,745,316 thousand, RUB 18,947,346 thousand and RUB 17,015,104 thousand, respectively.

According to the decision of the annual General Meeting of Shareholders of the Company (Minutes No. 20 dated 01 July 2021), the Company allocated 5% of its net profit for 2020 in the amount of RUB 1,797,970 thousand to the reserve capital.

3.4 Non-current liabilities (Section IV of the balance sheet)

3.4.1 Long-term borrowings (line 1410 of the balance sheet)

Balance sheet line 1410 "Borrowings" includes long-term loans payable:

Lender / creditor	Currency of borrowing	Maturity year	31 December 2021	31 December 2020	31 December 2019
Subsidiaries, including:			**9,548,488**	**9,548,488**	**-**
JSC Sulaksky HydroCascade	RUB	2024	9,548,488	9,548,488	-
Other counterparties, including:			**40,554,916**	**86,295,657**	**120,575,391**
PJSC Sberbank	RUB	2031	20,000,000	-	-
Eurobonds (RusHydro Capital Markets DAC) issued in November 2019	RUB	2024	15,000,000	15,000,000	15,000,000
Development Fund of the Far East and the Baikal Territory	RUB	2022-2026	2,592,592	3,333,333	4,074,073
Russian bonds issued in February 2013	RUB	2023	2,195,637	2,195,637	2,195,637
Eurobonds (RusHydro Capital Markets DAC) issued in September 2017	RUB		-	20,000,000	20,000,000
VTB Bank (PJSC)	RUB		-	20,000,000	20,000,000
Eurobonds (RusHydro Capital Markets DAC) issued in November 2018 (RUB)	RUB		-	15,000,000	15,000,000
VTB Bank (PJSC)	RUB		-	10,000,000	10,000,000
Eurobonds (RusHydro Capital Markets DAC) issued in February 2018	RUB		-	-	20,000,000
Eurobonds (RusHydro Capital Markets DAC) issued in November 2018	CNY		-	-	13,289,055
Other			766,687	766,687	1,016,626
Total line 1410 "Borrowings"			**50,103,404**	**95,844,145**	**120,575,391**

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As of 31 December 2021 terms of material received long-term borrowings were the following:

Lender / creditor	31 December 2021	Maturity date
VTB Bank (PJSC)	30,000,000	2035
PJSC Sberbank	20,000,000	2031
Bank «VBRR»	20,000,000	2029
Promsvyazbank	20,000,000	2027
MKB	20,000,000	2030
JSC AB Rossia	7,000,000	2023
Total	**117,000,000**	

Ageing analysis

Due for repayment	31 December 2021	31 December 2020	31 December 2019
From 1 to 2 years	23,703,065	35,740,741	34,279,735
From 2 to 3 years	25,289,228	13,703,065	35,740,741
From 3 to 4 years	740,741	25,289,228	13,703,065
From 4 to 5 years	370,370	20,740,741	15,740,740
Over five years	-	370,370	21,111,110
Total line 1410 "Borrowings"	**50,103,404**	**95,844,145**	**120,575,391**

Interest on borrowings included into the cost of investment assets

In 2021, the amount of interest on borrowings included into the cost of investment assets was RUB 1,071,320 thousand (2020: RUB 1,284,326 thousand), of which RUB 1,071,320 thousand was the interest accrued on borrowings where the agreement does not specify that the funds are provided for special investment purpose (2020: RUB 1,284,326 thousand).

Interest rate swap

In November 2018, the Group entered into a cross-currency interest-rate swap with PJSC VTB Bank to fix the Group's liability in CNH related to Euro bonds placed in November 2018 and maturing in November 2021 (Note 3.5.1 Short-term Borrowings). The bonded loan denominated in CNH (CNH 1.5bn) is fixed in Russian roubles at the market exchange rate as at the transaction date (RUB 14.43bn). The interim payments to PJSC VTB Bank are set in CNH at the fixed rate of 6.125% per annum on the nominal value on a biannual basis. The interim payments are set for the Company in Russian roubles at a floating rate calculated as the weighted average of the Bank of Russia's key rate for the calculating period plus a spread of 1.5% per annum on the nominal value set for the Company in Russian roubles on a biannual basis.

In November 2021, the cross-currency interest rate swap transaction with PJSC VTB Bank was completed.

Change in the cross-currency interest-rate swap in 2021:

Cross-currency interest-rate swap within other current assets as of 31.12.2020, BS line 1260 Other current assets	2,914,484
Cash flow (inflow/outflow), net	(2,621,845)
Change in fair value	(292,639)
Cross-currency interest-rate swap as part other current assets as of 31.12.2021 in BS line 1260 Other current assets	-

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3.4.2 Other non-current liabilities (line 1450 of the balance sheet)

Counterparty	31 December 2021	31 December 2020	31 December 2019
Long-term VAT on advances issued	**3,484,875**	**821,454**	**1,011,238**
Obligations to suppliers and contractors, including:	**4,882,687**	**20,639,221**	**1,787,668**
FGC UES PJSC	4,841,828	1,307,203	1,525,366
JSC Zaramagskiye HPP	-	19,194,093	-
Other	40,859	137,925	262,302
Interest rate swap	-	-	820,489
Other non-current liabilities	48,947	39,836	-
Total line 1450 "Other non-current liabilities"	**8,416,509**	**21,500,511**	**3,619,395**

3.5 Current liabilities (Section V of the balance sheet)

3.5.1 Short-term borrowings (line 1510 of the Balance sheet)

Lender / creditor	31 December 2021	31 December 2020	31 December 2019
Borrowings, including:	**60,158,349**	**42,594,168**	**22,152,039**
Borrowings received from subsidiaries, including:	**24,417,608**	**4,635,638**	**11,411,298**
JSC Zaramagskiye HPP	17,262,253	2,583,784	-
JSC Chukotenergo	4,270,897	-	-
RusHydro ESK JSC	1,292,332	464,157	-
SNRG LLC	1,196,336	-	-
JSC Sulakskiy Hydrocascade	3,558	267,277	9,943,274
AO Malaya Dmitrovka	-	950,741	976,741
JSC Zagorskaya PSHPP-2	-	-	115,685
Other	392,232	369,679	375,598
Borrowings received from other related parties	**24,417,608**	**4,635,638**	**11,411,298**
Borrowed funds received from other, including:	**35,740,741**	**37,958,530**	**10,740, 741**
Eurobonds (RusHydro Capital Markets DAC), issued in September 2017	20,000,000	-	**-**
Eurobonds (RusHydro Capital Markets DAC), issued in November 2018 (RUB)	15,000,000	-	**-**
Eurobonds (RusHydro Capital Markets DAC), issued in February 2018	-	20,000,000	**-**
Eurobonds (RusHydro Capital Markets DAC), issued in November 2018 (CNY)	-	16,967,850	**-**
Development Fund of the Far East and the Arctic	740,741	740, 741	740,741
Russian bonds issued in June 2020	**-**	249 939	-
Russian bonds issued in June 2017	**-**	-	10,000,000
Interest on borrowings, including:	**1,273,304**	**1,824,891**	**1,851,912**
Eurobonds (RusHydro Capital Markets DAC) issued in September 2017	422,945	422,945	422,945
Eurobonds (RusHydro Capital Markets DAC) issued in November 2018	577,228	577,228	577,228
PJSC Sberbank	155,507	-	-
Eurobonds (RusHydro Capital Markets DAC) issued in February 2018	-	557,534	557,534
Other	117,624	267,184	294,205
Total line 1510 "Borrowings"	**61,431,653**	**44,419,059**	**24,003,951**

3.5.2 Accounts payable (line 1520 of the balance sheet)

Total short-term accounts receivable were RUB 57,476,262 thousand, RUB 10 776 084 thousand and RUB 17,026,460 thousand as of 31 December 2021, 2020 and 2019, respectively.

The balance sheet line 1521 "Trade accounts payable" includes the following types of payables:

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Type of payables	31 December 2021	31 December 2020	31 December 2019
Payables to suppliers of equipment and other non-current assets	49,725,698	1,315,974	949,488
Payables to suppliers of repair and maintenance services	1,095,828	453,585	225,723
Payables to capital construction contractors	523,390	77,574	1,009,414
Payables for purchase of electricity and capacity	497,355	473,460	490,214
Other	2,029,824	1,482,042	713,040
Total line 1521 "Trade accounts payable"	**53,872,095**	**3,802,635**	**3,387,879**

As of December 31, 2021, debt to suppliers of equipment and other non-current assets included debt to Nizhne-Bureyskaya HPP JSC related to the acquisition of the property complex of Nizhne-Bureyskaya HPP in the amount of RUB 46,874,678 thousand.

On line 1524 " Taxes payable " of the Balance Sheet, there is a debt (current) for the following taxes as of 31.12.2021 property tax in the amount of RUB 1,248,983 thousand (as of 31.12.2020 – RUB 1,189,971 thousand, as of 31.12.2019 – RUB 1,044,999 thousand)

3.5.3 Estimated liabilities (line 1540 of the balance sheet)

As of 31 December 2021 the total estimated liabilities are RUB 3,171,443 thousand (31 December 2020: RUB 2,967,519 thousand, 31 December 2019: RUB 3,150,002 thousand). The estimated liabilities have a short-term nature.

Item	Period	Opening balance	Recognised	Settled	Written off as surplus	Closing balance
Estimated liabilities, including:	**2020**	**3,150,002**	**3,654,002**	**(3,309,214)**	**(527,271)**	**2,967,519**
	2021	**2,967,519**	**3,313,705**	**(2,769,087)**	**(340,694)**	**3,171,443**
for remuneration payments	2020	2,094,315	1,910,511	(1,854,374)	(239,446)	1,911,006
	2021	1,911,006	1,848,373	(1,786,490)	(124,516)	1,848,373
for litigation	2020	440,314	255,914	(372)	(67,780)	628,076
	2021	628,076	248,979	(33,697)	-	843,358
for forthcoming payment of earned but unused employee vacations	2020	370,873	1,203,159	(1,004,468)	(220,045)	349,519
	2021	349,519	1,161,121	(948,900)	(214,955)	346,785
on the upcoming payment of fines and penalties	2020	244,500	205,500	(450,000)	-	-
	2021	-	-	-	-	-
On the recultivation of ash dumps	2020	-	78,918	-	-	78,918
	2021	78,918	55,232	-	(1,223)	132,927

3.6 Off-balance-sheet valuables

3.6.1 Leased property, plant and equipment

As of 31 December 2021, the total rented property, plant and equipment are RUB 15,260,795 thousand (31 December 2020: RUB 19,725,429 thousand, 31 December 2019: RUB 19,607,431 thousand).

The Company rented and received items of property, plant and equipment under lease contracts from the following entities:

Lessor	31 December 2021	31 December 2020	31 December 2019
SNRG LLC	3,397,601	-	-
JSC ECS RusHydro (ex. JSC Zaramagskie HPP)	40,126	-	5,138,343
JSC Malaya Dmitrovka	-	3,406,686	3,394,876
LLC Verkhnebalkarskaya MGES	-	3,107,936	-
Other	11,823,068	13,210,807	11,074,212
Total rent and lease of property, plant and equipment	**15,260,795**	**19,725,429**	**19,607,431**

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3.6.2 Collateral for liabilities and payments received

Counterparty	31 December 2021	31 December 2020	31 December 2019
Subsidiaries, including:	**5,330,749**	**5,349,736**	**5,539,925**
JSC "Hydroinvest"	5,319,670	5,319,670	5,319,670
Others	11,079	30,066	220,255
Total liabilities and payments received from related parties	**5,330,749**	**5,349,736**	**5,539,925**
Other counterparties, including:	**36,940,299**	**25,070,587**	**21,912,962**
PJSC Silovye Mashiny	12,243,309	14,084,370	12,809,950
Russian Gas Turbines LLC	9,734,252	-	-
Voith Hydro GmbH & Co KG	5,973,837	7,495,654	5,731,577
JSC "Ural Turbine Plant"	3,522,015	-	-
JSC "ZIO"	1,136,172	-	-
LLC "Elektrotyazhmash-Drive"	612,924	376,044	52,416
JSC VNIIR Hydroelectroavtomatika	566,845	600,518	677,147
Other	2,950,945	2,514,002	2,641,872
Total collateral for liabilities and payments received	**42,271,048**	**30,420,323**	**27,452,887**

For a number of agreements for delivery of equipment and capital construction with Voith Hydro GmbH & Co KG, Russian Gas Turbines LLC, PJSC Silovye Mashiny, JSC "Ural Turbine Plant", and others the Company received bank and corporate guarantees for return, in full or in part, of the advances issued to these entities or due fulfilment of the contractual scope of work by these entities. Mostly bank guarantees were received from VEB.RF, UniCredit Bank Austria AG, Raiffeisen Bank International AG, PJSC Sberbank, VBRR bank JSC, corporate guarantees - from JSC Inter RAO - Electric Power Plants and LLC Severgroup.

3.6.3 Collateral for liabilities and payments issued

The Company issued the following collaterals and guarantees:

Creditor	Debtor	31 December 2021	31 December 2020	31 December 2019
Collateral for liabilities and payments issued to subsidiaries, including:		**59,351,421**	**45,622,133**	**41,672,564**
Bank GPB (JSC)	JSC Far East Generating Company	18,663,341	1,501,579	-
PJSC Sberbank	JSC Far East Generating Company	14,293,897	14,181,500	7,345,000
VTB Bank (PJSC)	JSC Far East Generating Company	12,316,891	15,844,044	19,765,018
PJSC Sberbank	JSC Sakhaenergo	4,220,793	-	-
ROSBANK PJSC	PJSC Far East Generating Company	2,900,000	3,900,000	2,533,441
PJSC Sberbank	PJSC Far East Energy Company	1,637,959	1,700,000	1 700 000
Bank GPB (JSC)	PJSC Yakutsenergo	809,536	-	-
PJSC Sberbank	PJSC Yakutsenergo	780,422	-	-
MIFNS No. 5 in the Khabarovsk Territory	JSC CCGT in the City of Sovetskaya Gavan	700,000	1,100,000	1,045,646
PJSC Credit Bank of Moscow	JSC Far East Generating Company	-	3,439,900	2,732,422
Bank GPB (JSC)	JSC Chuvashskaya Energy Sales Company	-	1,191,039	1,261,608
European Bank for Reconstruction and Development (EBRD)	CJSC International Energy Corporation	-	-	1 247 809
Asian Development Bank, ADB	CJSC International Energy Corporation	-	-	1 247 809
Others	Others	3,028,582	2,764,033	2,793,811

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Creditor	Debtor	31 December 2021	31 December 2020	31 December 2019
Collateral for liabilities and payments issued to other related parties, including:		**25,642,889**	**25,642,889**	**25,642,903**
GC Vnesheconombank	PJSC Boguchanskaya HPP	21,027,462	21,027,462	21,027,469
GC Vnesheconombank	CJSC Boguchansky Aluminium Smelter	4,615,427	4,615,427	4,615,434
Total collateral for liabilities and payments issued		**84,994,310**	**71,265,022**	**67,315,467**

In 2021, the Company issued guarantees mainly in relation of the fulfillment by DGK JSC of its obligations under loan agreements with Sberbank PJSC, VTB Bank PJSC and Gazprombank JSC, guarantees secure the loan amount and accrued interest. The deadlines are in 2026, 2027, 2031.

As at 31 December 2021, 2020 and 2019, guarantees issued by the Company for liabilities of PJSC Boguchanskaya HPP и CJSC Boguchansky Aluminium Plant under its loan agreement with VEB.RF are represented by the pledge of PJSC Boguchanskaya HPP's и CJSC Boguchansky Aluminium Plant interest-free promissory notes for the total of RUB 21,027,462 thousand and RUB 4,615,427 thousand, respectively (see Note 3.2.2 of the Explanatory Notes).

3.6.4 Non-deliverable forward contract for shares

In March 2017 the Company signed a contract with VTB Bank (PJSC) (hereinafter the “Bank”) under which the Bank is to acquire 55 billion ordinary shares of the Company and a non-deliverable equity forward for these shares for a 5-year period. Under the contract the Bank bought 40 000 000 000 shares of the Company from the current additional issue of the Company shares and 15 000 000 000 shares of the Company from subsidiaries at the price of RUB 1 per share for the total amount of RUB 55 billion.

Cash received from the Bank was used to provide long-term special purpose loans to JSC RAO ES Vostoka and its subsidiaries to refinance their current liabilities to banks.

In November 2019, an additional agreement was signed, according to which the forward rate was reduced by 0.5% per annum and it is possible to extend the contract period for three years – until March 2025.

According to the forward contract, the forward value is determined as the purchase consideration paid by the Bank plus the amount of prepayment that the Company pays to the Bank on a quarterly basis. The prepayment amount is calculated using a special formula that reduces the prepayment amount by the amount of dividends received by the Bank in the effective period of the forward contract.

The Bank is assumed to sell the Company’s shares at the time of final settlement under the forward contract. The difference between the proceeds that the Bank will receive from the sale of these shares and their forward value is subject to cash settlement between the Company and the Bank. Thus, if the forward value is higher than the purchase consideration paid for the shares sold, the Company will reimburse the difference, net of the prepaid amount, to the Bank and, vice versa, if the proceeds from the sale of shares are in excess of the forward value, the difference will be paid by the Bank to the Company. If, for any reason, the Bank does not sell the shares, they will continue to be held by the Bank. If this is the case, the amount of additional payment to be made when closing the forward transaction is calculated based on the quoted market price of the Company's shares.

Thus, the payments will be made upon expiry of the forward contract or earlier, if the Bank sells the shares held. The payment can be made both by the Company to the Bank or by the Bank to the Company, depending on the level of the market value of the Company’s shares at the time of sale / expiry of the transaction term and their forward value.

Management of the Company analysed terms of the contract with the Bank and concluded that the Bank acts a full-fledged shareholder as it receives the right to take part in the Company’s governance and the right to receive dividends while the Company does not have any obligations to buy the shares back from the Bank or any other binding arrangements. According to the management, decreasing a prepaid amount of forward value by the amounts of dividends received by the Bank does not directly represent a return of dividends, and, therefore, does not limit the Bank in terms of receiving benefits from the share ownership.

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As at 31 December 2021 the fair value of the liability under the non-deliverable equity forward calculates in accordance with IFRS was RUB 17,444,325 thousand (31 December 2020: RUB 15,025,038 thousand, 31 December 2019: RUB 28,509,933 thousand).

As at 31 December 2021 the Company's management believe that there will be no return of prepaid amounts to the Company upon expiry of the five year period at the time of the forward contract closure. Given the above and following the prudence, principle prepayments of RUB 1,460,156 thousand made under the non-deliverable forward contract in 2021 (2020: RUB 2,071,940 thousand) are recognised within other expenses (see paragraph 3.8 of the Explanatory Notes)

3.7 Income and expenses on operating activities (statement of financial results)

3.7.1 Revenue (line 2110 of the statement of financial results)

Revenue from sales of electricity and capacity has the largest percentage in the Company's revenue structure in 2021 (98,8%).

Item	Year ended 31 December 2021	Year ended 31 December 2020
Sale of electricity	90,141,351	84,268,364
Sale of capacity	97,726,968	92,332,809
Sale of heat	1,841,388	141,671
Other	396,593	513,668
Total line 2110 "Revenue"	**190,106,300**	**177,256,512**

The Company sells a major part of its produced electricity and capacity (99,8%) on the wholesale electricity and capacity market, where sales are made at non-regulated prices (except for sales at regulated tariffs in the RF Far East non-pricing zone and volumes produced for selling to households or equivalent consumer categories).

3.7.2 Cost of sales and Administrative expenses (line 2120 and line 2220 of the statement of financial results)

Item	Year ended 31 December 2021	Year ended 31 December 2020
Fees for administering the wholesale market of electricity and capacity (JSC SO UES, JSC ARS, JSC CFR), incl.:	41,783,643	40,872,836
Earmarked contributions to the budget of constituent entities of the Russian Federation	38,058,252	37,635,996
Depreciation and amortisation	19,271,592	17,634,977
Wages and social insurance contributions	7,488,245	7,502,841
Purchased electricity and capacity	9,298,843	7,637,718
Property tax	7,322,500	6,615,944
Station equipment operation and maintenance services	7,088,358	150,368
Repairs and maintenance	3,866,313	4,135,514
Third party services	2,278,276	2,136,011
Water usage expenses, water tax	2,894,210	2,621,114
Fire and other security services	1,763,753	1,869,778
Insurance expenses	1,464,786	1,376,113
Lease expenses	722,902	2,208,031
Other expenses	709,569	683,710
Total line 2120 "Cost of sales"	**105,952,990**	**95,444,955**

Electricity and capacity market administration expenses include RUB 38,058,252 thousand (2020: RUB – 37,635,996 thousand) of special-purpose contributions to the budgets of Russian constituent regions in the Far Eastern Territory in accordance with the Rules of targeted use of funds received from applying a mark-up on the cost of capacity sold in the price ranges of the wholesale power and capacity market in 2021.

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Expenses for services for the operation and maintenance of station equipment are mainly represented by the services of JSC Far Eastern Generating Company for the operation of Vladivostok CHP-2, which was acquired by the Company in 2020 (see paragraph 3.12.3 of the Explanatory Notes).

Structure Administrative expenses:

Item	2021	2020
Wages and social insurance contributions	3,302,335	3,239,145
Third party services	2,583,126	2,264,207
Lease expenses	629,153	637,313
Depreciation and amortisation	345,105	375,062
Insurance expenses	317,574	315,024
Other expenses	900,869	704,404
Total line 2220 "Administrative expenses"	**8,078,162**	**7,535,155**

Operating expenses broken down by cost elements are as follows:

Item	Year ended 31 December 2021	Year ended 31 December 2020
Material expenses	29,634,205	20,436,688
Depreciation and amortisation	19,616,697	18,010,039
Payroll expenses	8,563,349	8,556,895
Social contributions	2,227,231	2,185,091
Other costs	53,989,670	53,791,397
Total for elements of costs	**114,031,152**	**102,980,110**
Total expenses incurred on operating activities	**114,031,152**	**102,980,110**

3.8 Other income and expenses (line 2340 and line 2350 of the statement of financial results)

Item	Year ended 31 December 2021		Year ended 31 December 2020	
	Income	Expenses	Income	Expenses
Doubtful debt provision	1,721,282	(2,865,118)	1,612,819	(1,491,566)
Foreign exchange differences from remeasurement of assets and liabilities denominated in foreign currencies	2,578,591	(2,673,963)	4,532,546	(8,246,702)
Income and expenses from sales, write-off and other transactions with assets	1,015,130	(720,811)	715,089	(1,047,624)
Provision for impairment of investments	764,781	(6,213,373)	185,770	(17,245,030)
Income and expenses from granted and assigned sanctions	159,297	(80,872)	132,478	(435,413)
Expenses on operations with derivatives	-	(1,460,156)	-	(2,071,940,)
Expenses for fixing the maximum rate	-	-	-	(341,000)
Charity donations	-	(2,084,505)	-	(1,708,987)
Expenses for social events	-	(427,243)	-	(329,145)
Change in the fair value of a currency and interest rate swap	-	(292,639)	3,734,973	-
Other income and expenses	780,912	(1,362,237)	990,444	(1,120,476)
Total line 2340 "Other income" and 2350 "Other expenses"	**7,019,993**	**(18,180,917)**	**11,904,119**	**(34,037,883)**

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3.9 Taxes

Corporate income tax

Item	Year ended 31 December 2021	Year ended 31 December 2020
Profit before tax	**63,453,656**	**50,317,592**
Conditional income tax expense based on the applicable corporate income tax rate of 20%	**(12,690,731)**	**(10,063,518)**
Fixed tax expenses (PPR):	**(2,286,695)**	**(4,701,238)**
on expenses for the formation of a reserve for the depreciation of financial investments	(1,242,675)	(3,457,430)
on losses on operations with derivative financial instruments not traded in the organized financial market	(258,993)	(482,588)
in relation to the value of the liquidated financial investment	(16,035)	(38,171)
for charity expenses	(424,295)	(344,078)
other	(344,697)	(378,971)
Permanent Tax Income (PTI)	**2,395,832**	**181,414**
on income from the restoration of the provision for impairment of financial investments	201,937	83,704
on income from participation in other organizations (dividends)	51,824	97,710
on write-off of accounts receivable Energo-Finance	2,095,905	-
others	46,166	-
Total income tax expense, including	**(12,581,594)**	**(14,583,342)**
Current income tax	**(12,622,649)**	**(11,281,049)**
Deferred income tax, including	**41,055**	**(3,302,293)**
Change in deferred tax assets (DTA) due to	**117,279**	**(456,041)**
Occurrence of deductible temporary differences:	2,190,796	2,639,320
on expenses for the formation of a reserve for trade and other receivables	861,199	668,650
on targeted contributions to the budgets of the subjects of the Far Eastern Federal District	690,062	1,361,243
on expenses for the formation of a reserve for payment of remuneration	369,017	380,828
other	270,518	228,599
Repayment (writing off) of deductible temporary differences:	(2,073,517)	(3,095,361)
on expenses for the formation of a reserve for trade and other receivables	(742,192)	(919,383)
on targeted contributions to the budgets of the subjects of the Far Eastern Federal District	(690,062)	(1,361,243)
on expenses for the formation of a reserve for payment of remuneration	(381,543)	(417,490)
other	(259,720)	(397,245)
Change in deferred tax liabilities (DTL) due to	**(76,224)**	**(2,846,252)**
Occurrence of taxable temporary differences:	(3,101,846)	(5,128,510)
for depreciation and amortization premium	(2,396,055)	(3,728,152)
in respect of capital investments in construction in progress	(312,979)	(353,188)
on fair value adjustments for the currency and interest rate swap transaction	(56,622)	(723,573)
other	(336,190)	(323,597)
Repayment (writing off) of taxable temporary differences:	3,025,622	2,282,258
for depreciation and amortization premium	1,475,069	1,424,815
in respect of capital investments in construction in progress	512,452	297,660
on fair value adjustments for the currency and interest rate swap transaction	639,518	140,676
other	398,583	419,107

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Deferred tax assets and deferred tax liabilities were:

Item	31 December 2021	31 December 2020	31 December 2019
Deferred income tax assets	(4,915,507)	(4,798,228)	(5,254,269)
Deferred tax liabilities	51,014,211	50,937,987	48,091,468
Total line 1420 "Deferred tax liabilities"	**46,098,704**	**46,139,759**	**42,837,199**

Value Added Tax

Total VAT calculated with due account of recovered tax amounts was RUB 52,993,464 thousand in the reporting year (2020: RUB 49,465,738 thousand). Total VAT recoverable in the reporting period was RUB 39,393,902 thousand (2020: RUB 32,620,095 thousand).

The Company decreases the calculated VAT by the amount invoiced on purchase of goods (work, services) in Russia, according to tax legislation

Relations with tax authorities

The tax legislation of the Russian Federation that is in force or entered into force at the end of the reporting period allows for the possibility of different interpretations of certain facts of the Company's business life. As a result, management's tax position and documents supporting this position may be challenged by the tax authorities. Tax control in the Russian Federation is tightening, as a result of which the risk of inspections of influence on the taxable base of operations that do not have a clear financial and economic purpose or transactions with counterparties that do not comply with tax legislation increases.

Since 2020 the Company has entered tax monitoring (a new form of interaction with tax authorities, which, as a general rule, does not imply conducting desk and field audits). However, an on-site tax audit of the Company can be carried out in relation to open period 2019. As part of tax monitoring, the Company may request a reasoned opinion of the tax authority on certain controversial tax issues. A reasoned opinion is binding on both the tax authorities and the Company.

As of 31 December 2021, the Company's management believe that their interpretation of the relevant legislation was appropriate, tax liabilities are recorded in full and the Company's tax and currency positions will be sustained.

3.10 Dividends

The Company's annual general meeting of shareholders (Minutes No.20 of 1 July 2021) made the decision to pay dividends on the Company's ordinary shares for 2020 in the amount of RUB 0.0530482 per 1 share for the total of RUB 23,303,486 thousand.

The Company's annual general meeting of shareholders (Minutes No.19 of 2 October 2020) made the decision to pay dividends on the Company's ordinary shares for 2019 in the amount of RUB 0.03568039 per 1 share for the total of RUB 15,673,999 thousand.

3.11 Earnings per share

Basic earnings per share reflect a portion of reporting period's profit that may be potentially distributed between the shareholders – owners of ordinary shares. It is calculated by dividing basic profit of the reporting year by the weighted average number of ordinary shares outstanding during the year. Basic profit is equal to net profit of the reporting year (Line 2400 of the statement of financial results).

Item	2021	2020
Basic profit for the reporting year (RUB thousand)	50,856,772	35,963,307
Weighted average number of ordinary shares, outstanding during the reporting year (shares)	439,288,905,849	436,288,905,849
Basic earnings per share (RUB)	**0.1158**	**0.0824**

In 2021 and 2020, the Company had no debt securities potentially convertible to shares.

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3.12 Related Parties

The Company's related parties are its subsidiaries and affiliates, including organizations over which the Company indirectly controls or has a significant influence, as well as key management personnel and non-state pension funds acting in the interests of the Company's employees.
The list of the Company's related parties is given on the web-site – www.rushydro.ru/investors/disclosure/affiliated.

3.12.1 Controlling entity

As of 31 December 2021, the ownership share of the Russian Federation in the Company's share capital amounted to 61,73% inclusive of the additional placement of the Company's shares (see Note 3.3.1 of the Explanatory Notes).

3.12.2 Sales to related parties

Total revenue from sales to related parties was:

Name of the buyer	2021	2020
Revenue from sales to subsidiaries, including:	**13,904,495**	**12,206,797**
PJSC Far East Energy Company	9,753,493	7,591,409
PJSC Krasnoyarskenergosbyt	1,680,689	1,644,038
JSC Chuvashskaya Energy Sales Company	833,159	965,419
PJSC Ryazanskaya Energy Sales Company	809,484	760,090
JSC ESK RusHydro	504,149	967,951
Other subsidiaries	323,521	277,890
Revenue from sales to related other parties, including:	**494,642**	**591,031**
CJSC Boguchanskiy Alluminievy zavod	274,137	331,345
PJSC Boguchanskaya HPP	220,505	259,686
Total sales to related parties	**14,399,137**	**12,797,828**

Sales to related parties include, among others, sales of electricity and capacity in the regulated sector of WEM at tariffs determined by the Federal Tariff Service and in the competitive sector at commercial prices established in accordance with the Wholesale Market Rules and Regulation of the Russian Government No. 109 of 26 February 2004, On Pricing of Electric and Heating Energy in the Russian Federation, and Regulation on the Company's sales policy for operating generation assets in the price zones of the wholesale electricity (capacity) market (minutes of the meeting of the Management Board No. 528 of 17 September 2010).

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3.12.3 Purchases from related parties

The cost of services provided by related parties was:

Name of the supplier	2021	2020
Construction-and-assembling operations, survey and design works, research and development (C&AP, S&DW, R&D), equipment, including:		
Subsidiaries		
JSC Hydroremont-VKK	2,288,705	1,240,672
Ust-SrednekanGESstroy JSC	1,347,314	-
JSC UK GidroOGK	548,666	-
JSC Lenhydroproject	306,136	474,542
JSC Chirkeigesstroy	270,523	1,481
Other	1,037,640	984,425
Total construction-and-assembling operations, survey and design works, research and development:	**5,798,984**	**2,701,120**
Services rendered by related parties, including:		
Subsidiaries		
JSC Far East Generating Company	6,752,232	-
JSC Hydroremont-VKK	3,453,812	3,359,501
JSC Transport company Rushydro	1,651,282	1,610,228
LLC RusHydro IT Servis	829,121	505,722
JSC Malaya Dmitrovka	433,658	519,630
JSC RusHydro General Service Center	408 804	315 318
JSC RGS	349,814	-
JSC EZS RusHydro	**-**	1,676,479
Other	1,640,855	1,125,490
Services rendered by related parties, total	**15,519,578**	**9,112,368**
Purchased electricity	**935**	**1,037**
Total purchases from related parties	**21,319,497**	**11,814,525**

3.12.4 Settlements with non-state pension fund

Non-state pension funds for the implementation of the program of non-state pension provision for the Company's employees are JSC NPF Otkritie and JSC NPF VTB Pension Fund. The pension plan for the Company's employees is a defined benefit pension plan.

The expenses of the Company's contributions to non-state pension funds are recorded as expenses for ordinary activities. The total amount of contributions to the pension fund was RUB 78,984 thousand and RUB 67,161 thousand for 2021 and 2020, respectively.

3.12.5 Settlements with related parties

As of 31 December 2021, 2020 and 2019, accounts receivable from related parties to the Company less doubtful debt provision were (see paragraph 3.2.2 of the Explanatory Notes):

Type of accounts receivable	31 December 2021	31 December 2020	31 December 2019
Short-term interest-free loans issued	45,484,390	350,979	24,904,157
Long-term interest-free promissory notes received	25,689,260	25,689,260	25,689,260
Accounts receivable from subsidiaries as part of additional issues before title for the shares issued is transferred to the Company	-	356,365	5,597
Long-term interest-free loans issued	32,231,624	80,767,146	63,420,813
Accounts receivable related to other sales	1,244,901	1,340,558	1,260,411
Accounts receivable of interest accrued on loans issued and promissory notes received	3,430,551	3,342,153	10,051,959
Advances	2,909,758	2,044,422	2,290,263

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Type of accounts receivable	31 December 2021	31 December 2020	31 December 2019
Other settlements with related parties	73,436	72,185	104,242
Total accounts receivable from related parties	**111,063,920**	**113,963,068**	**127,726,702**

Doubtful debt provision for related parties' accounts receivables as of 31 December 2021 was RUB 4,698,939 thousand (31 December 2020: RUB 4,319,235 thousand, 31 December 2019: RUB 5,099,459 thousand).

As of 31 December 2021, 2020 and 2019, the Company's accounts payable to the related parties were:

Related parties	31 December 2021	31 December 2020	31 December 2019
Subsidiaries, including:	51,175,653	20,722,461	709,701
JSC Nizhne-Bureiskaya HPP	46,874,678	-	-
JSC Zaramagskiye HPP	-	19,615,560	-
other	4,300,975	1,106,901	709,701
Other related parties	942	**1,880**	874
Total accounts payable to related parties	**51,176,595**	**20,724,341**	**710,575**

The Company's debt for the loans received from related parties as of 31 December 2021, 31 December 2020 and 31 December 2019 is reflected in paragraphs 3.4.1 and 3.5.1 of the Explanatory Notes.

3.12.6 Related parties' debt within investments

As of 31 December 2021, 2020 and 2019, The Company's investments include the following amounts due from related parties (see paragraphs 3.1.2 and 3.2.3 of the Explanatory Notes):

As of December 31, 2021, the total amount of the Company's equity and debt financial investments in subsidiaries and other related parties amounted to RUB 380,895,947 thousand (2020 - RUB 377,740,274 thousand, 2019 - RUB 383,693,020 thousand). The provision for impairment of these financial investments as of December 31, 2021 amounted to RUB 60,457,594 thousand (2020 - RUB 55,231,648 thousand, 2019 - RUB 37,958,359 thousand).

Interest income on loans issued to related parties and promissory notes received from related parties:

Entity	2021	2020
Subsidiaries, including:	**1,133,831**	**1,798,912**
JSC Kamchatskenrgo	298,448	310,081
JSC Sakhaenergo	264,919	273,960
JSC RAO Energy Systems of the East	169,236	120,330
JSC Hydroinvest	117,881	129,072
JSC Teploenergoservis	72,120	74,154
PJSC Yakutskenergo	47,658	64,919
JSC Far East Generating Company	-	677,401
Other	163,569	148,995
Other related parties	**46,719**	**65,596**
Total interest income	**1,180,550**	**1,864,508**

3.12.7 Income from investments in other companies (related parties)

Income from investments in other companies includes income from investments in subsidiaries in the amount of RUB 259,121 thousand for 2021 (2020: RUB 488,550 thousand).

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3.12.8 Remuneration to key management personnel

The Company's key management personnel includes members of the Board of directors and Management Board and also includes heads of the Company's business divisions and their deputies.

The remuneration to the members of the Board of directors is calculated according to the *Regulations on the payment of remuneration to PJSC RusHydro's directors* approved by the Annual General Meeting of Shareholders held on 30 June 2021 (Minutes No. 20 on 01 July 2021).

Remuneration is paid to members of the Management Board and other management personnel of the Company for their services in management positions and is made up of a contractual salary and performance bonuses depending on the results for the period calculated based on key performance indicators approved by the Company's Board of directors.

The list of members of the Company's Board of directors and Management Board is included in paragraph 1.1 of the Explanatory Notes.

In 2021 and 2020, the Company remuneration to key management personnel within the limits set out in their employment agreements for the total amount of RUB 1,189,636 thousand and RUB 1,162,087 thousand, respectively. The insurance contributions amounted to RUB 198,074 thousand for 2021 (2020: RUB 199,087 thousand). In addition, in 2021, an appraisal obligation was established for premiums to key management personnel in the amount of RUB 379,919 thousand (2020: RUB 396,767 thousand). In calculation of the estimated liability for remuneration payments includes the expected remuneration for 2021 as part of the Long-Term Motivation Program of the Company's key management.

3.12.9 Cash flows between the Company and subsidiaries/associates

Item	Line code	2021	2020
Cash flows from operating activities			
Receipts, including:	4110	13,109,220	11,128,560
sales of products, goods, work and services	4111	13,077,797	11,098,540
lease payments, license payments, royalties, commission and other payments	4112	26,759	29,303
other receipts	4119	4,664	717
Payments, including:	4120	(15,305,109)	(9,454,340)
suppliers (contractors) – raw materials, work and services	4121	(14,996,635)	(9,214,398)
other payments	4129	(308,474)	(239,942)
Net cash flows from operating activities	**4100**	**(2,195,889)**	**1,674,220**
Cash flows from investing activities			
Receipts, including:	4210	11,639,255	52,884,966
sale of non-current assets (except for investments)	4211	238	802
sale of shares of other organisations (ownership interest)	4212	-	70
repayment of loans issued, sale of debt securities (rights of claiming cash to third parties)	4213	10,339,193	43,886,826
dividends, interest on debt investments and similar proceeds from equity participation in other organisations	4214	1,294,151	8,997,268
other receipts	4219	5,673	-
Payments, including:	4220	(46,110,960)	(80,088,734)
acquisition, creation, modernisation, reconstruction and preparation for use of non-current assets	4221	(18,336,885)	(9,774,876)
purchase of shares (interest) in other entities	4222	(8,292,779)	(51,231,448)
acquisition of debt securities (rights of claiming cash from third parties), issue of loans to third parties	4223	(19,481,296)	(19,082,410)

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Item	Line code	2021	2020
Net cash flows from investing activities	**4200**	**(34,471,705)**	**(27,203,768)**
Cash flows from financing activities			
Receipts, including:	4310	20,304,895	3,145,241
loan receipts	4311	20,304,895	3,145,241
Payments, including:	4320	(479,617)	(372,413)
redemption (buyback) of promissory notes and other debt securities, loan repayment	4323	(479,617)	(372,413)
Net cash flows from financing activities	**4300**	**19,825,278**	**2,772,828**
Net cash flows for the reporting period	**4400**	**(16,842,316)**	**(22,756,720)**

3.13 Segment Information

The Company does not identify any reporting segments in its operations, as the Company's core business activity is production of electricity and capacity – their share in the revenue from sales is 98,8%. The individuals credentialed to make the decisions concerning allocation of the resources within the Company and assess the results of its performance analyse the Company's activity as a whole segment.

3.14 Contingent liabilities

As of 31 December 2021, the Company had outstanding issued guarantees to the third parties' creditors and pledged assets for the total amount of RUB 84,994,310 thousand (31 December 2020: RUB 71,265,022 thousand, 31 December 2019: RUB 67,315,467 thousand) (see paragraph 3.6.3 of the Explanatory Notes). According to the Company's management expectations, no material liabilities will arise in connection with these guarantees.

The tax legislation of the Russian Federation, in force or entered into force at the end of the reporting period, allows for the possibility of different interpretations in relation to the transactions and operations of the Company, while tax control over individual transactions and operations is gradually increasing. In this regard, the position of the management of the Company in relation to taxes and documents justifying this position may be challenged by the tax authorities, in particular, regarding the accounting procedure for taxation purposes of certain income and expenses of the Company, the legality of deducting VAT presented by suppliers (contractors) and qualification of the property as movable property. The impact of such a development of events cannot be assessed with a sufficient degree of reliability, however, it can be significant from the point of view of the financial position and (or) economic activities of the Company.

From 2020, the Company entered into tax monitoring (a new form of interaction with tax authorities, which, as a general rule, does not imply conducting desk and field audits). However, an on-site tax audit of the Company can be carried out in relation to an open period of 2019. As part of tax monitoring, the Company may request a reasoned opinion of the tax authority on certain controversial tax issues. A reasoned opinion is binding on both the tax authorities and the Company.

Russian transfer pricing legislation generally complies with international transfer pricing principles developed by the Organization for Economic Cooperation and Development (OECD), with certain specific features. The transfer pricing legislation provides for the possibility of additional tax liabilities for controlled transactions (transactions with related parties and certain types of transactions with non-related parties) if the transaction price does not correspond to the market price.

In this regard, the management of the Company has implemented internal control procedures to comply with the requirements of the transfer pricing legislation. In case of receiving a request from the tax authorities, the Company's management will provide documentation that meets the requirements of Article 105.15 of the Tax Code of the Russian Federation in relation to the periods open for checking the completeness of the calculation and payment of taxes in accordance with Chapter 14.5 of the Tax Code of the Russian Federation.

Tax liabilities arising from controlled transactions are determined based on the actual prices of such transactions. It is possible that as the practice of applying transfer pricing rules develops further, these

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prices may be challenged. The impact of such a development of events cannot be assessed with a sufficient degree of reliability, however, it can be significant from the point of view of the financial position and (or) the results of the economic activity of the Company.

From January 1, 2015, amendments to changes in Russian tax legislation came into force aimed at countering tax evasion. In particular, the tax legislation introduced rules on controlled foreign companies, the concept of beneficial owner of income in order to apply preferential provisions of international treaties of the Russian Federation on taxation issues, as well as the rules for determining the tax residence of foreign legal entities at the place of their actual management (in case of recognition as foreign of a Russian tax resident company, all income of such a company will be taxed in the Russian Federation).

The management of the Company takes the necessary measures to comply with the indicated changes in Russian tax legislation. Nevertheless, due to the fact that a stable practice of their application has not yet been formed in relation to the new rules, it is possible to reliably assess the likelihood of claims from the Russian tax authorities in relation to the Company's compliance with these amendments, as well as the likelihood of a favorable resolution of tax disputes (if occurrence) is currently not possible. In the event of tax disputes, it is possible to influence the financial position and (or) the results of the economic activity of the Company.

In the opinion of the management of the Company, as of December 31, 2021, the relevant provisions of the tax legislation were interpreted correctly by it, and the state of the Company from the point of view of tax legislation is stable.

3.15 Financial risk management

The primary objectives of the financial risk management function are to provide reasonable assurance of achieving the Company's goals by developing a methodology of risk identification, analysis and assessment, as well as to establish risk limits, and then ensure that exposure to risks stays within these limits and if the limits are exceeded – to treat this risk accordingly.

Market risks

Market risks include currency risk, interest rate and price risks.

Currency risk. The Company sells its produced electricity and capacity in the Russian domestic market at prices denominated in national currency, settlements with resources suppliers, charge and acceptance of payments from the customers are made specifically in Russian roubles. Liabilities of the Company are denominated in national currency. In November 2018, the Company placed Eurobonds in Chinese yuan offshore for a period of three years, while the management of currency risk was eliminated by concluding a hedging transaction (currency swap interest), details of the transaction are described in paragraph 3.4.1 of the Notes.

Changes in exchange rates have no significant influence on the Company's financial position.

Interest rate risk. The Company’s operating profits and cash flows from operating activity are substantially independent of the changes in market interest rates.

The effect of changes in the average market interest rates on the value of the Company's investments is insignificant as the rates of return on the Company's investments are fixed.

Debt portfolio of the Company (taking into account liabilities in relation to the interest rate swap transaction with PJSC Bank VTB) as at 31 December of 2021, 31 December of 2020 and 31 December of 2019 mainly consists of debt with fixed interest rate. The influence of changes in these rates on the Company's profit is insignificant.

Price risk. The Company sales power and capacity, mainly, in the wholesale market. The price risk at the wholesale market is connected with possible volatility of the prices, and also with reduction of prices of the corresponding goods.

Electricity at the wholesale market is realized by Company mainly at the market for the days ahead. Weighted average price of sale of electricity for the days ahead for the Company in 2021 didn't change

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significantly in comparison with an indicator of 2020. The price for electricity on the day-ahead market is formed mainly by price bids for thermal generation based on their fuel component.

As the key instrument for trading capacity in the wholesale market is the contracts for purchase and sale of capacity by results of competitive selection of capacity. The price of capacity, based on which liabilities under such contracts are calculated, after the transition in 2015 to long-term model of competitive selection of capacity, is determined by results of competitive selections of capacity for six years ahead and are subject to additional annual indexation at the CPI level minus 0.1%.

In general, the risks associated with a possible reduction in the price of sales of electricity and power in the wholesale market are assessed as insignificant.

Credit risk

Credit risk is the possibility of the Company's losses resulting from the counterparty's inability to meet its obligations under the contract. Exposure to credit risk arises as a result of the Company's sales of products on credit terms and other transactions with counterparties giving rise to financial assets.

Although collectability of receivables can be influenced by economic factors, management believe that there is no significant risk of loss to the Company beyond the provision for impairment of receivables already recorded. The Company regularly monitors existing receivables and undertakes actions to collect them and minimize losses.

The Company approves deposit banks as well as rules for making cash deposits (details of placements are given in clause 3.2.4 of the Explanations). The Company performs regular review of financial institutions, monitors their ratings assigned by independent agencies as well as other performance indicators of these financial institutions.

3.16 Subsequent events

There are no significant events which have affected or could affect the Company's financial position, cash flows or its performance in the period between the reporting date and the date of signing the financial statements for 2021.

Chairman of Management Board – General Director

Chief accountant

17 February 2022

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